Policy Options for Vulnerable Groups: Income Growth and Social Protection

A Policy Discussion Paper

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Policy Options for Vulnerable Groups: Income Growth and Social Protection

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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>NSDP</td>
<td>National Strategic Development Plan</td>
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<td>ADB</td>
<td>Asian Development Bank</td>
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<td>ADI</td>
<td>Analysing Development Issue</td>
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<td>CARD</td>
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<td>CCC</td>
<td>Cooperation Committee for Cambodia</td>
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<td>CDRI</td>
<td>Cambodia Development Resource Institute</td>
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<td>CICP</td>
<td>Cambodia Institute for Cooperation and Peace</td>
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<td>CMA</td>
<td>Cambodia Microfinance Association</td>
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<tr>
<td>CSES</td>
<td>Cambodia Socio-Economics Survey</td>
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<tr>
<td>DFID</td>
<td>Department for International Development</td>
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<td>EMIS</td>
<td>Education Management Information System</td>
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<td>FAO</td>
<td>Food and Agriculture Organization</td>
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<td>GHI</td>
<td>Global Hunger Index</td>
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<td>IDA</td>
<td>International Development Association</td>
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<td>ID-Poor</td>
<td>Identification of Poor Households Technology</td>
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<td>IFPRI</td>
<td>International Food Policy Research Institute</td>
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<td>ILO</td>
<td>International Labour Organization</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<td>IPEC</td>
<td>International Programme on the Elimination of Child Labour</td>
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<td>JICA</td>
<td>Japan International Cooperation Agency</td>
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<td>MAG</td>
<td>Mine Action Group</td>
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<td>Microfinance Institutions</td>
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<td>Ministry of Women's Affairs</td>
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<td>MPI</td>
<td>Multidimensional Poverty Index</td>
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<td>National AIDS Authority</td>
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<td>NCDM</td>
<td>National Committee for Disaster Management</td>
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<td>National Strategic Development Plan</td>
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<td>National Social Protection Strategy</td>
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<td>National Social Safety Fund</td>
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<td>RGC</td>
<td>Royal Government of Cambodia</td>
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<td>SNEC</td>
<td>Supreme National Economic Council</td>
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<td>United Nations in Cambodia</td>
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<td>UNIAP</td>
<td>United Nations Inter-Agency Project on Human Trafficking</td>
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<td>UNICEF</td>
<td>United Nations Children's Emergency Fund</td>
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<td>United States Agency for International Development</td>
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<td>United States Department of Agriculture</td>
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<td>WB</td>
<td>World Bank</td>
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Executive Summary

This article provides an overview of the interaction between growth, poverty, vulnerability and social protection, building on existing literature and recent data and statistics. Specifically, this study: (1) identifies vulnerable groups and causes of vulnerability, (2) reviews the existing social protection policy and activities being undertaken by government and its partners, (3) discusses the effectiveness of the existing social protection programme, and (4) sets out policy options for vulnerable groups in terms of income growth and social protection.

The extensive damage done to Cambodia’s physical, social and human capital during two decades of war is an important cause of poverty that has lead to vulnerability among Cambodian people, especially the rural poor. Other contributing factors include social exclusion, lack of access to public services and limited employment opportunities. In addition, insufficient agriculture sector growth and the narrow based rural economy make the majority of rural people highly susceptible to risk and shock that could push them into extreme poverty. For example, recent contraction in Cambodia’s main growth sectors – garments, tourism and services— due to the global economic crisis resulted in job losses and dwindled remittances. The downturn directly affected workers and their families and exacerbated their vulnerability to income and consumption shocks.

Cambodia’s vulnerable people are those who live below the poverty line and are less capable of coping with shocks. Specifically, they include (1) the urban poor, (2) people living with HIV/AIDS, (3) children and youth, (4) old people, (5) people with disability, (6) ethnic minority groups, and (7) women headed households and girls of reproductive age. These vulnerable groups experience different levels of idiosyncratic or covariant shocks, or even a combination of both. Children and youth form the biggest proportion of the vulnerable population and are also the most vulnerable especially since they comprise the largest share of the total population, have poor nutritional status, engage in some of the worst forms of labour, are poorly educated and unskilled, and lack opportunities to get decent jobs. People with disability and the urban poor rank second and third in terms of vulnerability and their ability to manage risk, followed by the elderly, ethnic minorities, and female headed households.

Social protection has emerged as a broad set of instruments designed to help individuals, households and communities to better manage risk, shocks and extreme poverty. The government is mandated by the Constitution and several laws to provide a range of social safety nets to the people. Also, social protection related objectives are prioritised in the comprehensive National Strategic Development Plan (NSDP). Under NSDP, a number of policies and action plans have been correspondingly adopted by related ministries and institutions. The diversity of social protection programmes for the poor aims to address issues of vulnerability and human capital development. The major social protection programmes identified under the NSDP are social security services, National Social Safety Net Fund, vocational training, Scholarship for the Poor, School Feeding Programme and Take Home Rations, Health Equity Fund, Community-Based Health Insurance, Nutrition Programme, Emergency Relief, Public Work Programme, Social Land Concession, Rural Drinking Water Supply and Sanitation and Micro or Area Based Schemes.

Although government expenditure on social protection is increasing, it is still low compared to other countries in the region. At the same time, disbursements for the safety net project by the government’s development partners reached USD51million in 2010. Of the total 1,500 NGOs, almost half are running current programmes that are related to social protection. Despite these massive efforts and pro-poor targeting, social protection still does not reach a large proportion
of the population in need of support. The effectiveness and sustainability of social protection programmes have been undermined by limited resources, lack of clear coherent strategy and targeting procedure, or the prioritisation of programmes being based on development partners’ interests.

The limitations of the social protection programme could be a barrier to social cohesion, human capital development, livelihood improvement and broad based equitable growth. To ensure effective social protection, the following areas should be focused on: (1) addressing poverty and vulnerability in rural areas by diversifying the rural economy, in which case, boosting agriculture sector growth should be prioritised; (2) prioritising the current limited social protection that targets those whose needs are most immediate or the most vulnerable groups, such as young people or the elderly; (3) ensuring better coordination among institutions, for example, through the comprehensive use of a generic targeting procedure such as ID-Poor or other approaches such as the Multidimensional poverty index to target beneficiaries; (4) conducting more research to provide updated information and monitor changes and impacts of social protection in the future that could provide critical inputs for effective social protection delivery to reduce risk and vulnerability.
1. Introduction

Over two decades of war and conflict have left Cambodia as one of the world’s poorest countries, with extensive damage to its physical, social and human capital. Despite strong economic growth performance, particularly in the garments, tourism and services sectors over the past decade, poverty continues to be widespread, especially in rural areas. In addition, a large proportion of the population is considered to be vulnerable to shocks that could push them into extreme poverty. Risk and vulnerability have been exacerbated by spill-over effects of the global financial crisis that hit Cambodia’s main growth sectors. Contraction in these sectors has resulted in the loss of thousands of jobs, dwindling savings and declining remittances, and directly impacts on workers and ultimately their families in rural areas. Furthermore, Cambodia’s narrow-based and less than vibrant rural economy leaves a large proportion of rural people with few livelihood options and means to survive income and consumption shocks. Social protection has emerged as a broad set of instruments designed to help individuals, households and communities to better manage risk, shocks, food insecurity and extreme poverty, and to achieve CMDGs by 2015. The social protections have evolved overtime. Active efforts in delivering social protection are being made by both government and development partners.

This article aims to provide an overview of the interaction between growth, poverty, vulnerability and social protection, building on existing literature and recent data and statistics. Specifically, this study: (1) identifies vulnerable groups and causes of vulnerability, (2) reviews the existing social protection activities being undertaken by government and its partners, (3) discusses the effectiveness of the existing social protection programme, and (4) sets out policy options for vulnerable groups in terms of income growth and social protection as well as the knowledge gap.

2. Links between Growth, Poverty and Vulnerability

Poverty in Cambodia is characterised by low income and consumption, poor nutritional status, low education attainment, lack of access to public services and economic opportunities, vulnerability to shocks, and exclusion from economic, social and political processes. Average GDP growth rate of 9.5 percent per annum for the period of 1999-2008 (Figure 1) has profoundly transformed the country, enabling society to progress with key national development strategies in poverty reduction, livelihood improvement, higher education level and better health status. However, economic growth is largely urban based and the benefits have been unevenly distributed, driving inequality increasingly higher (World Bank 2007).1

High inequality constrains sustained economic growth and acts as a brake on poverty reduction efforts, or may even be detrimental to growth itself and lead to social polarisation and instability (World Bank 2006). Eighty percent of Cambodia’s total population of 13.4 million are dependent on the rural economy where growth is particularly low and insufficient (Figure 2).2 This pattern of growth has so far brought little in the way of significant benefits to the majority of people, especially in rural areas. This also means that the rural poor remain highly exposed to different vulnerabilities and risks from various sources. Many poverty studies suggest that exposure to risk

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1 GDP per capita: USD285 in 1997 to USD593 in 2007 (data from IMF). According to the poverty trend assessment by the World Bank in 2009, the Gini coefficient (a measure of income inequality) for the whole country rose sharply from 0.396 in 2004 to 0.431 in 2007.
2 Foreign direct investment (FDI) has been concentrated in the industry and services sectors while the agriculture sector is still suffering from under-investment and under-development. MoEF data show that agriculture’s share of GDP has declined since 1994 (Figure 2). Cambodian rice productivity of 2.8 tonnes per ha in 2009 was the lowest in the region (MAFF 2010).
and shocks is one of the main determinants that make households more vulnerable and keep them trapped or even deeper entrenched in poverty (Fitzgerald et al. 2007; Ballard et al. 2007; So 2009; Kem et al. 2010).

3. Who are the Vulnerable? Why are they so Vulnerable?

The forthcoming National Social Protection Strategy (NSPS), defines vulnerable people as (1) those living below the national poverty line, (2) those who cannot cope with shocks and or have a high level of exposure to shocks (people living under or near the poverty line tend to be the most vulnerable), and (3) infants and children, women and girls of reproductive age, food-insecure households, ethnic minorities, the elderly, the chronically ill, people living with HIV/AIDS and people with disabilities.

Using this definition, the vulnerable groups and the factors and underlying causes that make them vulnerable were identified.

3.1 More than one quarter of the population are living below the poverty line

An estimated 27.4 percent of Cambodian households were still living under the poverty line by the end of 2009 (Moving Out of Poverty Study/MOPS 2009). Using the multidimensional poverty index (MPI)3, however, the poverty rate in Cambodia stood as high as 54 percent, representing around 7.7 million people (Alkire et al. 2010). The 2007 Cambodia Socio-Economic Survey (CSES) poverty headcount index notes that the poverty rate was 0.83 in Phnom Penh and 21.85 in other urban areas, suggesting that 7.8 percent of the poor in Cambodia are living in urban areas (World Bank (WB) 2009). In the rural areas, poor households are mainly scattered in remote provinces such as Ratanakiri, Mondulkiri, Kratie, Steung Treng, Preah Vihear and some provinces around the Tonle Sap Plain (Kampong Thom, Siem Reap, Pursat) (Figure 3). An FAO study in 2007 consistently identified most of these provinces as food insecure areas4 (Figure 4), with 2.6 million people likely

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3 The MPI is an index of acute multidimensional poverty; it reflects deprivations in very rudimentary services and core human functioning. This index reveals a different pattern of poverty than income poverty as it highlights a different set of deprivations. The MPI has three dimensions—health, education, and standard of living—and uses ten indicators to measure poverty. A household is identified as multidimensionally only if it is deprived in a combination of indicators where the weighted sum exceeds 30 percent of deprivation.

4 Food insecurity exists when people are undernourished due to the physical unavailability of food, lack of social or economic access to adequate food, and or inadequate food utilisation (WFP 2005).
facing food deprivation (World Food Programme (WFP) 2007). Within this proportion, the 2005 Cambodia Demographic and Health Survey (CDHS) found that 43 percent of children aged 0 to 5 were chronically malnourished (stunted), 28 percent were underweight, and 8 percent were acutely malnourished. This has placed Cambodia at a 2009 Global Hunger Index (GHI)\(^5\) of 21.2, an alarming rate despite the country’s record rice sufficiency.

The poor are extremely vulnerable to both idiosyncratic and covariant shocks.\(^6\) Idiosyncratic shocks they generally face include non-epidemic illness, accident, death of family member, loss of livestock, indebtedness, theft, violence, household level crop damage or business failure, income shock in the form of unemployment or falling income. When struck by covariant shocks, such as natural disasters (e.g. flood, drought), widespread (endemic or epidemic) disease, social conflict (land conflict, reduction of natural resources stock), and economic crisis, the poor seem to be the hardest hit of all groups in society. The common and recent factors that cause vulnerability among the poor are discussed below.

Health problems are usually the primary idiosyncratic shocks that affect the poor. To some extent, such shocks cause more economic damage than crop failure. The poor cope with illness with few limited choices. Their coping strategies include borrowing money and selling household assets. This coping mechanism could force household to deeper poverty status and to fall into indebtedness (Kenjiro 2005; Fitzgerald \textit{et al.} 2007; Ballard, B \textit{et al.} 2007; Theng \textit{et al.} 2010). The 2008 annual health statistics show a general increase in health service provision and improvement of health status even as Cambodia’s key health indicators are weaker than its neighbouring countries. The very low public services sector wages, the correspondingly weak quality of public services, limited public finance for health services and financial barriers prevent a large section of the population, especially the poor, from accessing essential and quality health services (WHO/MoH 2007).

Spill-over effects of the global economic crisis and increased food prices impact on the poor the hardest. Contraction in Cambodia’s three growth sectors – garments, tourism and construction

\(^5\) In 2009, the GHI of neighbouring country of Cambodia such as Vietnam was 11.9; Lao was 19.0, Thailand 8.2. In comparison all of them stand at better rate

\(^6\) Idiosyncratic shocks are those that affect some individuals or households but not others; covariant shocks are ones that affect many people at the same time.
– resulted in thousands of job losses, dwindled savings and remittances, followed by systematic risk and vulnerabilities among poor vulnerable workers and their household members (UNCT 2009; Hang 2009; Chan, S et al. 2008; Kem et al. 2010; Tong et al. 2010). A longitudinal study\(^7\) by CDRI from May 2009 till April 2010 tracked the impacts of the economic recession on particular vulnerable worker groups and rural households, and the changes in coping strategies that were adopted in response to the crisis. Reduction in job availability and income was consistently found. Both ex-ante and ex-post coping strategies were used, such as minimising food and non-food consumption, borrowing money or selling household assets, taking children out of school, and migrating to seek work. The hardships of unemployment forced women in particular to take up undesirable jobs in the entertainment industry (Ngo et al. 2010; UNIAP 2009; So et al. 2010). Friends and neighbours in the community are sources of help during livelihood hardship, though the scope of this help has become narrower and people become more individualistic in extending help due to the great hardship they too were facing. These coping strategies and informal supports are relatively minor compared to the scale of vulnerability.

**Loss of land and stricter access to common property resources expose the poor to increased vulnerability.** Women headed households are found to have lower access to land resources (SNEC 2007). Access to land and natural resources control the upward or downward dynamic of well-being and food access for the rural poor (Mckenney et al. 2002; Kim et al. 2002; Ramamurthy et al. 2001; Prom 2010; CDRI 2010). Land ownership and land grabbing is becoming dangerously and rapidly concentrated (SNEC 2006). This is evidenced by (1) the Gini-coefficient of land distribution in Cambodia at 0.65 in 2007, the most unequal land distribution in Asia (WB 2007), and (2) over 600,000 people being ranked as landless poor and 40 percent of the rural population occupying less than 0.5 hectare of land that cannot produce enough food for family consumption (CSES 2004). This land issue and impacts of land development undermine the fragile livelihood security of the poor and have become one of the most disturbing trends to emerge in recent years. The government and development institutions are now paying particular interest to the land issue.

**Natural hazards (flood, drought) and climate change impact more intensely on the poor** (Wingqvist 2009; Hang 2009). Flood and drought are the prime factors that lead to severe loss of crop productivity which in turn increases livelihood vulnerability and food insecurity among poor households. In 2002, for example, Cambodia greatly suffered from both flood and drought which affected about 3,457,304 people (National Committee for Disaster Management/NCDM 2009). As a largely agrarian country, Cambodia’s agricultural production and agriculture sector growth will likely face long term negative impacts from climate change. Lack of diversification in the rural economy leaves rural people with few limited choices to cope with crop production failure due to natural causes. The vulnerability of people whose livelihoods depend solely on agriculture will likely be intensified.

### 3.2 Urban Poor

The rate of urban economic growth has been more substantial than in any other area of the country, yet vulnerability among the urban poor is highly prevalent. From the study by the Cambodia Institute for Cooperation and Peace (CICP) in 2002, the urban poor consist of beggars, in-migrants, seasonal workers, veterans’ families, families led by widows, families coping with chronic illness (especially HIV/AIDS), and displaced persons. The vulnerability of the urban poor in Cambodia is

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\(^7\) The study involved four rounds of assessment at three month intervals. Using qualitative and quantitative research tools, the study focused on various groups of vulnerable workers such as garment factory workers, skilled and unskilled construction workers, those who work in the tourism sector (small traders, tuk-tuk drivers, hotel and restaurant workers) cyclo drivers, internal and external migrant workers, rice field workers, and rural poor households.
exacerbated by inadequate provision of and poor access to basic public services, social exclusion, lack of secure land and house tenure, few employment opportunities, crime and violence, and poorly managed urban space (UNHABITAT/CDRI 2010 forthcoming; CICP 2002). The urban population stood at 2.6 million in 2008. Given that urbanisation is increasing at the rate of 1.3 percent a year, the urban population is expected to have grown by 24 percent by 2015 (Census 2008; Webster 2004), possibly leading to more pressure on urban social services and vulnerability among the urban poor. The increase in urban population reflects (1) the influx of the rural poor to urban areas, especially to Phnom Penh, which displaces rural poverty to urban centres, and (2) the concentration of economic growth in urban areas and the inadequate growth of the rural economy and its lack of capacity to absorb excess labour.

### 3.3 Poor People with HIV/AIDS

People living with HIV/AIDS are another vulnerable group in Cambodian society. According to the projection by the National AIDS Authority (NAA), HIV/AIDS prevalence in the general population stands at 0.7 percent in 2010, which is equivalent to 53,100 people, 52 percent of whom are women (Figures 5 and 6). If interventions are sustained at the current level, HIV/AIDS prevalence is expected to decline before stabilising at 0.6 percent in 2011.

![Figure 5: Projected prevalence of HIV/AIDS among general population age 15-49](image1.png)

![Figure 6: Projected number of people age 15-49 living with HIV/AIDS (2006-2012)](image2.png)

Source: National AIDS Authority 2010

The HIV/AIDS vulnerable group comprises men who have sex with men/MSM (8.7 percent in Phnom Penh and 0.8 percent in Batambang and Siem Reap), street children (no data available), direct and indirect sex workers (12.7 percent in 2006), their clients and other sexual partners, drug user9 (NAA 2008). The spread of HIV/AIDS is fuelled by economic development, including the prominent role of increased connectivity through improved roads and other infrastructure in the spread of infectious disease. Interconnected issues of poverty and migration are also among the key factors influencing the spread of HIV/AIDS (ADB 2005; Khana 2001; Khana 2008). This epidemic

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8 Most of the people enumerated in urban areas had moved in from rural areas. In 2008, 27.53 percent of 3,457,140 total internal migrants migrated from rural to urban areas (Census 2008). However, there is no data to indicate which provinces have a high rate of rural-urban migration.

9 In 2007, an expert consensus group, led by UNAIDS, estimated that there were 46,300 illicit drug users. The majority of drug users are young people aged 18-25 and of all drug users women account for 6.5%. Among 2,089 street children interviewed by an NGO in Phnom Penh, 1,041 (49.8%) reported recent use of one or more drugs. A cross-sectional survey of drug users in rehabilitation centres and in the community in the capital, Phnom Penh, conducted in 2007, found 24.4% (range: 16.4-33.2%) of people who inject drugs infected with HIV and the prevalence of HIV amongst non-injecting drug users at 1.1%.
likely undermines efforts towards poverty reduction, more equal income and asset distribution, productivity and economic growth.

### 3.4 Children and Youth

As result of the baby boom in the 1980s and peace and stability over the last several decades, Cambodia has a relatively large young population aged 5-24 which accounts for 45.8 percent of the total population (Figure-7). Poverty, limited access to social services and decent jobs, social exclusion, lack of opportunity and unfavourable living environment are the main factors that drive vulnerability among children and youth.

![Age pyramid of Cambodia, 2008](image)

**Figure 7: Age pyramid of Cambodia, 2008**

According to the 2001 Child Labour Survey\(^\text{10}\), 52 percent of 7-14 year olds were economically active, suggesting a high need for child labour to contribute to family livelihoods in rural areas (MoLVT 2008). Even worse, more than 310,000 children are now engaged in the worst forms of child labour\(^\text{11}\) and half of them suffer from work-related illness and injury (ILO-IPEC 2010; ILO/UNICEF/World Bank 2006). Street children, orphans and migrants are also vulnerable children. The Ministry of Social Affairs, Veterans and Youth Rehabilitation and the National AIDS Authority estimated that there were 8,664 orphans in 2008. A conservative figure from a local NGO – Mith Samlanh – in 2007 suggests that there were 24,700 street children, half of whom were girls, in Cambodia’s major urban areas. This number appeared to be rising by 20 percent every year, partly due to rural-urban migration. These children are mostly homeless and live a hand-to-mouth existence as they cannot rely on family members for support and generally have a low education. They get involved in work such as shoe shining, begging, or scavenging, or even prostitution.

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\(^{10}\) Child Labour Survey was conducted only in 2001 and the survey has never been updated till now.

\(^{11}\) Based on ILO Convention No. 182, MoLVT identified work in salt production, brick making, crab and shrimp peeling, stone and granite breaking, rock and sand quarrying, gem and coal-mining as among the worst forms of child labour.

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Their living environment is generally poor. They are also highly susceptible to HIV/AIDS infection because of their exposure to drug injection.

Young people’s lack of access to decent jobs is critical in that it is a cause of the most serious vulnerability among them. There are 300,000 new entrants to the labour force every year, a figure that may increase to 400,000 in the near future (UNCT 2010). Most employment continues to be concentrated in rural areas, which absorbs 82 percent of the total labour force, while Phnom Penh absorbs 8 percent and other urban areas 9 percent (SNEC 2009). Ironically, insufficient growth in the agriculture sector and rural areas suggests why employment growth is not substantial enough to absorb the excess labour force (MoLVT/ILO 2010). Most importantly, young people generally find it hard to get decent employment opportunities because of the mismatch between the skills required for those jobs, the education they have been equipped with and the nature of market labour demand given the changing patterns of economic growth. Much of the literature on youth issues suggests that a large proportion of young people are unskilled or not qualified enough when they enter the labour market due to lack of proper skills training, poor education quality, low education attainment\textsuperscript{12}, and lack of job information (ILO 2007; Morris 2007; CAMFEBA 2008; UNCT 2010). These combined factors mean that Cambodia is dominated by surplus unskilled labour implying a situation of deficit in skilled labour to supply market labour demands and to sustain economic growth (SNEC 2009).

Children and youth are the country’s most valuable asset for its future development. Vulnerability among this young population not only harms the welfare of individuals but also undermines the country’s human capital development, poverty reduction efforts, and long term sustainable growth.

3.5 Elderly People

Elderly people aged 60 or above in 2008 made up 6.4 percent of the total population; elderly women constituting 58 percent (Census 2008). The proportion of elderly people is expected to increase to 10 percent by 2025, declining marginally to 26 percent in 2050 (UNDESA 2002). The vulnerability of the elderly in Cambodia stems from the fact that they are still considered as the breadwinner despite their age. This can be partly explained by the characteristics of poor and vulnerable households i.e. many small children, lack of adult children, high dependency rate\textsuperscript{13}, and migration of adults. According to Census 2008, the economic activity rate of those aged 65 and above was 68.4 percent for men and 45.15 percent for women. A large majority of older Cambodians are likely to be in poor health (RGC 2007). Older women are known to be more prone to disability and the probability of their recovery is low, adding to their vulnerability (Zimmer 2005). There is evidence that many older Cambodians have suffered the loss of an adult son or daughter to the HIV/AIDS epidemic. Looking after an adult child who has HIV/AIDS becomes a burden for older parents who also suffer social stigma, both during the illness and after the death of their child, due to the negative attitude of some members of their community. Older parents then must bear the burden of bringing up orphaned grandchildren some of whom may also be infected with HIV (HelpAge International undated; CCC-ADI 2010).

\footnote{12 A significant percentage of youths that enter the labour market have a low level of education: 45 percent attained only primary education, while another 30 percent completed lower secondary level.}

\footnote{13 The dependency ratio was 82 with young dependency ratio of 75.4, older dependency ratio of 5.1 and parent support ratio of 56 (RGC 2007)}
3.6 People with Physical Disability

Data from Census 2008 indicate that 192,538 people are physically disabled (both from birth and after birth\(^{14}\)). This vulnerable group comprises 1.44 percent of the total population, 43.7 percent of whom are female. Eighty-five percent of people with disability live in rural areas. People who become disabled after birth, mostly as the direct result of war, land mines and other accidents\(^{15}\), account for 70 percent of the total number of those with a disability. Cambodian families and rural communities remain physically endangered and socio-economically disadvantaged by land mines and unexploded ordnance (UXO) left after decades of war. More than 40 percent of the population reportedly continue to live alongside remnants of conflict (MAG 2009)\(^{16}\).

Cambodia has 61,151 people who were born with a physical disability; visual impairment has the largest share (Census 2008). Thomas (2005) found that disability after birth is largely caused by illness, disease, congenital conditions and malnutrition. Statistics from the 2008 Census provide a worrying picture in that the literacy rate of people with a disability is 62.25 percent and is much lower compared to 78.35% general literacy rate. It is important to note that the literacy rate of women with a disability is 51.48 percent, far below that of men with disability at 70.54 percent. Moreover, 44.74 percent of people with a disability are economically inactive while 3.99 percent are unemployed. From these statistics, those with a physical disability are vulnerable due to poor access to education and employment opportunities, resulting in them being mostly destitute. Other literature suggests that people with a disability suffer from direct discrimination, social stigma, varying degrees of social isolation and exclusion from the political process and development (Thomas 2005; Chambers 2005; Mackinlay 2004; Hughes et al. 2003).

3.7 Ethnic Minority Groups

There are reportedly 36 ethnic minority groups in Cambodia which comprise about 4 percent of the total population (World Bank 2005; Census 2008). The indigenous minorities are spread across Kratie, Mondulkiri, Rattanakiri, Stueng Treng, Kampong Thom, Koh Kong, Pursat, Kampong Speu and Sihanoukville provinces. Data on ethnic groups is limited. However, some research and data suggest that higher poverty profiles and poorer human capital development are found in the highland provinces where most of the ethnic groups are located. These provinces also have a lower school enrolment rate and fewer hospitals compared to other provinces (UNDP 2007; EMIS Data and MoH 2008). This could signify that ethnic groups have high levels of poverty, very low level of basic social services provision and uptake, and extremely poor health and education status. A new source of vulnerability for ethnic groups is the increasing loss of natural resources stocks that their livelihoods traditionally depend upon due to the allocation of land for economic land concessions\(^{17}\)

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\(^{14}\) Disability “from birth” means that a person was born with a disability; disability “after birth” means that a person became disabled due to accident, injury or illness later in life.

\(^{15}\) Currently, approximately three people are killed or injured by mines and unexploded ordnance (UXO) every day in Cambodia but road traffic accidents are responsible for significantly more disability. In November 2004, 628 road accident casualties were reported in Phnom Penh alone, of whom 4 percent died and 35 percent suffered severe injuries warranting surgery or intensive care (Handicap International 2004).

\(^{16}\) The Cambodian Mine/UXO Victims Information System (CMVIS) shows that from January 2006 until June 2009, 1,223 men, women and children were casualties of landmines and UXO.

\(^{17}\) At present, 85 companies have been contracted and licensed for a total land area of 956,690 ha located in 16 provinces. The major goal of economic land concessions (ELC) is to provide unused land for agricultural and agro-industrial plantation, and processing agricultural products for export, and is expected by the government to create jobs and generate income for rural people. However, some concessionaires have not been actively implementing their projects, so the Ministry of Agriculture, Forestry and Fisheries (MAFF) has requested the government to cancel the contracts of 41 companies which should release a total land area of 379,034 ha. (Source: http://www.elc.maff.gov.kh/)
and land grabbing, which has resulted in the destruction of indigenous minorities’ social fabric and livelihoods (NGO Forum 2006).

3.8 Women Headed Households and Girls of Reproductive Age

The proportion of female-headed households in 2008 constituted 25.59 percent of the total population (Census 2008). Female-headed households are considered vulnerable due to their low capacity to earn and save income and invest in assets, illness and social stigma—especially those without adult males; those with a high number of dependents are likely to be among the poorest households (World Bank 2007; World Bank 2006; MoWA 2008; Fitzgerald et al. 2007; Ballard et al. 2007). Further, Cambodian women face a relatively high risk of dying during pregnancy and childbirth as indicated by the high maternal mortality ratio of 472 per 100,000 live births. Approximately 2,000 Cambodian women die each year during pregnancy and childbirth-related causes, including abortion, haemorrhage and eclampsia (MoWA 2004; MoWA 2008). Maternal mortality is the most important indicator of women’s health and it reflects access to and availability of health services correlated with the education of women, and the allocation of public and household resources for women’s healthcare, especially prevention services. Only 38 percent of women use public health maternity facilities when they give birth (RGC 2009). Most women in remote and rural communities are still at higher risk of dying during pregnancy and childbirth or from antenatal complications because health services in these areas are poorly established. Moreover, the poor nutritional status of women during pregnancy is another indicator of women’s vulnerability, especially in times of household food shortage (MoWA 2004).

In sum, most vulnerable groups experience different levels of idiosyncratic or covariant shocks, or even a combination of both. The World Bank study on ‘Risk and Vulnerability of People in Cambodia’ (2006) examines the relative vulnerability of various groups based on exposure to risks and capacity to manage them. Its findings reveal that children and youths, who form the biggest proportion of the total vulnerable population and characteristically have poor nutritional status, are involved in some of the worst kinds of wage labour; are poorly educated and lack the skills and opportunities to get decent jobs. People with disability and the urban poor ranked second and third in terms of vulnerability and their ability to manage risk, followed by the elderly, ethnic minorities, female headed households and garment workers are found to have lowest shock exposure level and strong ability to cope with risk among all group. Studies by So (2009), Kem et al. (2010) and Ngo et al. (2010) also point out that due to low capacity to cope with shocks from the economic downturn, vulnerable groups and their families, especially women headed households, become more vulnerable to income and consumption shocks, pushing them deeper into poverty. Hence, whatever strategies might help reduce vulnerability and risk of exposure to shocks among the most vulnerable are considered appropriate direct ways to fight poverty and boost a more sustainable and equitable pattern of growth. Social protection is sometimes approached as a “system” to address both covariate and idiosyncratic vulnerabilities (Davies et al. 2008, Vakis, 2006). Putting social protection or social safety nets in place to support vulnerable groups become one of the priority options. The existing social protection programme, its effectiveness, critical challenges and constraints to effective social protection for reducing vulnerability are discussed below.

4. Existing Social Protection and Vulnerability Reduction

In Cambodia, Social protection has evolved both conceptually and practice and is now a key policy issue in vulnerability and poverty reduction. Hahn and Salim (2003:1) define social protection in the context of Cambodia as “formal and informal safety nets available to Cambodians to cope with shocks and threatening to push them into extreme poverty”. Using this definition, two forms of
existing social protection can be identified in Cambodian society: (1) informal social protection, and (2) formal social protection. Both of these play very important roles in vulnerability reduction and serve as a buffer for people during shocks and crisis or when they need help.

4.1 Informal Social Protection

Informal social safety nets in Cambodian society come in the form of kinship, reciprocal activities, community cohesion and religious institutions, and have been playing a very important role in providing the poor and vulnerable in Cambodia with help and support for generations (Kim 2001; McAndrew 1997; Ebihara 1968; Vijghen 1991). When facing difficulties or shocks, poor and vulnerable people access help from relatives, friends, neighbours or better-off households, monks or pagoda committees (Fitzgerald et al. 2007; Ballard et al. 2007). Generally, informal social protection is part of community social capital and contributes to socioeconomic and community development and food security (Krishnamurthy 1999); it also complements the efforts of formal social protection in terms of shock and vulnerability mitigation among the poor and vulnerable. Informal social safety nets have evolved over time and been shaped by socio-economic development. Consequences of war and social turbulence such as the breakdown of the nuclear and extended family unit, social dislocation and survival driven relocation left original traditional social protection systems in a fragile state and disrupted many communities’ access to the kind of support that they have long relied upon (RGC 1997; Ngy 2009). Rapid population growth, reduction of natural resources stock, and tighter livelihood competition have had direct and indirect adverse effects on coping mechanisms as well as community solidarity and collective actions to help the poor (Fitzgerald et al. 2007; Ballard et al. 2007; World Bank 2006). More recent studies even suggest that some forms of informal social safety nets, such as mutual help and reciprocal activities among vulnerable worker groups and some rural households, are close to collapsing due to extreme family hardship exacerbated by the global economic crisis and inflation. It was also found that people have become more individualistic with regard to offering help, owing to uncertainty of employment and income (So 2009; Theng and Kem 2009).

4.2 Existing Formal Social Protection

Formal social protection can encompass a wide range of measures, including legal framework and policy interventions, social assurance, social safety nets and social assistance programmes. By the end of 2009, 76 on-going social protection programmes were being funded by the government and its development partners: 40 programmes focus on health, 16 on education, 15 on community and social welfare and five projects focus on emergency relief and food aid (CARD/WFP/WB 2009a).

4.2.1 Legal Framework and Policies Intervention

The government is mandated by the Constitution to provide a number of social protection measures to the people. For instance, Article 22, “Everyone ...has right to social security”; Article 25, “The right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond [their] control”; Article 36, “Khmer citizens of either sex shall enjoy the right to choose any employment according to their ability and to the needs of the society...”; Article 46, “Prohibition of all types of exploitation and obscenities which affect the reputation of women...provision of adequate social support for women...”; Article 72, “The health of people shall be guaranteed...Poor citizens shall receive free medical consultation in public hospitals, infirmaries and maternities. The state shall establish infirmaries and maternities in rural areas”; Article 75, “The state shall establish a social security system for workers and employees”.

Several organic laws have been passed to codify some of the social protection related tenets of the Constitution. The most relevant laws which have been adopted are: (1) the Labour Law which
provides a standard legal workweek, and the minimum permissible working age. (2) Insurance Law passed in 2000 to provide legal framework for better regulation of insurance market activities, including life insurance, pension, credit and natural disaster insurance; (3) the Law on Social Security Schemes that entitles workers and employees in the private sector to old age, invalid and survivors’ benefits as well as workers’ compensation; (4) the Law on Suppression of Human Trafficking and Sexual Exploitation heavily penalises offenders if victims are below 15 years of age and gives the police more power to investigate and arrest suspected traffickers; (5) the Law on the Prevention of Domestic Violence and Victim Protection; and two more laws, yet to be commuted by the government, support retired civil servants and veterans (6) Law on the Comprehensive National Social Security Fund and (7) Law on National Pension for Veterans.

The government has also identified social protection-related objectives in its comprehensive National Strategic Development Plan (NSDP 2006-2010) and its update of 2009-2013, which has been formulated using the Rectangular Strategy, National Poverty Reduction Strategy, Cambodia Millennium Development Goals (CMDGs) and others. This policy gives priority to addressing rural development and improving rural livelihoods. From this policy framework, key commitments related to social protection include: creating jobs in the formal and informal sectors and ensuring improved working conditions; providing social safety nets for the disadvantaged, including measures to assist victims of natural disasters; targeted programmes for vulnerable groups such as poor female headed households and veterans and the establishment of rehabilitation centres for orphans and the elderly; addressing violence and trafficking; and improving health service delivery, quality and financing. Parallel to the NSDP, a number of government institutions have been delivering social protection through individual policy frameworks and action plans. The government has now mandated the Council for Agriculture and Rural Development (CARD) to set up an inter-ministerial coordination mechanism to implement social protection intervention. A comprehensive National Social Protection Strategy (NSPS) for poor and vulnerable people in Cambodia has been drafted and prepared for submission to the Council of Ministers for comment before being put into full implementation. The vision of NSPS is that more Cambodians, especially the poor and vulnerable, will benefit from improved social safety nets and social security as an integral part of sustainable, affordable and effective national social protection systems (CARD 2010).
4.2.2 Expenditure on Social Protection

Seven government ministries are currently delivering social protection and safety net programmes. The overall trend of government spending on ministries working on social protection has increased from 3.17 percent of GDP in 2006 to 3.92 percent in 2010, equivalent to USD442.25 million. However, it is still lower than the regional level where average public spending alone was 4.3 percent of GDP in 2004 according to World Development indicator (Figure 8). Given the government’s priority to develop human capital, the Ministry of Education and Ministry of Health receive the largest budget allocation; other social ministries such as the Ministry of Economics and Finance receive less than 0.5 percent of the budget allocation from GDP.

Table 1: Government expenditure on social intervention in 2010 by region (million riel)

<table>
<thead>
<tr>
<th>Geographic Location</th>
<th>Social Assistance</th>
<th>Allowance and Social Transfer</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>%</td>
<td>Amount</td>
</tr>
<tr>
<td>Phnom Penh City</td>
<td>8,242.0</td>
<td>71</td>
<td>844.0</td>
</tr>
<tr>
<td>Plain Region</td>
<td>951.0</td>
<td>8</td>
<td>665.2</td>
</tr>
<tr>
<td>Tonle Sap Region</td>
<td>1,083.0</td>
<td>9</td>
<td>698.7</td>
</tr>
<tr>
<td>Coastal Region</td>
<td>620.0</td>
<td>5</td>
<td>255.6</td>
</tr>
<tr>
<td>Plateau and Mountainous</td>
<td>735.0</td>
<td>6</td>
<td>434.3</td>
</tr>
<tr>
<td>Total</td>
<td>11,631.0</td>
<td>100</td>
<td>2,897.8</td>
</tr>
</tbody>
</table>

Source: Author’s calculation based on data from MoEP 2010

Most of the government’s budget for social intervention is known as “allowance and social transfer” and “social assistance”. Estimated total government expenditure for 2010 is 326,370 million riel or USD77.7 million, of which 4.45 percent is to be spent on social intervention and from which 3.56 percent goes to social assistance and 0.89 percent to allowance and social transfer. It is interesting to note that Phnom Penh region alone receives 71 percent of total expenditure on social assistance (Table 1).

Table 2: 2009/10 disbursements on priority project (USD million)

<table>
<thead>
<tr>
<th>Budget 2009</th>
<th>Disbursement 2009</th>
<th>Budget 2010</th>
<th>Disbursement 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic growth</td>
<td>180.8</td>
<td>135</td>
<td>136.6</td>
</tr>
<tr>
<td>Livelihood</td>
<td>121.2</td>
<td>100.3</td>
<td>111.8</td>
</tr>
<tr>
<td>Safety nets</td>
<td>68.2</td>
<td>51.1</td>
<td>58.4</td>
</tr>
<tr>
<td>Total</td>
<td>370.2</td>
<td>286.4</td>
<td>306.8</td>
</tr>
</tbody>
</table>

Source: RGC 2010

Development partners also play an important role in development as well as social protection provision. Development partners in Cambodia consist of UN and multilateral donors, the European Union, bilateral donors and NGOs. According to the aid effectiveness report in 2010, there are 63

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18 Social security fund includes: (1) family, (2) health and giving birth, (3) death, (4) retirement, (5) decommission from the armed forces, (6) work accident and invalidity, (7) orphan of personal, (8) other; (9) return attenuation. Social assistance includes: (1) assistance for hospitalisation, (2) natural disaster, (3) other social expenses, (4) support to social and cultural sector (including support to sport and cultural communities, orphanages, and the Red Cross), (5) donation to NGOs.
investment related projects that have supported economic growth, especially in infrastructure or agriculture, protected people’s livelihoods or formed part of essential safety net provision. The disbursement for the safety net project was USD51.1 million in 2009 and is projected to reach USD58 million in 2010 (Table 2).

4.2.3 Social Protection Related Programmes

In Cambodia, social protection programmes are provided mainly by the government with some external support. To some extent, NGOs and the private sector also contribute significantly to social protection.

A. Formal sector social protection programme

This programme focuses on social welfare services delivery, social safety net fund distribution and protecting specific vulnerable groups against risk. From the government’s side, three ministries are mandated to deliver this programme, namely the Ministry of Social Affairs, Veterans and Youth Rehabilitation (MoSVY), the Ministry of Labour and Vocational training (MoLVT) and the Ministry of Women’s Affairs (MoWA). The schemes being implemented under the formal sector protection programme are described below.

Social Security for Civil Servants and Vulnerable People: The MoSVY is responsible for this programme and works in collaboration with various NGOs. The programme includes (1) provision of benefits to retirees, (2) support for veterans, (3) services relief to homeless and destitute people especially vulnerable children, (4) emergency relief for people affected by natural and other disasters, (5) rehabilitation services for people with disability. Under this programme, 29,845 retirees receive around USD260 per year; 87,875 veteran families receive regular payments; more than 10,000 families each year benefit from small and medium scale emergency relief programmes; more than 1,000 victims of sex trafficking and inter-country human trafficking are rescued every year; 10,913 orphaned infants and children have been cared for in 224 centres, and 2,154 orphaned infants and children with disability or HIV/AIDS have been raised and cared for at 20 government centres (RGC 2009). Two major NGOs are now operating the programme on disability. Handicap International-Belgium and Handicap International-French run a physical rehabilitation centre and disability and rehabilitation programme. However, there are no specific data on the number of beneficiaries and allocated funds.

MoLVT and MoEF are the administrative arms of the National Social Safety Fund ( NSSF) to cover the private sector workers. Having operated since 2007, the NSSF registers companies, collects membership contributions and manages investment funds and provides benefits to workers and their families. The NSSF aims to provide workers with: (1) employment injury scheme (worker’s compensation), (2) health insurance scheme, and (3) a pension scheme. The Ministry works in close collaboration with ILO’s Better Factory Programme in implementing NSSF. By the end of 2009, the NSSF had enrolled 884 firms covering 340,840 workers or 88 percent of the total workforce (MoLVT 2010). Simultaneously, Groupe d’Échange et de Recherche Technologiques (GRET) and the Garment Manufacturers Association in Cambodia (GMAC) are piloting a new voluntary health insurance scheme for salaried workers in the garment industry. The Health Insurance Project (HIP) is to introduce a voluntary social health insurance that addresses the needs of both the workers, through the improvement of health status and the reduction of vulnerability and hardship in case of illness, and employers through improving the productivity of a healthier workforce.

19 Around 100 NGO operated programmes are related to social affairs (CCC 2010).
The MoLVT also runs a **Vocational Training Programme** to minimise unemployment and develop new skills in the population that will meet labour market demand in new areas of production. In addition, around 90 NGOs are also involved in vocational training provision (CCC 2010). By the end of 2010, 316 vocational training centres will have been established to provide short and long-term courses (MoLVT 2010). Around 38 of these centres are under MoLVT’s control, suggesting that most of the training centres are public institutions that charge formal fees from trainees. This could limit access to skill training for a number of the poor. Two funds support vocational training: the Special Training Fund was created to provide shorter training for workers who lost their job due to the economic crisis, and the National Training Fund was established to provide skill training for the unemployed poor in the provinces.

MoWA’s agenda is set out in its holistic strategic plan called **Neary Ratanak** for Women’s Development. Four of the five strategic areas seem to be social protection programmes for women and girls. These strategic areas are (1) economic empowerment, (2) education, (3) legal protection, (4) health and nutrition and HIV/AIDS. The Ministry carries out a number of projects and offers vocational training in collaboration with external support such as ADB, UNICEF, UNIFEM, UNIAP, UNFPA, UNAIDS, Global Fund, GTZ, IOM, IFAD and NGOs. The targeted areas are both urban and rural populations (MoWA 2009). In 2009, the government’s development partners allocated USD8.1 million to those institutions and NGOs that work specifically in the areas of women’s development (RGC 2010). Progress has been made, more women have received vocational training and better primary schooling and higher levels of education, healthcare and health education, while legal frameworks to protect women have been further strengthened (MoWA 2009; RGC 2009).

**B. Social Protection Programmes on Education**

The Ministry of Education, Youth and Sport (MoEYS) plays a leading role in education-related social protection programmes. The main focus of the Strategic Plan for Education is to ensure equitable access to education for Cambodian children, which is considered to be a direct social protection programme. The Ministry is implementing this programme in partnership with external support such as the World Bank, ADB, UNICEF and other UN agencies as well as INGOs and LNGOs. An estimated 15 percent of a total of 1,800 NGOs are implementing programmes in the education sector (CCC 2010). In 2010, education programmes account for 16.4 percent of NGO-managed development aid with total funds of USD34.4 million for project implementation (RGC 2010). The major educational related social protection programmes are described below.

**Scholarship for the Poor Programme** was developed to address demand-side factors that depress school enrolment and cause children to drop out. Children living in medium and high level poverty were identified to be beneficiaries of the programme. Since October 2008, this programme has supported 21,459 children in the country; in particular, 17,667 girls a year have received a scholarship (MoEYS 2009). Beyond the programme, the gap in access to education services for children from poor and very poor households and children with disability has been reduced due to the increased number of schools built with facilities for disabled children. However, education services are not equally accessible to all segments of the population, especially ethnic minorities and those living in remote areas (RGC 2009).

**School Feeding Programme and Take Home Rations** have been mainstreamed into the education programme to maintain children’s participation in primary and secondary education due to the fear that poverty causes children to drop out of school to contribute to household income earning despite education being free. Monthly take-home rations are provided as incentives for parents to send their children (notably girls) to school. This project has been implemented by WFP together with MoEYS, UN agencies and various LNGOs and INGOs since 2005. The project provides children
with daily breakfast with a standard ration. The number of beneficiary children has increased from 544,296 in 2005 to 585,871 in 2008 at a cost of almost USD10 million (Prom 2007; CARD/WFP/WB 2009a). Additionally, the Emergency Food Assistance Project funded by the ADB in 2008 also contributes significantly to the school feeding programme.

C. Social Protection Programmes on Health

A large section of the population, especially the poor and people living in remote areas, continues to have poor access to essential health services. Financial barriers appear to be the main cause. As a result, only one in five illnesses is treated in the public sector. Moreover, Cambodian key health indicators are weaker than in neighbouring countries (WHO/MoH 2007). The Ministry of Health is now implementing the Health Sector Support Project (HSSP-2) 2008-2015 with financial input from cooperation partners, ADB, DFID and the World Bank. Besides government fund allocation, an additional USD110.3 million were allocated to the health sector and HIV/AIDS projects in 2009 (RGC 2010). Moreover, 16 percent of NGOs have programmes related to improving people’s health status and child mortality, HIV/AIDS and health training, with available funds of around USD75.2 million (CCC 2010). Not all health projects that have been implemented are directly related to social protection programmes. The three major health programmes outlined below are considered to be most related to social protection since these programmes enable the poor to have better access to healthcare.

Health Equity Fund (HEF): This scheme was introduced to address inequalities and extend health service coverage to the poor by removing financial barriers to medical treatment. The poor and very poor are targeted through the Ministry of Planning (MOP) Identification of Poor Households Programme20 and identified to be beneficiaries of the HEF. The HEF covers 68 percent of the total number of people living under the poverty line (RGC 2009); however, the HEF does not protect people who are just above poverty line but at risk of falling into poverty due to shocks. Currently, six national hospitals in Phnom Penh and nine operational districts (OD) are subsidised by the government, and the rest by external support. By the end of 2010 the HEF will have expanded to 51 referral hospitals and 120 health centres.

Community-based Health Insurance (CBHI): CBHI was specifically designed to target informal sector workers and the not-so-poor, including those who have sufficient cash income to pay modest monthly premiums. CBHI comprises a number of local level voluntary, private, non-profit micro insurance schemes funded by user premiums and managed commonly by international or local NGOs (Annear 2007). The programme was first launched in just one district in 1999 and has now been expanded to 11 ODs in seven provinces and Phnom Penh municipality, covering 81 health centres and 73,828 beneficiaries (RGC 2009).

Nutrition Programme: The government is working in cooperation with WFP, UNICEF, WHO and FAO in the area of nutrition. UNICEF, through the Child Survival Programme, has helped in the establishment of a national community-based system for disseminating nutrition-specific messages, services and food commodities delivery, and development of improved nutrition practices at community, family and individual level. UNICEF and WHO provide technical assistance on nutrition education to the MoH. The WFP is also implementing a Maternal Child Health Project at a project

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20 ID-Poor programme has been implemented by MoP with technical assistance from GTZ. The ID-Poor procedure helps identify which households are poor and their level of poverty. The objective criteria are based mainly on assets, combined with community consultation and validation. Since 2009, the ID-Poor programme has identified the poor and very poor in 11 provinces. The programme therefore has great potential to become a national targeting system that will improve the effectiveness, objectivity and transparency of targeting assistance to poor households in such fields as education, health, social protection, as well as emergency relief.
cost of USD7,216,180 to target food insecure areas and reduce undernutrition among pregnant and lactating women and infants aged 6-24 months by integrating micronutrient fortified food, nutrition education and other health intervention through local health clinics. This project reached 63,520 beneficiaries between 2008 and 2010 (WFP 2007a). WFP works in partnership with local NGOs to provide food and nutritional support to people living with HIV/AIDS and tuberculosis patients; 208,000 beneficiaries have received specific food rations under this programme (WFP 2007b).

D. Other social assistance programmes

Emergency relief: This could be in form of food aid or some other form of relief. The programmes were initiated to help the poor especially in difficult times when coping with natural disaster or other shocks. In 2008, for example, the Ministry of Economics and Finance together with ADB launched a USD 40 million Emergency Food Operation to mitigate the impact of food price increases on poor households. The project covered roughly 89,000 households living in 200 communes in seven provinces around the Tonle Sap Lake and those who were living in selected urban slums of Phnom Penh capital (ADB 2009). In 2009 the estimated disbursement on emergency food aid from development assistance was USD4.2 million. Also 2 percent of NGOs are currently running related humanitarian, aid and relief programmes (RGC 2010; CCC 2010). The Cambodian Red Cross and National Committee for Disaster Management (NCDM) provide significant emergency response to help people struck by natural disaster. For example, since 2009, USD600,000 have been released to purchase relief for 10,594 families in the 11 provinces that had been struck by flood and storm (International Red Cross 2010). In addition, the Royal Palace also makes a financial contribution to emergency relief.

Public Work Programme (PWP): The programme’s main contributions to the social safety net are employment creation, income generation and infrastructure development. Under the PWP, ‘Cash or Food for Work’ has been implemented mainly by WFP, and more recently by ADB and some local NGOs to provide temporary employment opportunities in the community at the time of livelihood disruption due to natural disaster or economic shock (ILO/CARD 2009). In 2008, the WFP’s Food for Work Programme distributed 28,133 tonnes of rice to 886,929 beneficiaries in the 12 most food insecure provinces in exchange for work in public infrastructure projects (CARD/WFP/WB 2009).

Employment and Asset Creation Programme (EACP) is another type of PWP that maximises the effective use of labour to improve and maintain infrastructure such as roads, irrigation schemes, water supply, flood control and drainage. Since 1993, these programmes have been implemented throughout the country by the Ministry of Rural Development and also through the Ministry of Public Works and Transport. Since 2006 and 2008, ILO and ADB have supported the programme through labour-based appropriate technology (LBAT) methods for rural road rehabilitation and maintenance and small-scale irrigation with total funds of USD5.5 million (ILO/CARD 2009).

Social Land Concession (SLC): SLC programmes are provided by the government for the purpose of redistributing land to the land-poor for farming and residential purposes. In other words, it is a way in which land classified as state private land can be transferred to the ownership of people who have little or no land. Beneficiaries of SLC programmes are large families, families that have been living in the area for a long time, women headed households, families of former soldiers with disability or soldiers who died on duty (MUMPLC 2002). A Social Concessions Sub-decree was adopted by the Council of Ministers during the plenary session on 07 March 2003. The specific arrangements for implementation were further elaborated in a prakas issued by the Minister of Land Management, Urban Planning and Construction on 19 November 2003. The major government partners for implementing SLC programmes are WB, Oxfam GB, and GTZ. As a result of SLC programmes, 36,917ha of land have been distributed to 14,791 landless poor households,
1,220 of which are the families of veterans and soldiers. SLC programmes have also allocated 4,500 ha of land to 793 families to develop a new village named “Thomceat” in the area of Preah Vihear temple with financial support from the government (RGC 2009).

**Drinking water supply and sanitation in rural areas:** The Rural Water Supply and Sanitation (RWSS) sector development is one of the key agenda for national strategic development and rural livelihood improvement (MRD 2009). During 2001-2008, the Ministry of Rural Development (MRD) received financial and technical support from ADB, World Bank, IDA, IFAD, JICA, China and UNICEF for Rural Water Supply and Sanitation Programmes. Moreover, two other projects funded by ADB and IMF are also being implemented by the MRD: (1) the Tonle Sap rural water supply and sanitation sector project, and (2) the rural water supply and sanitation sector project for enhancing the health of low-income communities in rural areas by improving their hygiene and sustained access to safe drinking water and effective sanitation (MRD 2009; ADB 2005; KOICA 2009). In 2009, UNICEF, ADB, and IMF supported the improvement of rural health and sanitation with funds of about USD6 million. Between 2006 and 2009, financial contributions from foreign organisations funded 98 percent of MRD’s expenditure on improving healthcare, sanitation and hygiene in Cambodia and only 2 percent was funded by the government of Cambodia (KOICA 2009).

**E. Micro or Area-based Schemes**

Lack of financial capital for investment is still a major constraint to livelihood improvement for the poor who are generally excluded from conventional banking services (Fitzgerald et al. 2007; Ballard et al. 2007). Hence, microfinance has been institutionalised to meet the poor’s demand for credit and help increase poor households’ purchasing power through the provision of small loans to develop income generating activities and to meet emergency needs. For this reason the microfinance programme is also considered as social protection for the poor though the vast majority of the rural population still lack access to financial support (CMA 2009). Starting in early 1990, the number of microfinance institutions (MFIs) and clients increased dramatically, but mostly in urban areas and Phnom Penh municipality. According to the Cambodia Microfinance Association, there are currently one million clients with outstanding loans of USD492 million covered by 20 licensed MFIs, one commercial bank (ACLEDA offers small loans) and one licensed NGO (CMA 2009). However, the scope of the programme’s outreach to the poor and its contribution to poverty reduction is questionable. A study on the poverty outreach of MFIs suggests that their services have not fully reached the poor and most vulnerable (Thun et al. 2010). Many NGOs are working on establishing Savings Groups in targeted communities; however the amount of capital held by each Savings Group is generally minor and insufficient to meet group members’ demands for business investment.

**5. Effectiveness of Social Protection: Gaps and Critical Challenges**

It is extremely difficult to assess the effectiveness of social protection programmes since only a few institutions or interventions collect critical monitoring information. Moreover, there are few thorough evaluations of existing safety net interventions, making it difficult to evaluate their performance by international standards and identify areas that may need improving. This review of existing social protection efforts illustrates that current programmes is considered appropriate given the diversity of the program, its flexibility to respond to various shocks, vulnerabilities, its balance between bunch of programme and with the comprehensive government development policy NSDP and CMDGs. The obvious effectiveness of the programme is also seen in the direct support to reduce various forms of vulnerability, especially among the poor. More than 60 percent
of the total budget allocated to social protection in 2007 benefited the poor (Prom 2007), which indicates a high degree of pro-poor targeting.

Effectiveness of social protection programmes has been undermined by some critical challenges and gaps in implementation. For example, the government budget for social safety nets remains low with the majority funding provided by development partners which indicate the incentive incompatibility of social protection program. Limited resources have considerably constrained the government's ability to develop an effective and sustainable safety net system. Given the many sources of vulnerability faced by the poor, the limited budget and coverage, as well as the infancy of social security and social policy development, social protection still does not reach a large proportion of the population in need of support. In particular, the urban poor and the elderly are often excluded or receive very limited attention (CARD/WFP/WB 2009b; CARD 2010). Besides its limited coverage, other aspects of the social protection programme such as the quality of services provision, its timely responsiveness and ability to help vulnerable groups better cope with risks, are questionable.

So far, several ministries and development partners have been delivering social protection services in a patchwork fashion. Coherent social protection strategies are absent due to the lack of a government body that has a clear mandate to coordinate these interventions. These institutions use different ad hoc targeting procedures, the accuracy of which has not been properly investigated. Moreover, the allocation of safety net resources sometimes reflects only those priorities dictated by development partners' interests and earmarked funding sources. This could result in duplication of programme provision, uneven geographical coverage or the exclusion of the regions that most need intervention. The government recently appointed CARD as the coordination institution for social protection and a draft of the National Social Protection Strategy (NSPS) is to be implemented in the near future. The NSPS will guide social protection policies with a long-term vision for safety net development. The United Nations Development Assistance Framework (UNDAF) 2011-2015 places particular attention on improving social safety nets and social security programmes as an integral part of a sustainable social protection system and will work in close collaboration with the government and civil society.

6. Conclusion, Policy Options and Potential Research Areas for Effective Social Protection

Poverty, growth inequality, social exclusion and lack of access to public services and opportunities are the main causes of vulnerability. Vulnerable people experience different shocks at different levels. It was consistently found that all groups are highly vulnerable and less able to manage whenever struck by shocks. A wide range of social protection interventions to address poverty and reduce vulnerability have been delivered. The programme, despite its diversity, is truly inadequate in scale such that social support has yet to reach large groups of vulnerable people. The limitations of social protection programmes could be a barrier to social cohesion, human capital development, livelihood improvement and broad based equitable growth and ultimately the poverty reduction. Seeking approach for effective social protection is almost equal the searching for a comprehensively effective approach to address poverty. Given the reality of vulnerability, nature of poverty and the existing social protection, the article attempt to provide few policy options as below:

(1) Since poverty and vulnerability are highly concentrated in rural areas, more diversified growth in rural areas would seem to be an indirect way of reducing vulnerability among rural Cambodians, in which case, agriculture sector growth should be prioritised.
At the same time, finding ways of scaling-up social protection programmes for equitable access among all segments of vulnerable population is likely a key to increased equity and security from which it will lead to a dynamic, cohesive and stable Cambodian society. Future oil revenues are likely to be quite large and these could be used to expand social protection. There is still a long way to go before social protection can be delivered to the entire population.

Given the current inadequate of social protection, prioritising programmes that target those whose needs are most immediate or the most vulnerable groups, for example young people or the elderly, would be an option. This could improve the cost-effective programs channel most program to their intended targeted groups.

The effective social protection requires institutional capacity, good governance, accountability and good coordination. Hence, implementation of the National Social Protection Strategy (NSPS) would have to ensure better coordination among institutions that deliver social protection interventions. A generic targeting procedure such as ID-Poor should be comprehensively used to target beneficiaries. In addition, other approaches to measuring poverty and identifying the poor such as the multidimensional poverty index would also be options. Further increases in social protection activities in Cambodia over the coming years are likely as the government strives to achieve its CMDGs. Measuring the impact and effectiveness of social protection is difficult due to current limitations in monitoring information. Hence, better monitoring and more rigorous evaluation of existing interventions is required. CARD will use result-based monitoring and evaluation system to ensure cost efficient implementation and adjustments.

Potential areas of future research: this study can only provide a snapshot and update of the context of vulnerability and the availability of social protection over this particular period of time (2008-2010). The dimensions and reality of vulnerability and risks tend to change along with socio-economic development. More research needs to be carried out to provide update and monitor the changes in vulnerability and risk dimension. The outcome from research could be critical input to the effective design, implementation, monitoring and evaluation of the more dynamic social protection program that can better fit the reality of shock/vulnerability and poverty and direct to those who intended to benefit.
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