

**Overseas Fieldwork Report 2006**

**Kampot Province, Cambodia**

**March 2007**

**Graduate School of International Development  
Nagoya University  
Nagoya, Japan**

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Kampot City, Kampot Province, Cambodia

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## **Introduction**

The fifteenth Overseas Fieldwork Program (OFW 2006) of the Graduate School of International Development (GSID) at Nagoya University was carried out in Kampot Province of Cambodia from 31 August to 14 September 2006. This is the second OFW conducted in Cambodia, following one in Takeo Province in the last year. Both OFWs were successful, thanks largely to the cooperation we received from the Royal University of Phnom Penh (RUPP). Eight students and four faculty members of RUPP participated in OFW 2006 and extended generous support and advice on the local conditions. On the part of GSID, five faculty members and 33 students participated, with additional seven students taking part as assistants in Nagoya and Cambodia.

Participants were divided into four working groups: income generation (WG1), microfinance (WG2), education and health (WG3), and migration (WG4). The working groups conducted fieldwork in four villages in Kampong Trach District of Kampot Province. In the course of fieldwork students learned that many issues confronting the lives of the villagers were interrelated. At the end of fieldwork they shared their observations with the villagers and local authorities in order to get their feedback.

Before going to Cambodia, students were required to take courses in preparatory lectures and fieldwork methods. The Foundation for Advanced Studies on International Development provided Project Cycle Management (PCM) courses, while Nevka Company offered a one-day workshop on Participatory Rural Appraisal (PRA). The preparatory lectures included a video conference on public health and migration connecting GSID and RUPP. The second video conference was organised between the two institutions to exchange views on the final outcomes of the studies. The present volume is a collection of the final reports written by the four working groups.

## **Acknowledgements**

The OFW Committee 2006 is indebted to many individuals and institutions both in Cambodia and Japan. Above all, we are grateful to the people of Kampot Province. Our special thanks are due to villagers of the four villages we studied. The Governor and other officials and staff members of the Kampot Province, Kampong Trach District, and Kampong Trach Khang Lech Commune were very helpful and accommodating throughout our stay. We are also grateful to non-governmental, commercial, and community organizations operating in the area which provided us with valuable information.

Faculty members and students of the Royal University of Phnom Penh (RUPP) were a crucial link between GSID and the local community. We are particularly grateful to Neth Barom, Vice-Rector of RUPP, Chhinh Sitha, Nith Bunlay, Nhong Hema, Khun Chanmony, Phal Des, and the eight students who participated in the program. Without their cooperation through the entire cycle of the program, it would not have been possible to see it through the end.

Our thanks are also due to those who offered preparatory lectures to the program participants: Leng Hor of the Ministry of Health in Cambodia, Bunnak Poch of RUPP, Kenji Yotsumoto of Nagoya Keizai University, Kuong Teilee, Kenjiro Yagura and Ngov Penghuy of Nagoya University.

Lastly, we wish to thank those at GSID who extended support to the OFW Committee 2006: Yoshihiko Nishimura, Dean, Kimiaki Takahashi, Atsuko Ohashi, Kenjiro Yagura, Muhtar Fukuda, Yoshihide Kato, Kelsey Lynn Haskins, Sushanthi Arachchige Kuruwita, and Ngov Penghuy among many others.

OFW Committee 2006

Sanae Ito (Chair)

Yasushi Hirosato

Igor Saveliev

Takako Suzuki (Coordinator)

Kimiaki Takahashi (Collaborating member)

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## List of Participants

### Faculty Members (9)

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WG1	Kimiaki Takahashi	Nith Bunlay
WG2	Sanae Ito	Khun Chanmony
WG3	Yasushi Hirosato	Chhinh Sitha
WG4	Igor Saveliev	Nhong Hema
Logistics/Coordination	Takako Suzuki	Chhinh Sitha Nith Bunlay

### RUPP Student interpreters (8)

WG	Name	Sex	WG	Name	Sex
WG1	Ly Sokleap	F	WG3	Serey Samchet	F
	Ou Sitha	F		Tea Sokly	F
WG2	Khan Vanchan	M	WG4	Kong Vendy	M
	Chou Sochet	M		Peuo Salideth	M

### GSID Student advisors (7)

WG	Name	Sex	WG	Name	Sex
WG1	Eiji Shinkai	M	WG3	Kanae Kawashima	F
	Ngov Penghuy	M		Cheu Dary	F
WG2	Ana Maria Figueras Moya	F	WG4	Gera Weena Jade Samante	F
	Ana Maria Figueras Moya	F		Samreth Mammoun	M

**GSID Students (33)**

WG	No.	Name	Department #	Nationality	Sex
WG 1 Income Generation	1	Corzo Torres Mario Donato*	DID	Guatemalan	M
	2	Yermoshkin Kirill	DID	Kazakhstan	M
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	4	Niki Keina*	DID	Japanese	F
	5	Wada Yuki	DID	Japanese	M
	6	Xu Jia	DID	Chinese	F
	7	Yamato Yukiko	DID	Japanese	F
	8	Atahar Syed Al	DICOS	Bangladeshi	M
	9	Kalybekov Kanat Tynychbekovich	DICOS	Kyrgyz	M
	10	Kogoe Asuka	DICOS	Japanese	F
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	3	Matsumoto Haruka	DID	Japanese	F
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	7	Mizutani Ikuyo	DICOS	Japanese	F
	8	Oli Inderlyn Alulani	DICOS	P. N. Guinean	F
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	3	Suehiro Miho *	DICOS	Japanese	F
	4	Yamamoto Shoko	DICOS	Japanese	F
	5	Yevetska Olga **	DICOS	Ukraine	F
	6	Yuan Yuan	DID	Chinese	F
	7	Kiatiniyomsak Wanchalee	DICOM	Thai	F
	8	Chanitsara Yusupap	DICOM	Thai	F
	9	Sawai Hajime	DICOM	Japanese	M

\*\* Group leader, \* Sub-leader, # DID: Department of International Development, DICOS: Department of International Cooperation, DICOM: Department of International Communication



## Program of OFW 2006

### Preparatory Seminar

Date	Hours	Title of the Lecture	Lecturer
May 17	15:00-16:30	Introduction to OFW 2006 Assistance by RUPP	Sanae Ito, GSID Sitha Chhinh, Visiting Professor of GSID from RUPP
May 24	15:00-16:30	Introduction to Cambodia and Kampot Province	Sitha Chhinh, Visiting Professor of GSID from RUPP
May 31	15:00-16:30	Macro-Economic Conditions of Cambodia	Ngov Peng Huy, GSID student of the doctoral program
Jun. 7	15:00-16:30	Legal Systems and Development in Cambodia	Kenji Yotsumoto, Nagoya Keizai University
Jun. 14	15:00-16:30	Political System in Cambodia	Kuong Teilee, CALE, Nagoya University
Jun. 21	15:00-16:30	The State of Education in Cambodia	Sitha Chhinh, Visiting Professor of GSID from RUPP
Jun. 28	15:00-16:30	Rural Development in Cambodia	Kenjiro Yagura, GSID
Jun. 30	9:00-18:00	One-day Workshop on RRA/PRA	Masahiro Oseko, Representative of Nefuka consulting company
Jul. 5	15:00-16:30	Video: "The Killing Fields"	---
Jul. 12	15:00-17:30	Public Health in Cambodia Migration in Cambodia (Video Conference)	Leng Hor, Deputy Director, National Centre for HIV/AIDS, Ministry of Health Bunnak Poch, Director, Centre for Population Studies
Jul. 19	15:00-16:30	Research Ethics and Presentation Skills	Takako Suzuki, GSID
Jul. 26	15:00-17:00	Presentation of Research Plans by WGs	---

### Overall Schedule of Fieldwork in Cambodia

Date	Activities
Aug. 31 (Thu.)	8:00 Meeting at Chubu International Airport 10:30 Departure from Nagoya (TG645) 14:30 Arrival at Bangkok (transit) 18:10 Departure from Bangkok (TG698) 19:25 Arrival at Phnom Penh ( <i>Accommodations: Princess Hotel, Phnom Penh</i> )
Sep. 1 (Fri.)	AM: Move to Kampot Province by bus (about 3 hours) Opening lunch with RUPP professors, student interpreters and local representatives PM: Courtesy visit to and briefing at the Kampot provincial government ( <i>Accommodations: Borey Bokor Hotel I, Kampot</i> )
Sep. 2 (Tue.) - 8 (Fri.)	Meeting with commune leaders Field survey by each WG (7 days)
Sep. 9 (Sat.)	Preparation for the presentation of findings by each WG
Sep. 10 (Sun.)	Free time
Sep. 11 (Mon.)	Presentation of the final findings by each WG in each commune Farewell party in Kampot organised by GSID
Sep. 12 (Tue.)	AM: Move to Phnom Penh by bus PM: Visit to related Ministries in Phnom Penh ( <i>Accommodations: Princess Hotel, Phnom Penh</i> )
Sep. 13 (Wed.)	Free time (Optional tour: One-day visit to the historical Angkor monuments)
Sep. 14 (Thu.)	Check-out from the Hotel in Phnom Penh 20:25 Departure from Phnom Penh (TG699) 21:30 Arrival at Bangkok (transit) 00:10 Departure from Bangkok (TG644)
Sep. 15 (Fri.)	7:50 Arrival at Nagoya

## **Presentation of Research Findings at Each Research Site**

The presentation of research findings was held at each site by each working group on September 11, 2006.

## **Presentation of Research Findings through the Video Conference**

Upon our return to Nagoya, the overall presentation was held at GSID, Nagoya University on December 6, 2006. Through the video conference, we shared research findings and experiences with RUPP members as well as GSID professors and students who did not participate in the field survey.

## Photographs



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WG1



WG2



WG3



WG4



■■■■■■■■■■  
■■■■■■■■■■



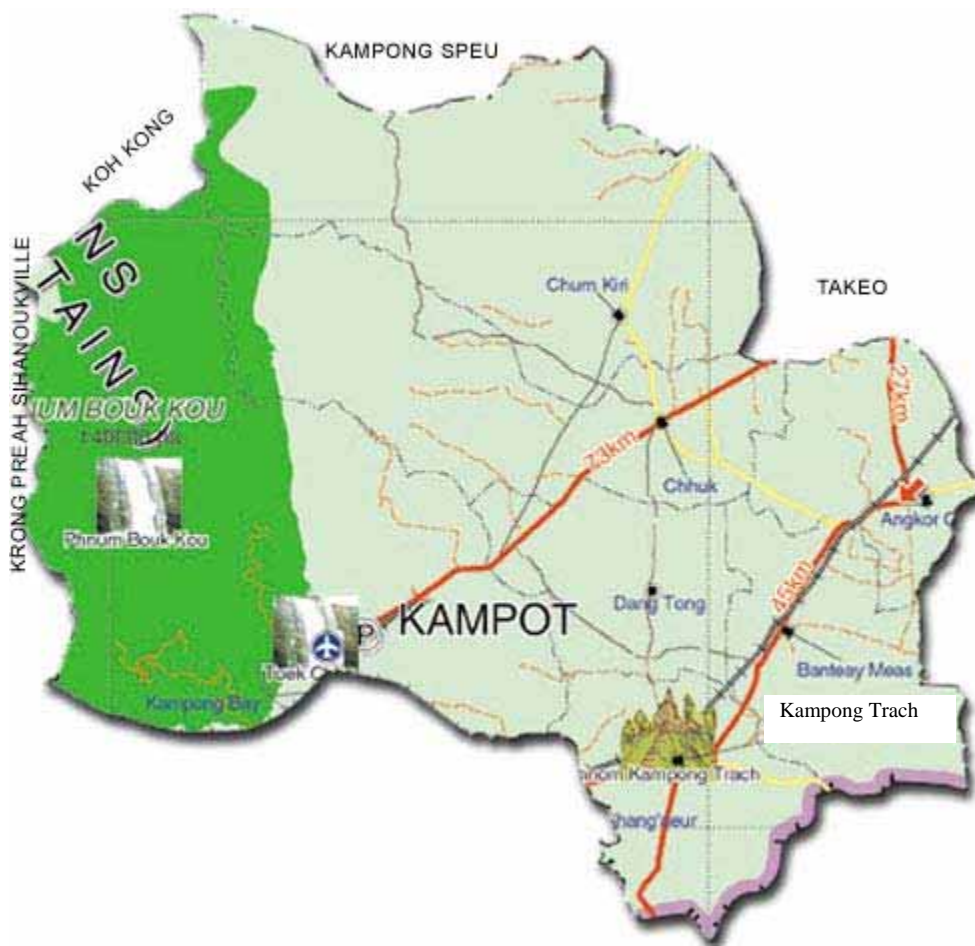




## B. Political Subdivision

The province is composed of 8 districts with 92 communes and 483 villages (see Figure 2). Its capital is Kampot. Districts are the secondary subdivision after the provinces, which are further subdivided into communes consisting of villages. The villages are the smallest of the local government units. District chiefs are appointed by the Provincial Governor, while the commune chiefs and councilors are selected through elections participated by several political parties.

Figure 2: Map of Kampot Province



Source: [www.ubru.ac.th/ccu/khmer/kampot\\_map.jpg](http://www.ubru.ac.th/ccu/khmer/kampot_map.jpg)

## C. Demography

Kampot province has an estimated population of 595,000, with 52% female, in 2004. Children aged 5 years totaled around 72,000 that make up 12% of the total population of the entire province. The estimated number of households in 2004 was 117,000 giving an

average household size of 5.1 persons. According to the 1998 census, adult literacy in the province is 64.3 percent, with 51.3 percent literacy rate for women and 78 percent for men (NIS, 2000).

The population density is 122 persons/km<sup>2</sup> compared to an average population density of 75 persons/ km<sup>2</sup> for Cambodia.

#### D. Livelihood

Kampot is a rural province. More than 85 percent of the population are engaged in agriculture, forestry and fisheries. Income sources of the population include rice, vegetable and fruit and small livestock production; limestone and phosphate mineral resources; seacoast fisheries; salt fields; Bokor National Park, wildlife reserves and other tourist attractions (DED in Cambodia: <http://kambodscha.ded.de>). Specifically, Kampot, its capital, is producing some of the best pepper in the region.

In terms of agricultural land, households have limited access to agricultural land for production (UN-WFP Food Security Web Atlas, 2002). This is not surprising since only 27 percent of the area is used for agricultural production, and an estimated 56 percent are covered with forest (DED in Cambodia: <http://kambodscha.ded.de>).

#### References:

1. Cambodian Ministry of Tourism Website. <http://www.mot.gov.kh>
2. National Institute of Statistics (NIS), 2000. 1998 Census of Cambodia. Ministry of Planning, National Institute of Statistics.
3. Deutscher Entwicklungsdienst (DED) in Cambodia (<http://kambodscha.ded.de/cipp/ded/custom/pub/>)
4. One-World Nation Online Website: [www.nationsonline.org](http://www.nationsonline.org)
5. United Nations-World Food Program Food Security Web Atlas in Cambodia, 2002 (<http://www.methodfinder.com/wfpAtlas/>)

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**Working Group 1**

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# Seasonal Patterns of Income Generation Activities

- O-chroneang village, Kampong Trach  
Khang Lech commune, Kampong Trach  
district, Kampot province, Cambodia -

1. Introduction
  2. Methodology
  3. Results
  4. Conclusion
  5. Recommendation
- References

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## 1. Introduction

A group of ten students went to O-chroneang village to conduct a survey which intends to answer the following questions as its main goal, and thereby provide a policy recommendation to promote or speedup the development process of the village;

1. **What are the main income generating activities in each season; namely dry season and rainy season?**
2. **What are the prospects and constraints of each income generating activity?**

The Kingdom of Cambodia, a country located in Southeast Asia with a population of more than 13 million (CIA World Fact Book, 2006) shares its long border of 800 km with Thailand to its west and north, Laos to its northeast and Vietnam to its east. In addition, it has a 443 km wide gateway to the Pacific Ocean through the Gulf of Thailand on its south.

The information from the US library of congress (2006) the country due to its ill political instability experienced civil wars and internal strife through a series of regimes since its independence, and this has mainly characterized its economic history . Prince Sihanouk ruled the country soon after independence, thus, this period was termed as “Sihanouk’s Peace Time Economy (1953 to 1970)”. During this period the country experienced a remarkable economic development but later deteriorated from 1963 to 1969, mainly due to the ill policy to nationalize the major financial institutions and industries. The economic development experienced during his rule is owing to his carefully practiced policy of neutrality between East and West. During this era the country’s GNP grew at an average rate of 5% in real terms in which by the end of 1960s the service sector accounted for greater than 15 %, the agricultural sector for 36% and the manufacturing for 12% of GDP.

Later in 1970, a successful coup led by Lon Nol disposed Prince Sihanouk from his throne which led the country into a so called “war time economy,” is mainly characterized as an attempt to liberalize the economy. This further deteriorated the economic performance of the country mainly in its agricultural sector when in 1972 the country needed to import rice from Japan and Thailand, an incident that happened for the first time since independence. Hence, increasing budgetary expenditures, skyrocketing inflation, shrinking export earnings, and a rising balance-of-payments deficit plagued the war-torn economy. Consequently, by the end of 1975 the economy had already collapsed in which the nation was surviving mainly on imported food financed by the US government.

As the country fell under the Khmer Rouge, the economy followed another trend from 1975 to 1979 in which its central goal was ‘self reliance’. This gave utmost priority to agriculture and neglected industry. Even though there are no statistics to measure the economic performance during that period, it is believed that all the goals were too ambitious and none of them were met. At the end of 1978, Vietnamese troops invaded Cambodia. The agricultural sector was hit again and the country experienced a severe food crisis in 1979. In 1980s like many other Asian countries, Cambodia enjoyed a substantial increase in its agricultural production which continued to the days of relative peace and tranquility in the 1990s. According to Fredenburg and Hill (2006), the country once again became self-sufficient in rice production.

According to sources from the US department of state (2006) on Cambodia country profile despite recent progress, Cambodian economy continues to suffer from the effects of decades of civil war, internal strife and rampant corruption. The per capita income is rapidly increasing, but is relatively low compared with other countries in the region. Most rural households depend on agriculture and its related sub-sectors. Rice, fish, timber, garments and rubber are Cambodia's major exports, while the US, Singapore, Japan, Thailand, China, Indonesia and Malaysia

are its major export partners. According to the latest information available, around 74% of the country's population is engaged in agriculture.

According to sources from the local district office the present Cambodia is divided into 20 administrative provinces. O-chroneang village, one of the 69 villages in Kompot province, is the village where our survey was conducted. It has 206 households (1030 individuals).

This province has emerged as one of the most popular provinces of Cambodia. Mostly due to tourist attractions such as Bokor National Park, seaside resorts in Kep, the nearby islands and the caves around Kampong Trach. But its economy never recovered from the loss of its south-coast port status since the birth of Sihanoukville in 1959, and was in slow decline during the civil war. Agriculture gradually regained supremacy over trade; a wide range of fruits and vegetables, herbs and spices are cultivated.

This region enjoys south-west monsoons that blow inland bringing moisture-laden winds from the Gulf of Thailand and the Indian Ocean from May to October and experiences the heaviest precipitation from September to October. The north-east monsoon ushers in the dry season, which lasts from November to March, with the driest period from January to February. Therefore, this region experiences two main seasons namely: dry season and rainy season (Wikipedia, 2006).

Hence, the dominantly agrarian rural population's income generating activities naturally differ from season to season as they engage themselves in farming for only one third of the year while the rest of the year they engage in other activities. Moreover, the income generating activities also differ depending on the sector from household to household.

## **2. Methodology**

This study was designed to examine the existence of a clear distinction in seasonal income generating activities among the villagers. Even though seasonality was clearly identified as dry and rainy seasons, it was left to be defined by the villagers in our sample group to see how natural phenomenon would affect their income generating activities which enable them to sustain their livelihood in different seasons. Further more in this research, we plan to identify how such patterns would change from season to season. In order to describe the research design, this chapter has been organized into the following sections: (1) sample selection, (2) instrumentation, (3) data collection and treatment of data.

### **2.1 Data Selection**

The village of 206 households and a population around 1000 was chosen as the study site. As the main constraint was time and limited number of researchers to conduct the survey, a sample group of 40 households was randomly selected with the help of the village chief. However, to ensure accurate representation of the majority of the households in the entire village, the research group advised to select a diversified set of households from different parts of the village.

## 2.2 Instrumentation

A number of instruments were utilized to collect various types of data needed for this research: questionnaires, interviews and compiled data collection being the major ones; and most importantly, the Participatory Rural Appraisal (PRA) method was used to conceptualize the issue and get first-hand information from the villagers' perspective. The instruments were utilized to collect information in family size, the number of individuals who are economically active, the definition of seasonality, activities done per each season, economic factors such as savings and expenditures and some other miscellaneous questions such as working place, problems at working places and so on.

## 2.3 Data Collection and Analysis

A set of primary<sup>1</sup> and secondary<sup>2</sup> data were collected in the time line shown in the table below which covers the work done in 11 consecutive days.

### 2.3.1 Primary data:

A questionnaire with 12 questions was designed to collect first-hand information which will enable the answering of the research questions. Considering the literacy rate of the villagers, the distribution of questionnaires was not possible; hence, the questionnaires were filled in a structured interview form by the research group with the help of assistants from the Royal University of Phnom Penh (RUPP) who assisted the group in communicating with the villagers. Furthermore, one of the main sources of information was obtained through PRA method conducted with 30 villagers of O-chroneang village. This method was used to identify the main income generating activities, their ranks, and to see the constraints and possible solutions to each income generation activity from the local people's perspective. The method employed three stages, starting from focus group selection which was done with the help of the village chief. At this stage of the exercise, participants from different age groups, aged and individuals conducting different income generating activities, were selected to ensure diversity and the presence of a good cross section of the community. This was followed by a brainstorming session to identify the main income generating activities and the key constraints the villagers face. Finally, three matrices were drawn to rank the income generating activities that were identified in the earlier stage, and to examine key constraints and possible solutions.

## 2.3.2 Secondary data:

Table 1: work plan of the field work

<b>Days</b>	<b>Activity</b>	<b>Purpose</b>
<b>Day 1 (Sept 1 Friday)</b>	<b>Visit local government office</b>	<b>Courtesy visit and introduction</b>
<b>Day 2 (Sept 2 Saturday)</b>	<b>Visit Kampongtrach Khang Lech commune</b>	<b>Meet commune chief and four village heads; briefing</b>
<b>Day 3 (Sept 3 Sunday)</b>	<b>O-chroneang village</b> • Interview villagers	<b>General overview of the village; data collection</b>
<b>Day 4 (Monday)</b>	• Interview villagers	<b>Review of the transect walk and reduction of observations.</b>
<b>Day 5 (Tuesday)</b>	• PRA	<b>Identify major income generation activities and key constraints</b>
<b>Day 6 (Wednesday)</b>	• Visit District Ministry of Agriculture • Visit District Ministry of Rural Development	<b>Cross check data and do the spot analysis</b>
<b>Day 7 (Thursday)</b>	• Interview villagers	<b>Data collection</b>
<b>Day 7 (Friday)</b>	• Interview villagers	<b>Data collection</b>
<b>Day 8 (Saturday)</b>	• Visit district administration • Visit German Development Agency “GTZ”	<b>Cross check data and do on the spot analysis</b>
<b>Day 9 (Sunday)</b>	<b>Preparation of the presentation of findings</b>	
<b>Day 10 (Monday)</b>	<b>Presentation of findings to the villagers</b>	<b>Share the findings with the villagers and list a set of recommendations which are at their command ONLY.</b>

A number of governmental offices such as the Ministry of Agriculture, the Ministry of Rural Development at the provincial level and commune level, the local governmental office at commune and village level, and an NGO, called the German Technical Cooperation (GTZ) office of Kampot province, were visited. In this stage interviews with relevant officials were conducted to enrich the information the group had from the primary survey.

### 3. Results

#### 3.1 The economic characteristics of Kampot Province

Kampot has 8 districts and 92 communes. The central town is located in the east that crosses the bridge hanging over Kampong Bay River. In town we can see shops, hotels, restaurants, banks, markets and small scale shops selling similar products such as fruits and some other consumer goods such as soap and cigarettes. There is also a big market in the center of the district.

According to the head of Kampot Province office (2006), 85% of villagers are engaged in agriculture. In the village, normally villagers cultivate rice in rainy season and do other activities in the dry season. The main local industries in Kampot Province are salt and cement.

#### 3.2 Village household characteristics

O-chroneang Village has 206 households with an average of 5 members each. As a pattern, the father and the mother work in almost every family. However, in 11 of the 40 households covered in the survey, there are more than 2 members who are economically active, engaging mainly in non-agricultural activities. Even though these households are not exactly the richest ones, they have a relatively higher standard of living than other households.

As to the assets of the households, the minimum land size is 0.03 ha and the maximum was 3 ha. In average, each household has about 1 ha of land. 8 households (20%) have more than 1.5 ha of land. However, the possession of land is not a good representative of the economical situation of the households because floods tremendously affect those lands. As a consequence a large amount of lands remain uncultivated.

Regarding the possession of livestock, in average every household has one pig. Twelve percent (12%) of households have three or more pigs. Pigs are mainly considered as the “safety net” asset which they normally sell in the market whenever they are in critical financial conditions. Thus, villagers buy piglets for Riel 18,000<sup>3</sup>, an amount equivalent to the price of 14kg of rice in Kampot market. And 82% of the households have cattle. On average, all the households have 2 to 3 oxen or cows usually used for farming purposes.

#### 3.3 Income generating activities

Even though most of the households rely on agriculture for subsistence, farming barely secures their food necessities. For this reason they also engage in other activities to obtain extra income to meet their basic needs. The income generating activities of the villagers clearly vary from season to season. In general, they can be categorized as *agriculture*, (which includes cultivation, animal husbandry, and fishing), *commerce* in which apart from selling surplus agricultural products that includes selling of consumer goods within the village or at the market in the district center, and *employment* which includes formal employment such as teaching at school and self employment like construction works, tailoring and event organization.

### **3.3.1 Agriculture**

As discussed in the introduction of the report, this region like many other tropical areas enjoys two distinct seasons; namely rainy season and dry season. The dominantly primitive subsistence level agricultural system comprises both farming and fishing.

#### **3.3.1.1 Farming**

From the households covered in the survey with clear information on cultivable land ownership (2 households have no information on land ownership), 97.4% are engaged in farming, mainly subsistence level farming. However, only 38% of the households rely on farming as their main source of income during the rainy season. Since cultivation is not easy during the dry season it depends largely on rainfall. As such, only 19% could pursue cultivating vegetables during the dry season and many of such land owners located near small ponds or the river.

#### **3.3.1.2 Fishing**

Principally 13% of the households rely on fishing as their main source of income. Fishing includes fishing in the paddy fields, the river and few from the sea (wild harvest) and also a small scale extensive aquaculture.

### **3.3.2 Commerce**

To obtain additional income, around 30% of the working members of households work by selling some products in the nearest market, Kampong Trach market. Kampong Trach market is located 3 kilometers away from the village and is the center of commerce for the entire region. The market is very close to the main road, bringing in local and outside consumers. One of the households we interviewed in the village does sell fish they catch in Kampot city which is pretty far from the place they reside.

When we look at the products sold in the market, just a few are manufactured products: sweets made from palm trees, pancakes, fried potatoes and other kinds of consumer goods. Many of them are primary products harvested at home without any other value added such as coconuts, fruits, fishes, frogs, and a variety of vegetables. The sales at the market are low due to the limited number of consumers and the increasing amount of shops in the recent years making the competition even fiercer. The villagers keep their posts in the market all the year long. Another difficulty faced by villagers involved in commerce is the distance to the local market. Some villagers produce certain products that need to be sold by midday. Their day starts very early in the morning to prepare their products because they need to bring them to the market before midday. However, since there is no good road connecting the village to the market place, distance has become the main problem.

Lack of capital to increase the value of their products or the inability to open a small shop is another problem mentioned by the villagers. This problem further extends to those who are not yet running small businesses. "...however, the lack of capital for entrepreneurship is the major problem that needs to be embarked", said one of the interviewees. The households working in this sector are not necessarily the richest of the community, but have a higher standard of living compared to the average standards of the overall villagers.

### 3.3.3 Employment

In the village 38% of the working members are employees in both public and private sector. Their jobs are divided mainly into two types of employment:

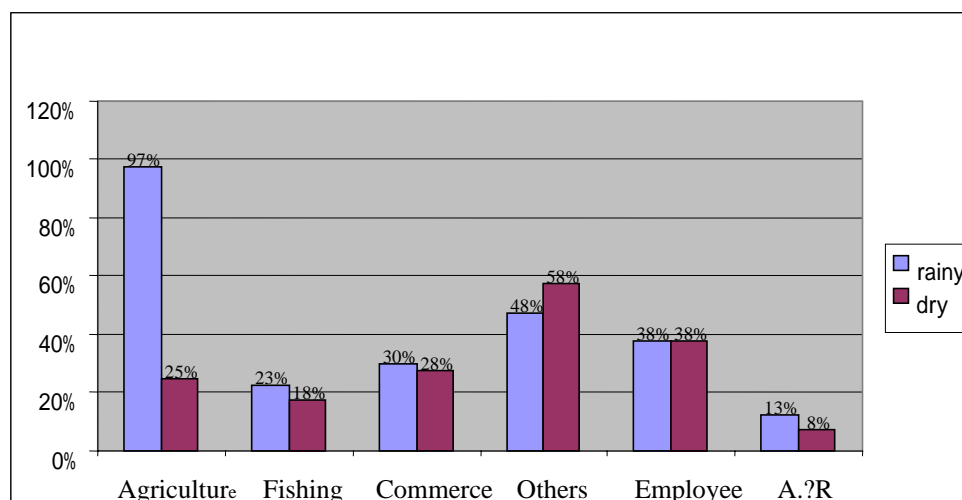
- a. Type 1 is all year round jobs such as policeman, teacher and NGO worker. Forty three percent (43%) of employees covered in our survey are teachers. Teachers work 4 hours a day in two shifts which is common in Cambodia. Schools offer two shifts educational services mainly due to lack of sufficient schools to accommodate all students and lack of skilled man power. They have holidays on Sundays and National holidays. A teacher's monthly salary is around Riel 150,000. Fourteen percent (14%) of employees covered in the survey were police officers, being on duty for around 17 hours a day but on irregular basis. Their monthly salary is Riel 95,000. Even though both jobs had different working hours, both had one thing in common; low salary.
- b. Another type is temporary laborers such as construction workers of which 36% are from the village. Their main difficulty regarding their works was that construction work was very hard, dangerous and unstable. Although they can earn Riel 10,000 per day and since most construction work is carried out only in dry season, eventually they can only make an annual income only up to Riel 200,000R. Thus, many of them are still forced to do farming during rainy season.

Other temporary jobs available are mobile chefs, motor-taxi driver, housemaid in Phnom Penh, garment factory worker, etc. Mobile chef is an occupation available only in the ceremony season (January, February). Motor-taxi driver needs a motorbike to do the business. Some of them were able to send remittances to help their family back home in the village. For instance, one of the interviewees who works as a housemaid and a clerk of bookstore can earn 400,000R per month.

During the rainy season 21% of the households' income come mainly from employment. There is an increase in the dry season as members of the household have to perform other activities besides agriculture. At this time 29% of the households said their main income comes from employment.

### 3.4. Seasonality

As discussed in the introduction of the report, this region as many other tropical areas, enjoys two distinct seasons: rainy season and dry season. This natural phenomenon clearly defines the income generation activities of the villagers especially for those who mainly rely on farming.

**Figure 1: Seasonal Patterns of Income Generation Activities**

We found that 70% of the working villagers were engaged in agriculture during rainy season, however, the percentage decreases drastically to 25% during dry season. In addition, one can say that fishing, commerce and animal raising engagement decrease to about 6% in average when in dry season. And the number of employed villagers does not change throughout the year. The only activities that increase in the dry season are the ones categorized as “Other Activities”, “which are related to ceremonies and taxi driving. This increases by 10% from rainy season to dry season, mainly due the drought of the dry season, when the villagers can not work in their fields. To satisfy their necessities they need to engage in other activities, but the limitation of work is a significant issue.

If we enumerate the activities by order, it will be as follows in the rainy season: Agriculture, “Other Activities”, Employee, Commerce, Fishing and Animal Raising, while it will change as follows in dry season. Other Activities is the top, followed by Employee, Commerce, Agriculture, Fishing and Animal Husbandry.

When we consider the activities within the context of seasonality, it can be said that although Agriculture is an essential activity, it decreases remarkably depending on the season, (1<sup>st</sup> to 4<sup>th</sup> place) and this means that the work in Agriculture is very unstable. From the data, we can say that it is “Other Activities” that supports the economy of this village as it occupies about 53% of people in average during the year. Furthermore, the next activity which supports this village is formal Employment since these two activities seem to be stable compared to Agriculture and Fishing.

### 3.4.1 Seasonality of main income generation activities

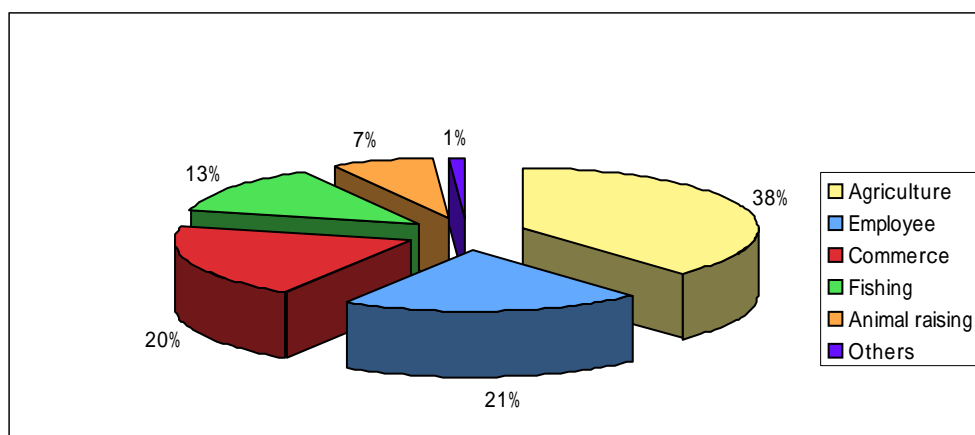
As already discussed in previous sections of this report, irrespective of different activities the households' members do, there are several activities that provide the households with an income.

#### 3.4.1.1 Rainy Season

During the rainy season, 38% of the interviewed villagers considered Agriculture as the main income generating activity, 21% for Employment, 20% for Commerce, 13% for Fishing, 7% for Animal Raising (for future selling), and 1% for Other activities like taxi driving.



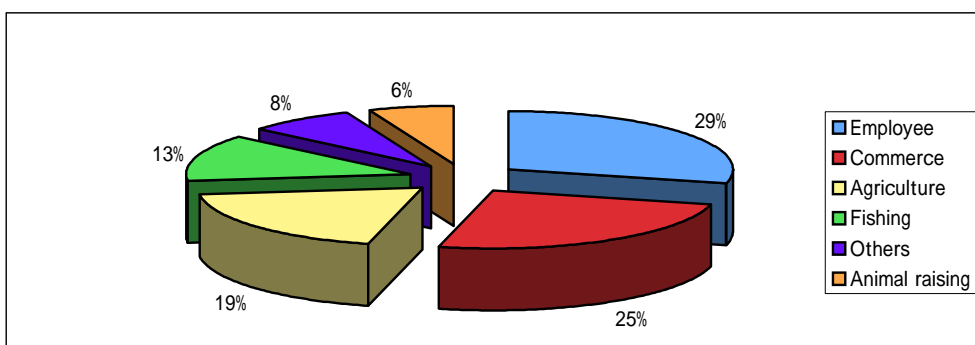
Chart 1: Main source of income in Rainy Season



### 3.4.1.2 Dry Season

During the dry season only 19% considered Agriculture by mainly producing vegetables or collecting fruits in the surrounding lands to sell, as their main source of income. And 29% were engaged in formal employment, followed by 25% in Commerce activities, 13% in Fishing, 6% in raising livestock and 8% in “Other activities” like taxi driving and activities related to ceremonies.

Chart 2: Main Source of Income in Dry Season



As can be seen from the charts above, the patterns of income generation activities change greatly by the seasons in this village. Chart 1 and Chart 2 show that the number of households whose main income is from Agriculture decreases from 38% in rainy season to 19% in dry season. The reason why they cannot earn an income from agriculture in the dry season is because of the lack water or water system. However, some of the villagers mentioned about the positive prospect to use water from a nearby dam in a few years, and this might help change the present situation for better.

On the other hand, other activities other than Agriculture continue to be the same number or increases. Especially, households whose main source of income from Commerce, formal employment and other activities increase by 7% on average in dry season compared with the rainy season. The biggest difference is seen in “formal Employment” which is at 8%. The next one is in “Other activities” where an increase of 7%, followed by 5% in commerce. However, we could not find a significant change in Fishing and Animal Husbandry from this data, thus we can assume that people who do Fishing and Animal Husbandry in the rainy season continue to work in those activities in the dry season as well. Seventy percent (70%) of the working members of the households we

interviewed were engaged in farming in the rainy season, but only 25% in dry season. Therefore, the number of people engaged in agricultural sector falls with the advent of dry season. This can be explained precisely by the reliance of rainfall on farming. It can also be said that the households' source of income from formal employment, increases, together with Commerce and "Other activities" in dry season given the fact that they need to cover the loss of income from Agriculture which most of them give up in the dry season.

### **3.5. PRA Results**

Participatory Rural Appraisal was conducted to prioritize income generating activities and to identify problems and possible solutions for each income generating activity from the villagers' perspectives. To achieve this, 30 villagers of different age groups, gender and occupations were used as samples.

The technique followed a simple sequence starting from drawing the map of the village, panel discussion, and finally by drawing matrices. The villagers drew the map of their village and conduct panel discussions in three groups in which they listed the main income generating activities and their respective problems and possible solutions. Later three main matrices were drawn for scoring exercise.

#### **3.5.1 Major income generation activities**

According to the results from the first matrix, the major income generating activity of the participants was farming, which scored 55% of the number of the total beans, distributed, followed by fishing, small businesses and self employment<sup>4</sup>. The aggregation of all agricultural activities scored 74%. This clearly indicates that the villagers mainly rely on agriculture which includes farming followed by fishing and raising livestock.

#### **3.5.2 Key Constraints of each income generating activity**

As of the results from the second matrix on identifying key constraints of each activity, the following was evident. The participants stressed that the main problem in agriculture (where the major score was on farming) was the drought. This was followed by floods, lack of land for cultivation, and lack of infrastructure<sup>5</sup>. In addition, in the case of fishing the main problem stressed by the villagers was over-fishing issue. And the people engaged in other activities such as small businesses, construction and other self employment mentioned that the limited demand, insecure and grueling work, and low wages are their main problems.

#### **3.5.3 Possible solutions**

Having identified the key constraints of each income generation activity in the second matrix, a third matrix was drawn to find possible solutions from the villagers' perspective. As one of the weaknesses of the PRA activity, the group admits that all the possible solutions were again concentrated on farming. This was due to the failure in designing a separate matrix for each separate activity. As the matrix was designed for all activities, the participants inevitably gave more weight to farming. Nonetheless, the possible solutions suggested by the participants were all very important as the village is the home for agrarian society that relies on rain-fed primitive farming. This particular farming style has made their harvest and income source insecure. Therefore, giving utmost priority to farming and identifying the possible solutions is very crucial.

The first priority step towards flood control, which was suggested by 31% of the participants, was the reconstruction or restoration of the dike<sup>6</sup>, at the point of junction of the river and bay of Thailand. This will prevent the arable land being flooded in the future. The major cause of severe flooding was due to the dike blocking the river

to flow downstream resulting in flooding of huge farm lands. This has left a mass area of land uncultivated. They suggested that setting wider water gates would enable to sufficiently release the water during rainy season and it is very important. The matter why the villagers tend to complain more on flood probably due to the fact that the village had been severely flooded two weeks before the survey was conducted. The research group considers this factor might have had an effect on their perceptions of other problems.

As a second possible solution more weight was given to building infrastructure which includes a 3.5 Kilometer road which crosses from the main national road perpendicular to the furthest tip of the village. Twenty percent (20%) of the participants stressed on this point as the farmers faced a problem in transporting their products to the market. Moreover, in order to tackle the insecure rain fed farming system it was suggested that the implementation of an irrigation system needs to be promoted to fight against drought so that double season harvest can be realized.

The third ranking solution suggested was to have micro-credits available to farmers as they were unable to afford the costs of selected seeds and fertilizers. This was not only a matter of affordability but also relates to the lack of technological know-how and use of modern equipments. It was suggested, as a runner-up solution, to introduce modern technology, which includes selecting seed varieties, training of farmers, and adapting modern equipments through which production can be boosted. By following such methods the farmers may be able to shift from the primitive and subsistence level farming to a commercial level one so that they can sell their surplus harvest and at the end increase their level of income.

Most importantly, it was suggested that cooperation among villagers in general and farmers in particular, needs to be promoted in creating an environment in which farmers can learn from each other's experiences. Another sidetrack suggestion that goes beyond farming, but is very important in income generation, was the building of factories or introduction of public work. It is needed to create jobs for villagers and finally leads to improving the overall income level of the village.

## 4. Conclusion

1. Seventy percent (70%) of the working members of the households we interviewed were engaged in subsistence farming, mainly in the rainy season and only twenty five (25%) in the dry season. There is a general decrease in the working force and emphasis on agriculture during the dry season.
2. There is an increase in the working force engaged in other activities apart from agriculture in the dry season. This increase is mainly due the drought, when the villagers can not work in their fields. To satisfy their necessities they need to engage in other activities, but the limitation of work is always a serious issue. They propose that if the government would invest in public works and factories near their village, it would help create jobs for the villagers.
3. Not only the villagers' activities but also their sources of income change according to the season. The households' main source of income increase in formal employment, Commerce and "Other activities" in the dry season because they need to cover the loss of income from Agriculture which most of them give up in the dry season.
4. Yet, the villagers face a number of constraints in each income generating activity. Firstly, the lack of irrigation system is significant due to the unreliability of rainfall. And this causes drought in dry season. Next, insufficiency of proper roads to transport farming equipments and products and lack of training of modern agricultural system are the present major limitations. Most importantly, the absence of

organization that helps them do the marketing of their products to get rewards at a reasonable price a noticeable constraint. These are the constraints to agriculture. As for those who are engaged in commercial activities claim that lack of capital for entrepreneurship and limited demand from consumers are the prime constraints for them. And for those who are employed are suffering from low wages and strenuous work conditions.

5. Since the villagers have been mainly dependant on agriculture for generations, they are able to suggest possible solutions that addressed constraints attached to this sector. Hence, it was suggested that access to modern technology to promote agriculture through provision of training, machineries and construction of infrastructures such as irrigation system and road connecting the village with the district market would be the first priority solution.

## 5. Recommendations

As one of the main objectives of the research is to list a set of recommendations, the research group wisely puts the recommendations in two ways: one is “at the villagers command” and the other as “out of the villager’s command”.

The team strongly recommends the villagers’ need to organize themselves by forming an agricultural cooperative in which an environment to exchange information and experiences can be created. Moreover, the cooperative and knowledge exchange can play an important role in promoting and marketing the agricultural products. (Please, see Box 1). In addition, the farmers shall diversify their crops so that they can have a year round harvest which includes cash crops. To do so, some of their problems out of their command shall need to be solved.

Firstly, training shall be given to the farmers which will help them enhance their production. Provision of machineries and selected high yield seeds shall be provided as has been suggested by the villagers. Moreover, the construction of irrigation system will permit double season, both rainy season and dry season, harvest and this will reduce the risk of drought.

Last but not least, taking into consideration the importance of credit in the livelihood of the villagers, the mandated institutions shall promote the access to micro credits at their command. This can be done by closely working with the villagers to promote awareness on access to credits (if any) or by bringing micro credit closer to the people.

#### BOX 1

##### Success Story: the Fish seller.

We would like to present a good success story from the O-chroneang village. They have succeeded in applying new technology. This household has a small land but they moved to the forest area and became popular among villagers for the difficulty of the land, the government offered lands that were free from roots and stones by their own efforts to plant and harvest more rice, thus enabling them to do it by investing in a new income generation activity in local markets.



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## Appendix-A

### **A Small Scale Survey on: Patterns of income generation activities in village-X, Kampot Province, Cambodia.**

Survey Designed by a Research group from Graduate School of International Development of Nagoya University (Japan) in Cooperation with the Royal University of Phnom Penh (Cambodia).  
September 2006.

A research team from the Graduate School of International Development (GSID) of Nagoya University from Japan in cooperation with the Royal University of Phnom Penh intends to conduct a survey on income generating activity with its main goal to identify the prospects and constraints of the income generation activities and provide a policy recommendation to promote or speedup the development process of the village.

Therefore the research team acknowledges the importance of your cooperation in answering the following questions and assures you that all the information provided will never be exposed.

Q1. What is the total number of the members of your family?  
(numeric open-ended)

Female \_\_\_\_\_ Male \_\_\_\_\_

Q2. How many members of the family work and earn money?

Female \_\_\_\_\_ Male \_\_\_\_\_

Q3. What is your source of income in season X?

	SEASONS**				
Activities*					
Agriculture					
Commerce					
Handcrafts					
Others					

*\*Please put a sign "X" for an activity which you choose is your main source of income for each corresponding season. If it is other than the ones mentioned activities please write the activity at the space which corresponds each season and the item 'others'.*

*\*\*The seasons will be filled after identification.*

Q4. How many hours do you work (or spend) per day per each activity? (numeric open-ended)

	Time in hours				
Agriculture					
Commerce					
Handcrafts					
Others					

Q5. What property (ies) do you own? (both verbal and numeric open-ended)

1. Land \_\_\_\_\_
2. Cattle \_\_\_\_\_
3. others \_\_\_\_\_
4. Not applicable \_\_\_\_\_

Q6. How much do you spend for the following items per month? (open ended)

- a) Food \_\_\_\_\_
- b) Medical treatment \_\_\_\_\_
- c) Education \_\_\_\_\_
- d) Others\* \_\_\_\_\_

*If others, please specify.*

Q7. What portion of your income do you save per month?

- a) Less than one fourth
- b) One fourth
- c) One third
- d) One half
- e) Three fourth
- f) Two third
- g) More than two third
- h) None

Q8. How far is your workplace from your house?

(open numeric and/or verbal open ended. For example, 2 hours by walk, village X, etc)

\_\_\_\_\_.

Q9. Do you face any problem or difficulties in your working place?

- Yes
- No



Q10. If your answer for the previous question is “yes” what kind of problems do you face?  
(verbal open-ended)

\_\_\_\_\_.

Q11. Do you face any obstacle which hinders you from working and earn money?  
(verbal open ended)

\_\_\_\_\_.

Q12. If there is a possibility to change job, which job you would go for?

- I am happy with my current job
- I would go for Agriculture
- I would go for construction
- I would go for industry
- Others \_\_\_\_\_.

***Thank you very much for your kind cooperation and spending your precious time to answer our questions.***

## **Endnotes**

- <sup>1</sup> This is information collected from the survey by the research group specifically for the purpose of conducting the research.
- <sup>2</sup> This is published or compiled accessible data from a variety of sources including governmental and non governmental organizations and institutions for research and other purposes.
- <sup>3</sup> R refers to Cambodian currency Riel. R 4,100 is equal to \$1.define the currency
- <sup>4</sup> Self employed people included those engaged in construction works, tailoring and occasional chefs.
- <sup>5</sup> Infrastructure in this case mainly includes road and irrigation system.
- <sup>6</sup> A dike was constructed by the government body with its main objective to restrain the mix of marine and river freshwater, which most of the surrounding villages rely on for drinking, cleaning and cultivation, especially during high tide.

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*Working Group 2*

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# MICROFINANCE

## Microfinance Service in Kandal Tuol Village, Kampot Province, Cambodia

1. Introduction
2. Literature review
3. Research Methodology
4. Results
5. Analysis and discussion
6. Conclusion
7. Recommendation

Endnotes

References

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## 1. Introduction

The current peace was established 15 years ago with the Paris Peace Accords. The ultimate aim of Cambodia currently is to achieve its developmental and economic goals. Based on the Millennium Development Goals, Cambodia also adopted its own version of National Development Goals<sup>1</sup>. One of the goals is to reduce poverty and hunger in the rural areas. Most of the Cambodian population is living in the rural areas and about 30 percent of the population gains less than \$1 (in purchasing power) a day. However, for the past few years Cambodia has enjoyed a notable rate of growth. This could be a result of the contribution of flow of foreign direct investment into the country, and a stable macro economic system<sup>2</sup>. In the mean time, very little progress has been observed in the rural areas. Thus, efforts are still necessary to improve the situation in the remote and rural areas.

Among the efforts in rural areas, microfinance activities play a very positive role in the improvement of standards of living. Microfinance service is provided by various forms of agents, namely commercial banks, licensed microfinance institutions (MFI) and non governmental organizations (NGO). While a very large amount of capital from foreign aid and investment comes to the developed or urban areas, only microfinance plays the important role of bringing capital to the hand of the people in rural areas.

In this context, this research has been designed to find out the current situation of microfinance services in a particular rural area of Cambodia. Two research questions have been posed in order to meet the objective. One is to investigate whether microfinance operating agents meet the needs of the microfinance clients or not. We have hypothesized that there is a disparity between the supply side and the demand side. The second question is to find out a way to reduce this disparity.

The study was conducted in Kandal Toul Village in a rural area of Kampot Province, Cambodia. The researchers employed two approaches. One is to study through questionnaire surveys from the clients' side and another is to interview the providers, namely, microfinance institutions and other related organizations. The results from both sides will be compared and analyzed and a conclusion with some recommendations toward the villagers and microfinance providers will be provided.

## 2. Literature Review

### 2.1 Definition of Microfinance

Microfinance is a tool for development intended to benefit low-income people. Microfinance service refers to the financial services in a small loan type for low income people, savings, and group lending in many cases. The services are operated by the microfinance institutions (MFIs) in the form of a bank, an NGO, a co-operative, a self-help group and so on<sup>3</sup>.

In the context of Cambodia where the proportion of savings or deposit is relatively small and most of the microfinance activities take place in rural areas, the term microfinance service can be considered synonymous with micro credit service or rural finance service<sup>4</sup>. In legal framework, MFIs have been categorized furthermore into licensed MFIs, registered NGOs and non-registered NGOs, who operate microfinance service and also commercial banks and the government's specialized banks who focus their activities on the provision of

microfinance<sup>5</sup>. The term MFI is used in this report to refer to all institutions which provide microfinance services.

## 2.2 General Overview of Cambodian Rural Sector

In Cambodia, which had a population of 13.8 million in 2005, the population of those who gain less than \$1 per day was 33.8% in 2003. The share of the population living in rural areas was 82.3% in 2005<sup>6</sup>. As the big share of the population lives in rural areas, one of the keys to poverty reduction is in the rural villages and somehow the development in rural villages is required.

Major sectors of the GDP consist of agriculture 32.9%, industry 29.2%, and services 37.9% in 2005<sup>7</sup>. The agriculture sector is not performing very well, given the fact that it employs 60 percent of the population, especially in rural areas. As it employs the majority of the population, the socio-economic development of rural Cambodia depends mostly on the agricultural sector.

## 2.3 The Process of Development of MF in Cambodia

In Cambodia, the financial and banking sectors were destroyed by the Khmer Rouge regime, which abolished currency from 1975 to 1978. In 1991, when the Paris Peace Accords were signed, the financial sector of Cambodia began to be reconstructed, and to receive lots of assistance from foreign countries. Macroeconomic and structural reform programs including financial system modernization and corresponding legislation were implemented.<sup>8</sup>

Only NGOs began the microfinance activities around the 1990s. Now, nearly 400,000 people in rural areas have access to microfinance services provided by approximately 100 MFIs with the total amount of loans of more than \$ 76 million.<sup>9</sup>

In the 1990s, Cambodian banking sector went from a system limited to a single public bank to a two-tiered banking system that separated the functions of the Central Bank from commercial banks. After that, an NGO called ACLEDA, which was providing MF services, became a commercial bank and now there are 19 commercial banks in Cambodia.<sup>10</sup>

The government gave priority to begin the financial services in the rural agricultural villages for the purpose of poverty reduction as rural development at Council of Ministers on December 28<sup>th</sup> 1998.

## 2.4 The Financial Structure in Cambodia

We can classify the financial institutions of Cambodia into three parts: state-owned banks, commercial banks, and microfinance institutions (MFIs). There are three state-owned banks which include the National Bank of Cambodia (NBC) which is the Central Bank of Cambodia and Rural Development Bank (RDB). RDB was established in June 1998. Its role is to accommodate NGOs which have MF activities and start operation with \$205 million. There were 15 Commercial Banks in December 2005, including the Cambodian Public Bank and Canadia Bank Ltd. After re-licensing process, presently there are 16 licensed MFIs and 24 registered micro operators operating in the rural areas.<sup>11</sup>

## **2.5 Demand and Accessibility to Microfinance by the people**

There has been a significant demand for financing by the people in Cambodia. Even after the expansion of ACLEDA in response to large demand by the people, loans from ACLEDA were not enough. People would borrow money from the informal credit market which charges very a high interest rate, often around 5% to 10% per month. And the number of branches of MFIs is not enough, so people's access to formal financial services is limited.<sup>12</sup>

## **3. Research Methodology**

In order to answer our research questions, we conducted surveys from both MFI side and client side. For MFIs side, we visited provincial and district offices of several MFIs. And for the client side, we visited Kandal Toul Village which is located in Kampong Trach Khang Lech Commune, and investigated the general situation of microfinance in the village. We initially planned to take random samples to avoid bias in the data. However, we later decided to work in four clusters within the village because the village size was quite large and households were scattered. We divided our groups into two groups to conduct in-depth interviews from a relatively wide range of villagers. With the guidance of the village chief, one of our groups conducted a survey in cluster 2&3, which was located closer to the main road, and the other one visited cluster 9&10, which was farther from the main road. This is because, according to the village chief, relatively richer households tend to live closer to the main road, and poorer households tend to live farther from the main road.

Questionnaire surveys, interviews and the matrix ranking technique of PRA were used to obtain data. Matrix ranking was used at the beginning of our research so that we could get a quick overview of the visibility and performance of microfinance among the villagers. During the village survey, we had an opportunity to have an interview with the Village Bank Committee (VBC), which is for conducting the management of clients of an MFI in the village. In addition, students and an adviser from the Royal University of Phnom Penh joined our working group and provided advice on local situations and helped us with translations and surveys. As a result, we managed to interview 33 villagers in total from both rich and poor households.

On the other hand, to investigate the situation of microfinance from the supply side, we visited ACLEDA provincial and district office, AMRET district office, CHC district office, and interviewed the representatives of each MFI. We mainly asked about the criteria of loan lending of each MFI, so that we can make a comparison of different MFIs. We also interviewed the representatives of the provincial Department of Rural Development and National Bank of Cambodia to find out the role of microfinance within the development policy of Cambodia.

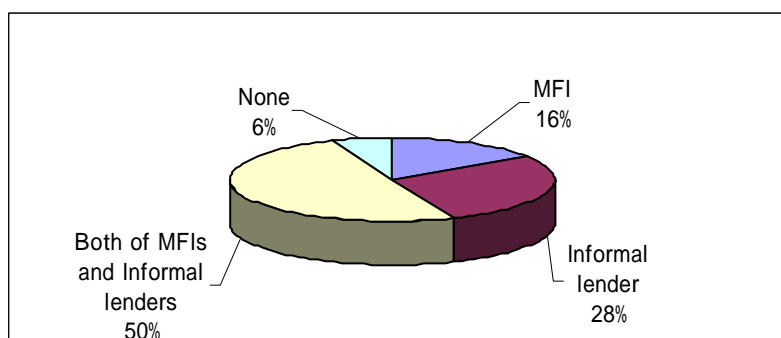
## 4. Results

### 4.1. Villager side

#### 4.1.1. Sources of loan

This result shows the prevalence of microfinance among our interview and survey targets (samples). Fifty percent of the villagers we surveyed have borrowed money from both MFIs and informal lenders. In this context, informal lenders include merchants, vendors at a market, family and relatives. Informal lenders account for 28% of our samples, followed by 16% for MFIs. Six percent of interviewed villagers have never borrowed money before. They mentioned the risks of loan in our interviews. A precise analysis of this data will be given in the analysis part.

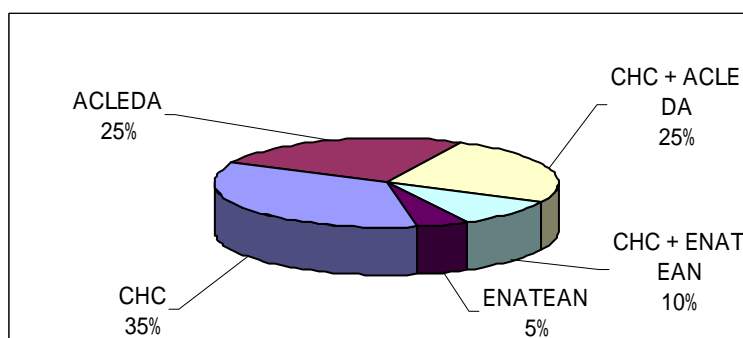
Figure 1: Sources of loans



#### 4.1.2. MFIs used by villagers

This question was made only to people who have received loans from any kind of MFI. Among our sample, CHC provided the greatest share of loans. The clients who received loans only from CHC occupy 35% of our total sample. As contrasted to CHC, another well known MFI, ACLEDA has a share of 25%. This is the same percentage as the villagers who borrowed money from both CHC and ACLEDA. Ten percent (10%) of our samples have received loans from CHC and ENATEAN (local name of AMRET), and 5% of our samples have borrowed money from only ENATEAN.

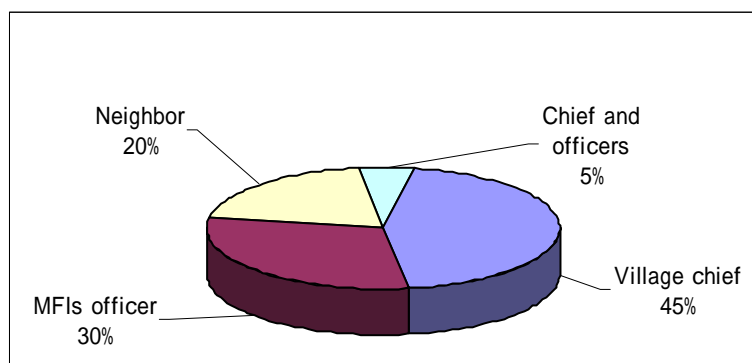
Figure 2: MFIs used by villagers



### 4.1.3 Information source of MFIs

Figure 3 shows where people obtain information about MFIs. This question is made to only those who have received loans from MFIs.

Figure 3: Information source of MFIs



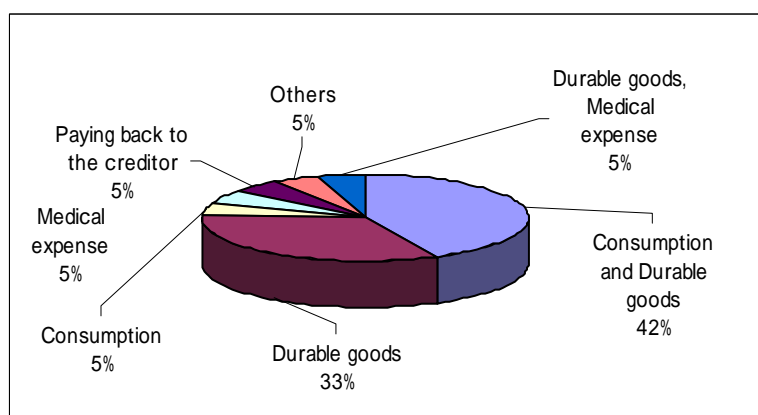
Forty-five percent of our sample received information from their village chief, followed by 30% from MFI officers. Twenty percent of the samples obtained information about MFIs from their neighbors, and 5% from both village chief and MFI officers.

### 4.1.4 Purpose of borrowing from MFIs

According to the results (Figure 4) of our interview with the villagers, the purposes of borrowing money from MFIs are as follows: Consumptions and durable/investment goods (42%), Durable/investment goods (33%), Consumption (5%), Medical expense (5%), Paying back to the creditor (5%), Durable goods and medical expense (5%), Others (5%).

Two cases of the following households will explain the purpose of their borrowings in detail. In the first case, a farmer, who had 4 members in his family and used 7,000 Riel per day as expenditure for the whole family, borrowed 1,000,000 Riel from CHC and 600,000 Riel from ACLEDA to buy a cow, fertilizer, some vegetables to sell in the city, and land for a potato farm<sup>13</sup>. In the second case, a female farmer, who has 7 members in her family and used 3,000 Riel per day as expenditure for the whole family, borrowed 150,000 Riel from ACLEDA and 200,000 Riel from CHC, spent the money on daily expenses and durable goods<sup>14</sup>.

Figure 4: Purpose of borrowing from MFI

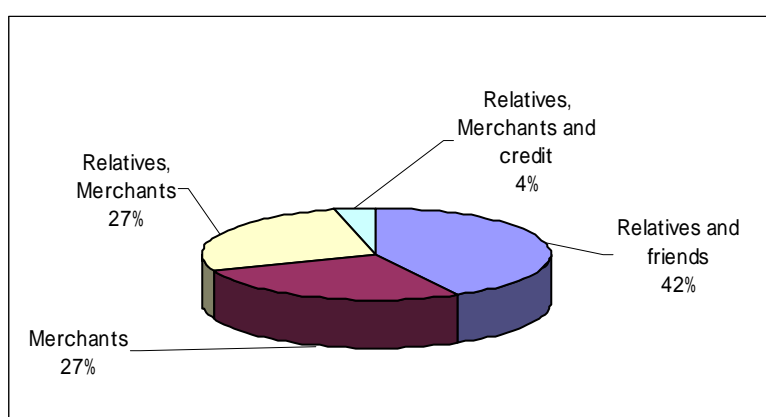




#### 4.1.5. Type of informal lenders

From the questionnaires to the villagers, we found that there are two main types of informal lenders. One is relatives or friends and the other is merchants or vendors. Some villagers are borrowing from both groups. Among borrowers from informal lenders, borrowing from friends or relatives occupied 73 percent, while borrowing from merchants occupied 58 percent. Also a service called buying on credit occupied 4 percent. Buying on credit is service in which villagers purchase merchandise from vendors, mostly piglets for raising, and promise to pay the money when the piglet is big enough to be sold.

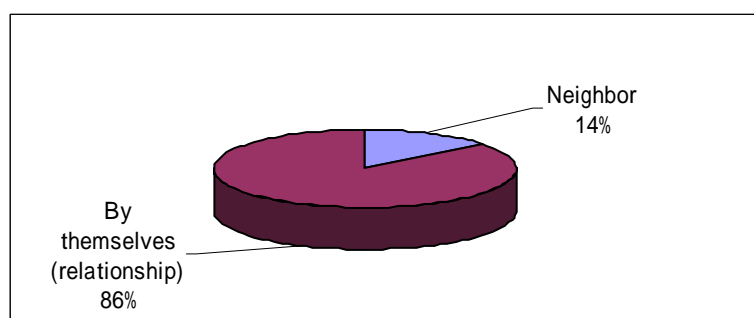
Figure 5: Types of informal lenders



#### 4.1.6. Information about informal lenders

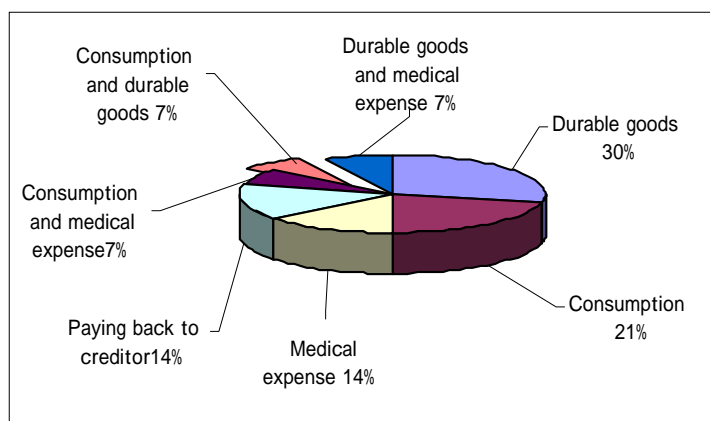
Asking about how they get information about informal lenders, 14 percent of our samples answered that they get information from neighbors or relatives, while 86 percent said they found information themselves. When villagers went shopping or to conduct business at the market in the city or district center, they were able to make contacts with merchants or vendors that provide loans and receive information directly from them.

Graph 6: Information source of informal lender



#### 4.1.7 Purpose of borrowing from informal lenders

According to the results of our survey to the villagers, the purposes of borrowing money from MFIs are the following: Durable/investment goods (30%), Consumption (21%), Medical expense (14%), Repaying the debt to previous creditor (14%), Consumption and medical expense (7%), Consumption and durable/investment goods (7%) and Durable/investment goods and medical expense (7%).

**Figure 7: Purpose of borrowing from Informal lender**

## 4.2 Results from MFIs

Information obtained from MFIs and informal lenders about interest rates, terms and conditions of lending, time required for disbursement, repayment methods, and penalties involved is summarized in **Table 1**. The information on MFIs was collected through direct interviews and from documents provided by them. The information on informal lenders was provided by the villagers during our house-to-house surveys. We were not able to talk directly to an informal lender due to time constraints. Detailed information about different MFIs is discussed below.

### 4.2.1 ACLEDA (Association of Cambodian Local Economic Development Agencies)

Our group conducted interviews with the branch manager, chief of credit officer, chief of administration and chief of marketing of ACLEDA branch office in Kampot Province. We also interviewed the district team leader (DTL) of ACLEDA branch office in Kampong Trach District which is under the supervision of the provincial ACLEDA office branch.

The ACLEDA branch of Kampot Province was founded in 1993 in the form of a national NGO which targeted poor people and their micro, small and medium enterprises to contribute to the alleviation of poverty through the sustainable provision of financial services. It provided credit services under the sub-contract with ILO/CMB/ 020. It became a provincial branch office in 1994. ACLEDA NGO became ACLEDA MFI in 1996, a specialized bank on 7 October, 2000. Later it transformed into a commercial bank on December 1, 2003.

Under the process of providing microfinance services, ACLEDA targeted all people with incomes, living in their operational area, and especially micro, small and medium entrepreneurs. According to the report of ACLEDA branch manager, 80 percent of ACLEDA clients are women since they can manage repayment better than men.

The current services of ACLEDA Bank in the Kampot Province are loans, savings or deposits, money transfer (via Western Union) and money exchange. Most of the clients use only loan services since they need to expand their working capital to buy durable goods (trucks, motorcycles) and other consumption goods (fertilizer, livestock). The purchase of fertilizers and livestock is a productive investment.

For loan service provision, ACLEDA offers two kinds of loans: group loans and individual loans. There are 3

to 10 members per group loan. The maximum amount of ACLEDA's group loan is Riel 1, 500,000 (\$375) per group member for the period of 6 to 12 months. Individual loans have three classifications: micro loan with maximum amounts of less than Riel 6,000,000 (<\$ 1,500) for the period 6 to 12 months, small loans with amounts between Riel 6,000,000 to Riel 40,000,000 (\$ 1,500 to \$ 10,000) for the period 1 to 2 years, and medium loans of Riel 40,000,000 to 5% of working capital for the period 1 to 4 years.

ACLEDA charges a monthly interest of 2.5% to 3.5% for loans in Riel and charges 1.5% to 2.5% for loans in dollars based on declining balance method. The interest rate is charged according to the loan size.

ACLEDA lends money to clients with three kinds of repayment methods. These include: 1) repay interest rate and principle declining balance with monthly installments, 2) repay interest rate monthly only (loan balloon) and repay principle at the end of the agreement, 3) repay interest rate monthly, and principle in percent in which clients pay interest rate monthly and paying a part of the principle when they can afford to, or when they wish to pay based on the basis of their contract.

In order to secure and to manage the loan in an efficient way, ACLEDA adhere strictly to assess client based on the so-called 5Cs and 4Rs criterion. The 5Cs criterion are "Character (loyalty, willingness to repay), Capital (current amount of working capital), Capacity (affordability, income daily/monthly), Collateral (property, land title, guarantor) and Condition (enough ability to manage the business)". The 4Rs criterion are "Right people (good planning, innovation), Right amount (affordability), Right term (different income for different season), and Right business (legal business).

Changes were made during the process of transformation from ACLEDA NGO to ACLEDA MFI, to specialized bank and lastly to commercial bank. Firstly, as an NGO, ACLEDA's operation depended on grants, with no intention to make profit, however, once it became an MFI and commercial bank it was operating with the aim of gaining profit. Secondly, as an NGO, ACLEDA provided loans to clients with the program build up capacity to promote local economic development by providing business training, vocational training and other technical assistance whereas ACLEDA MFI and commercial bank excluded this program. Thirdly, as an NGO, ACLEDA targeted poor people living in rural areas, especially women, while ACLEDA MFI and commercial bank was targeting micro, small, and medium enterprise (SME). Fourthly, interest rates decreased in the process. At the time it was an NGO, ACLEDA charged 5% flat rate monthly, and this changed to 3 to 5% declining rate monthly when it became an MFI, and currently it charges 2.5 to 3.5% declining rate monthly. The last change is that the loan service processing has improved over time. As an NGO, it spent 1 to 2 weeks on loan processing, but now it takes only 1 to 2 days for the loan service.

In response to the question, " what would you do when the borrowers cannot pay back or default to pay to your bank?, " the ACLEDA officer said they have their policy to solve the problem. They will send credit officers to follow-up the default clients in order to find out the problem behind the default. If the credit officer discovers any unreasonable problems, they will charge the client a daily penalty, calculating a double interest rate on the amount of default. If the credit officer discovers reasonable problem in default of repayment, they will extend the repayment schedule, and somehow make a new agreement in order that the client will be able to repay.

For current operational activities ACLEDA in Kampot Province faces some challenges such as less educated clients (high illiteracy), internal and external migration, natural disaster (flood and draught), poor social infrastructure (lack of roads in the rural areas), lack of collateral (most of clients have their own lands but not land titles), and competition from other MFIs in the areas.

#### 4.2.2 AMRET (Former EMT)

We were interviewing the chief district office, chief credit officer, and chief accountant of AMRET branch in Kampong Trach District in a frank, warm and friendly climate.

AMRET, the former EMT launched a microfinance project in 1991. Its vision was to contribute to rural development in order to improve the living standard of the poor people, and to provide financial services that are suitable for the needs of most of the rural population while ensuring EMT's long term sustainability.

AMRET in Kampot Province was founded in 1998 providing the three financial products of solidarity credit (group loan), individual credit (individual loan) and saving service, especially deposit certificates. AMRET targets the entire rural population living in the operational area where there is an express need for financial services for the purpose of financing and expanding economic activities (i.e. businessmen, farmers, fishermen).

For loan services provision, AMRET lends solidarity loans or group loan, providing each member of the group with Riel 500, 000 (\$ 125) maximum and Riel 50, 000 (\$ 12.5) minimum, for the period 8 to 12 months. For individual credit (individual loan), AMRET lends Riel 20, 000, 000 (\$ 5, 000) maximum for the period 12 to 24 months.

As for group loans, the interest rate is 3.5% per month while individual loans, interest rate is 2.5 to 3.5% per month for those in local currency. Loans in dollar are charged by 2 to 3% per month interest according to the loan size.

In order to manage and secure the sustainability of loan service, AMRET has its own criterion and conditions for loan assessment. Those criterion and conditions are 1) clients have to live within operational area 2) clients must good personality 3) clients must have a sustainable job 4) clients must have no debt with other MFIs 5) clients must have collateral or guarantor, especially clear proof of residence.

Concerning loan default, AMRET officers said that they would lend the right amount of money to clients, meaning that they strictly assess clients in order to approve loan size and affordability. However, they still face many default clients to whom AMRET charge daily penalties on the amount of default. They charge clients a penalty of double interest as a warning to repay their loan on time.

AMRET offers three repayment methods including: 1) Interest rate and principle (declining repayment), the method requiring clients to pay interest rates and principle monthly installment 2) Interest rate and principle at the end of the contract in which clients repay only monthly interest rate and pay principle at the end of the contract, 3) Interest rate and principle in percent in which clients pay interest rate monthly and can repay a part of principle when they can afford to or when they wish to pay on the basis of the contract.

There are several changes since AMRET began its activities. In 2003, EMT (Enatean Moulthun Tchonnbot=Rural Credit Fund) lowered the interest rate from 4% to 3% - 3.5%, depending on loan size. Lowering the interest rates benefited not only clients but also AMRET, because interest rates charged by share holders (external financial resource for operating microfinance) were also lowered. Anyway, one of the reasons why AMRET could lower interest rate was that AMRET used to pay commission to the village chief, and then it changed the policy by deciding not to pay any commissions. Moreover, when AMRET was operating microfinance as an NGO, the loan size was smaller than the current one. Enlarging the loan size has benefited AMRET even more because the larger the loan size means the less the transaction costs.

In their current activities, AMRET faces some challenges: 1) high risk in lending money to people who are less literate because they do not have clear plans to use the credit, 2) migration resulting from inability to repay the loan, 3) poor health conditions where some clients died because of diseases like HIV etc, 4) poor management of local authorities due of corruption where villagers paid bribes to authorities to get signatures so that they could borrow money from many MFIs at the same time, and 5) natural disasters such as flood or draught that affect

income generation of the clients.

### 4.2.3 CHC (Cambodia Health Committee)

CHC stands for Cambodia Health Committee. It was originally an NGO which was involved in health issues. It provided support including loan provision for people with health issues, especially those suffering from tuberculosis (TB) and HIV/AIDS. As its loan program became popular among local people, it expanded the service from patients to normal local people. Nowadays, CHC operates in only two provinces, namely Svay Rieng and Kampot. Furthermore, in order to strengthen its credit service CHC has been divided into two administrative departments: health department and credit department. The health department received financial support from some international organizations such as USAID, Concern, RACHA, and so on. Meanwhile, the credit department becomes self-sustained under the name “CHC limited” which is a licensed Microfinance institution.

Kampot-Kep Provincial Branch as well as Kampong Trach District office has been operating since 1998 but its credit service started in 2000. An interview was carried out with the manager of Kampong Trach District office whose activities covered the target village of Kandal Toul.

CHC credit service provided loans to every person regardless of their business activities, but their ability to repay had to be confirmed. Those who are eligible for CHC loans must be Cambodian Citizens with a fixed address. Moreover, they are required to offer collateral, such as land property titles, but those who borrow in group with loan amounts less than Riel 150,000. However, those who are patients of HIV or TB are not required to provide collateral.

For group lending which is the most popular service of CHC, the monthly interest rate is 3.5 %. People are asked to form a group of 4 to 6 members in order to get a loan. Customers can choose between two types of repayment. First, balloon repayment is a method where a customer is supposed to pay the interest every month and return the principle at the end of the loan term. Second is the declining repayment method. According to this method, interest paid will decline as a customer pays back the principle in more than one payment.

To secure its loans, CHC carries out its business based on the following concepts. One is to give clear explanations to the customer about the content of the loan. Besides this, CHC operates a special system by creating a Village Bank Committee (VBC) to oversee the lending group in each village. CHC requests villagers who want to borrow money to select by 3 people to be the members of VBC. These three members will receive some training concerning their roles through CHC but will not receive salaries except some rewards from CHC.

VBC oversees all lending groups in the village. Those who want to create new lending groups must come to register at VBC. It also serves as the mediator between villagers and CHC. It collected the monthly interest rate for CHC, it decides on the penalty for those who fail to repay. It also can request funds from CHC to support its village small development project such as building wells or repairing roads.

Asking about the challenge of the institution, two points were mentioned. Firstly they have to compete with other MFIs especially PRASAC which provides loans at a monthly rate of 3%. Next, CHC must answer the requests from villagers to lower its interest rate.

For CHC, the key to success of its service is the agents' skills in providing clear information to customers about loans. CHC organizes monthly meetings for its staff or agents to speak out about their experiences with each other and to receive feedbacks. It is the only way they can learn how to respond better to customer demands. Thus prior to loan provision, a clear and concrete explanation about the loan terms or process must be given to the customer and staff must make sure that the customer understands it.

**Table1: Summary of Information on MFIs and Money lenders**

	Interest Rate	Condition				Loan Processing	Repayment methods		Penalty	Loan Term
		ID Card	Collateral	Guarantor	Income		Declining	Balloon		
<b>ACLEDA</b>	1.5%-3.5%	○	Ind: ○ Gro: ×	○	○	1-3 Days	○	○	Daily charge with double IR	6-12m
<b>CHC</b>	2%-3.5%	○	Ind: ○ Gro: ×	○	Ind: ○ Gro: ×	3-5 Days	○	○	Ind: Daily charge Gro: up to group	6-12m
<b>AMRET</b>	2.5%-3.5%	○	○	Ind: ○ Gro: ×	○	2-5 Days	○	○	Daily charge with double IR	Ind: 12-24m Gro: 8-12m
<b>Money lender</b>	10%-15%	×	○	○/×	○/×	Immediately	○	○	No	Flexible

(Notes)

- \* 'Ind' refers to Individual lending.
- \* 'Gro' refers to Group lending.
- \* 'Money lender' refers to vendors in a market who provide loan services.
- \* / × in Money lender :  
Borrowers need a guarantor unless they are closely related to the lender.  
× Borrowers do not need a guarantor if they are closely related to the lender.
- \* 'Declining' refers to a method in which borrowers pay an interest and a fixed amount of principle every month.
- \* 'Balloon' refers to a method in which borrowers pay an interest rate monthly and the principle at the end of the contract.
- \* 'IR' refers to interest rates.

## 5. Analysis and Discussion

### 5.1. Sources of loans

From the result, 66 percents of our samples have borrowed money from MFIs and 78 % of our samples have borrowed money from informal lenders. Only 6 % of the sample said that they were never involved in any kind of loans, and according to their answers that is because they do not need to borrow money. The remaining 94 % of our samples borrowed money, so this proves that most people in the village are interested in loans. Among our samples, 78 % of people have borrowed from informal lenders, and they tend to borrow money from informal lenders rather than from MFIs.

Ironically, the quality of services provided by MFIs appears to be much better than those provided by informal lenders. If one borrows money from a merchant, interest rates are usually quite high (See; Table1). Lower interest rates offered by MFIs should be more attractive to the borrowers. ACLEDA bank and CHC are the microfinance institutions operating in this village. Both of them have capital assets sufficient to meet the combined demand of all the villagers in need of loans. What the situation tells us is the fact that the quality of services offered by the MFIs is not good enough to satisfy the needs of the clients. And the gap has been filled by informal lenders. The following reasons have been identified as the reasons for the villagers' reluctance in

borrowing from the MFIs.

Lack of accessibility and flexibility in providing loans is one of the biggest factors constraining villagers' use of MFIs. Most MFIs are situated away from the village. It takes more than 15 minutes by car from the village to the district center where the closest MFI or bank branches are located in<sup>15</sup>. It may take more time for the villagers whose method of transportation is very limited. Most villagers depend on motorbikes or bicycles for transportation to the lending institutions. Two, the informal lenders, especially relatives, provided loans in a very flexible manner. Borrowers can get loans with zero interest rate, without disposing collateral and are also able to repay in an unlimited time period.

Seventy-eight percent of people interviewed have an experience of borrowing from informal lenders. Some of them explained that they would not borrow from MFIs because they were afraid of not being able to repay and lose collateral (land) as a result. These people are usually excluded from group lending because they are judged to present a risk to the group. Other borrowers would be reluctant to include them when they form a borrower group for an MFI ("peer selection"). If this is one of the reasons why six percent of the people have never borrowed money from anyone, the situation indicates that the poorest of the poor are excluded from group lending.

## 5.2. Villagers' choice

Another result is that 70 % of those who have borrowed money from MFI are clients of CHC, and 50 percent are the clients of ACLEDA Bank. Most importantly, 35 % of samples are borrowing from more than one organization. This implies two facts.

Firstly, MFIs do not prefer the customers who are in debt with other institutions but it is impossible for them to check this information as they are unable to track down loan record of each customer. The Cambodian legal system is still weak so the MFIs have no measures to deal with the problem. For the villagers' side that problem would result in weakening of their ability to repay. The MFIs provide loans in proportion to their repayment ability or income but if villagers are involved with two MFIs which do not exchange information with each other, the MFIs would estimate that ability incorrectly. The villagers in this case shoulder the risk of default by themselves.

Secondly, it seems that the popularity of CHC surpassed that of ACLEDA Bank. The two microfinance service providers take their own strategies but here it is clear that CHC strategy has succeeded in getting much closer to the villagers. CHC operates based on welfare-oriented purposes. Its loan provision policy is more flexible for poor people and its group lending system functions well with low income people. Thanks to the Village Bank Committee system (VBC), the distance of CHC and villagers seem to have become closer. VBC, which was selected by the local people, played a very important role in spreading the information about loans from CHC to villagers. Villagers, especially the poor ones, could conveniently access VBC for group loan registration. On the other hand, ACLEDA Bank focuses its activities on villagers with clear business plans. In other words, the villagers with clear business plans are mostly those who already have a stable business, other than farming, such as off-farm businesses or food retailing. That means ACLEDA Bank targets middle-income villagers. As the majority of the village population consists of poor people, CHC has become the best choice for the village.

### 5.3. Information about MFIs

As mentioned above, the VBC played an important role in spreading information to the villagers. Our survey shows that 50 % of the samples got information about MFI is from the village chief, and 35 % got their information from MFI staffs. However, it is not easy to clearly distinguish the role of the village chief from that of VBC members because the former village chief who had just retired before the survey started, also served as one of the members of the VBC. The new village chief has not yet gained full control of the village affairs, but we assume that he will begin to do so very soon.

MFI staffs that are well trained and more professional are able to spread detailed information. But as they have limited time to work in the village, it is obvious that most of the villagers can not obtain the necessary information from them. On the other hand, the village chief is not well trained. What the village chief knows is only the information the staff provides him. However, as he stays in the village and participates regularly in the village ceremonies and events, he has more chances to be in touch with villagers who are in need of money. As a result, the village chief becomes a very important person if the MFI need to relay their information to the village. The point to be questioned here is only the potential of the village chief. In order to assure the quality of information that is relayed to the villagers or borrowers, measures to build up capacity of the village chief must be taken into consideration.

### 5.4. Purposes of borrowing from MFIs

The purposes of borrowing money are not the same as the intent of MFIs sometimes. MFIs provide loans for business purposes or medical expenses, and so on, but not for daily consumption. In reality, the loans are used for daily consumptions in many cases. Some of the villagers answered to us that “the amount of money is not enough to begin a business, so we use the loan for daily consumption.”

According to our survey, 80% of our samples have borrowed money to buy “durable goods”. We can see that the villagers tend to borrow money from MFIs when they need to spend relatively big amounts of money.

### 5.5. Types of informal lenders

Informal lenders consist of two types, namely relatives or friends and merchants or vendors. Merchant or vendors here refer to those who are operating businesses especially retailing businesses at the market in the city center or district center. Still, the demarcation between the groups is not very clear because we are not able to assume that the merchant is not a friend or relative of the borrowers. Villagers gave very unclear answers about that. They were not able to define the distinction between the groups. To them, a merchant are not close but still a friend or in some cases a relative to them. It is best to assume that relatives or friends should be very close persons to them. In the survey they are separated in order to study their particular characteristics.

The two groups have their own particular characteristics. Both provided loans for emergency. When the villagers need urgent loans they access both groups. The former one provides loans without interest rate and no collateral is required. The repayment schedule is very flexible. Family relations and friendships play a very important role in creating the trust between borrower and lender. In Cambodian culture helping among friends is



encouraged. However, the loan amount is relatively limited.

On the other side, the merchant can provide a big loan but with very high interest rates at about 10 to 15 % per month. Deposit of collateral such as land title or jewelry and a simple contract witnessed by a few people or the village chief is enough to guarantee loans. By clearing this requirement borrowers can get their loans processed immediately. It is important to note that borrowers are not supposed to submit any business plan to the lender. However, failing to repay the loan would result in very serious legal procedures. The collateral would be seized or the borrower would be jailed.

## **5.6. Information about informal lenders**

Eighty four percent of the samples got their information on informal lenders by themselves. This number is notably large. It is then possible to assume that there is no formal way of receiving information about informal lenders. With regard to information on MFI, in which formal channels such as village chief or direct explanation from MFI agent were relied upon, we can conclude that formal ways of spreading information are not functioning well enough to convince people to use MFI loans.

MFIs which are more competitive than informal lenders in terms of interest rates and loan size have failed to defeat informal lenders because the ways in which they disseminate information and market their products are not efficient enough.

Apart from this, the flexibility of informal lenders should be taken into consideration if we are to explain the phenomenon. MFIs and informal lenders have chosen their own strategies. MFIs chose to maintain the sustainability of loans by requiring a clear business plan but allowing low interest. On the other hand, informal lenders chose to charge high interest rates loans with the risk of default.

## **5.7. Purpose of borrowing from the informal lenders**

Forty two percent of the villagers borrowed money in emergencies such as medical expenses and paying back other creditors. That is because the villagers can quickly receive money from informal lenders compared with MFIs. They cope with the large amounts of money that they can not borrow from relatives and friends.

Forty four percent of the villagers borrowed money for buying “consumption and durable/investment goods”, “durable/investment goods and medical expense”, “durable/investment goods.” Although informal lenders charge higher interest rates, villagers tend to borrow money from them because of the convenience and negotiable loan terms, in addition to their lack of information about MFIs.

## **6. Conclusion and recommendations**

### **6.1 Conclusion**

According to the data from our field research under the topic “Microfinance in Kandal Toul Village, Kampong Trach Khang Lech Commune, Kampong Trach District of Takeo Province”, we conclude our research objectives on examining whether Microfinance Providers (formal and informal lenders) can meet the needs of the clients (Villagers), and finding out the ways to reduce the disparity between demand and supply of Microfinance as follows;

There are many microfinance institutions such as CHC (Cambodia Heath Committee), ACLEDA, and AMRET or ENATEAN to supply the needs of the villagers, but most of them borrow money from private money lenders. Although private lenders charge high interest rates, especially when compared with MFIs, the villagers still take loans from them because accessibility to private lenders is easier, most of the villagers are of low literacy, and some of them lack information on MFIs.

In response to the second research objective, we found that disparities exist between the demand (villagers) and the supply (MFIs) on microfinance services. Those disparities are: firstly, microfinance institutions (MFIs) require the clients to have clear business planning when the villagers borrow money without business planning. Secondly, MFIs lend amounts of money based on the clients' income size whereas the villagers wish to borrow much more money than MFIs provide. Thirdly, MFIs have provided small loans with shorter terms (ex: up to 6 or 8months) whereas the villagers think it is too short. Fourthly, MFIs charge interest (commercial rate) which will ensure the healthy management of MFIs whereas some of the villagers do not borrow money from MFIs because they think the interest rate is expensive. Actually, the interest rate charged by the MFIs has become lower and lower, however some villagers still consider it high. Fifthly, collateral or guarantee are required by MFIs to lend money to individuals, whereas the villagers are very anxious about putting their assets such as land titles down as collateral because it is such a precious and important item for them to survive in the village. It is also difficult for villagers to find guarantors. Sixthly, MFIs target clients who have no debt with other MFIs whereas some of the villagers are indebted to other MFIs or relatives, friends, or money lenders. And somehow the villagers borrow money from others in order to repay to MFIs. Lastly, MFIs are trying to promote saving or deposit service whereas the villagers do not use the service, choosing to save in their own way due to the lack of trust regarding MFIs.

### **6.2 Recommendations**

Given the ways in which villagers are using microfinance services and the disparities between the supply of MFIs and the demand of the villagers, we would like to offer some suggestions to villagers, MFIs and the local authorities.

Firstly, the villagers should give more careful consideration to their own repayment capability, such as daily or monthly income, prior to applying for a loan from MFIs and ACLEDA Bank. Secondly, if they want loans for investment, they should make clear business plans. Thirdly, villagers should understand the conditions of borrowing clearly, such as interest rates, loan terms, and repayment methods. Fourthly, the villagers should be

aware that borrowing money from MFIs means that they have a duty to repay both principle and interest to MFIs.

MFIs and ACLEDA Bank, on the other hand, should first of all strengthen their efforts to advise clients to build concrete business plans prior to providing them with loans. If the clients pay back the money regularly, MFIs might be able to have another chance to lend money to the clients, of a larger amount. Secondly, lowering interest rates will be the most significant factor for gaining trust from villagers and increasing competitiveness. Thirdly, strengthening staff capacity and improving loan processing are other factors that may help to develop MFIs. Fourthly, expanding MFIs' cooperation with local authorities who know the situations of the villagers well will be beneficial to both villagers and MFIs. Lastly, MFIs should distribute all necessary information to villagers and ensure that it is understood, so that more people can access MFIs.

In order to improve living conditions across more poor households in the village, through microfinance, authorities should increase social infrastructure development, such as roads and communication tools. These measures should create a favorable environment for MFIs to approach villagers, decreasing transaction costs. Decrease of transaction costs to MFIs would lead to lower interest rates, and an increase in available financial resources of villagers. Authorities should actively build up villager capacity in the area of business skills or vocational training in order to promote clear planning for use of financial sources. Authorities should cooperate with clients and MFIs in loan processing in order to support the villagers' efficient use of loans. In addition, authorities should improve governance or should have good governance in order to strengthen trust in MFIs. Moreover, local authorities should issue land titles to villagers who have their own land and do not yet have land owner certificates, allowing villagers easier access to microfinance via their own collateral.

## Endnotes

- <sup>1</sup> Cambodian Poverty Reduction Strategy Paper (2006)
- <sup>2</sup> Economic Institute of Cambodia (2006)
- <sup>3</sup> Joe Remnyi and Benjamin Quinones, Jr. , Microfinance and poverty alleviation : case studies from Asia and the Pacific (2000)
- <sup>4</sup> Economic Institute of Cambodia .Cambodia Economic Review volume 3 number 1
- <sup>5</sup> National Bank of Cambodia (2006)
- <sup>6</sup> ADB Key Indicators 2006. The urban population represents 17.7 % of the national population in 2005
- <sup>7</sup> ADB Key Indicators (2006)
- <sup>8</sup> CGAP(2005)
- <sup>9</sup> CGAP (2005) and National Bank of Cambodia (2006). In 2004 the total amount of microfinance loan accumulated by ACLEDA, licensed MFIs and Register NGOs is 76,875,640 US\$ and the number of customers is 392,892. According to National Bank of Cambodia, there are 3 banks, 16 licensed MFIs, 23 registered NGOs and 60 unregistered NGO who operate microfinance service in 2005.
- <sup>10</sup> CGAP(2005)
- <sup>11</sup> National Bank of Cambodia(2006)
- <sup>12</sup> National Bank of Cambodia (2006)
- <sup>13</sup> Case of household C/0907/15 from our fieldwork samples
- <sup>14</sup> Case of household C/0907/14 from our fieldwork samples
- <sup>15</sup> The distance between Kandal Toul Village to Kampong Trach District center where offices of major MFIs such as ACLEDA, CHC, AMRET located it

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## *Working Group 3*

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# Education & Health

## - Mother's Utilization of Preventive Health Services -

(Deung Cha Village, Kampong Trach Khang Lech Commune, Kampong Trach District,  
Kampot Province, Cambodia)

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# 1. Introduction

## 1.1 Education and Health situation in Cambodia

Education and health are important features of development in the world today. The Millennium Development Goals (MDGs) adopted in 2000 have 5 out of 8 goals related to education and health, which are MDG2- achieve universal primary education; MDG3- promote gender equality in all level of education; MDG4- reduce the under-five mortality rate; MDG5- reduce maternal mortality rate; and MDG6- combat HIV/AIDS, malaria and other major diseases (UN Millennium Development Goals, 2005).

Using the MDG indicators, the under-five mortality rate, infant mortality rate, and maternal mortality rate indicates that the health status of children and mothers in Cambodia were very low. Table 1 shows how serious the situation is.

**Table 1: Comparison of mortality rate with neighboring countries**

Indicators	maternal mortality (per 100,000 live birth) (2000)	infant mortality (per 1,000 live birth) (2004)	U-5 mortality(male) (per 1,000 live birth) (2004)	U-5 mortality(female) (per 1,000 live birth) (2004)	HIV positive (15-49 years old) (2005)
<b>Cambodia</b>	<b>450</b>	<b>97.0</b>	<b>154.0</b>	<b>127.0</b>	<b>1.6</b>
Lao republic	650	65.0	88.0	78.0	0.1
Myanmar	360	75.0	116.0	93.0	1.3
Thailand	44	18.0	23.0	20.0	1.4
Viet Nam	130	17.0	24.0	22.0	0.5
Japan	10	3.0	4.0	3.0	< 0.1

Source: Authors'

The under-five mortality rate was 115 in 1990, but it increased until 141 in 2004, and the infant mortality rate was also raised from 80 to 97 from 1990 to 2004 in Cambodia (UNICEF, 2005). In addition to that, the under-five mortality rate in Cambodia is high: 141 per 1,000 live births (2004), ranking 26<sup>th</sup> among 193 countries (*ibid.*).

The main causes of death among children under 5 in Cambodia are ARI (especially pneumonia), diarrhea, malaria, dengue hemorrhagic fever, dysentery and meningitis (RACHA, 2000). The contributing factor to child deaths is malnutrition.

It can be said that such primary causes of child deaths and contributing factors are preventive. In the case of Cambodia, the lack of knowledge about diseases and health, bad sanitation, lack and low quality of health services lead to child deaths. Because of the poor health status of Cambodian children, and infant mortality rate of Kampot, where we conducted a field research, was higher than any other provinces of Cambodia (Ministry of Planning, 2003). Thus we decided to carry out a research on child health.

## **2. Conceptual Framework**

### **2.1 Literature Review**

#### **2.1.1 Importance of mother's role for child health**

The high infant and under-five mortality rate were highly due to the poor health status of mothers and the lack of maternal health services (RACHA, 2000). In addition to that, the lack of maternal health services also affects child mortality. In Cambodia, only 37.7% of women could receive antenatal care by trained professionals (The National Institute of Statistics of Ministry of Planning and the National Institute of Public Health of Ministry of Health, 2000), and only 9% of pregnant women have more than four antenatal check-ups, and 44% have just one (World Health Report, 2005).

Also a lot of research showed that education in general and female education in particular exerts a very strong influence in reducing child morbidity and mortality (Boerma et al., 1990; Bicego & Boerma, 1993; Caldwell & Caldwell, 1990; Hobcraft, McDonald & Rutstein, 1985; Murthi, Guio & Dreze, 1995).

Another study found that the mother played an important role for child health when he or she was affected by a disease. The study by University Research Company (2004) showed the factors which drive health seeking behavior and the demand for health services. According to this study, typical health seeking behaviors for a sick child are recognized in three levels: 1) First, a mother will try to treat the condition with the resources she has in her house. When the child does not get better, the mother will discuss with the other people around her, 2) If the child does not get better after treatment in the house, the mother goes to see the Kru Khmer<sup>2</sup>/TBA<sup>3</sup> or buys medicines in the village shop, 3) If the child does not recover, the family will seek care outside the village in private clinic, or public or private facility in the nearest town (University Research Company, 2004). From this pattern of health seeking behavior, this study defines the mother as the most important health care provider and decision maker for the child.

From these previous studies, it can be said that the mother played a very important role in seeking help for her children's good health and in preventing infant and child mortality.

### **2.1.2 Factors affecting mother's utilization of health services**

It was also found that various factors affected mother's health seeking behavior for her child. According to University Research Company (2004), the factors can be classified into the follows: 1) The mother herself: the mother's education level, practice, knowledge, capacity, and feelings, 2) Economic status: the household resources, financial resources, 3) Influence from other persons: family members, neighbors and friends, 4) Tradition: traditional beliefs and practices, the Kru Khmer, and TBA , 5) Distance from the health services: transportation costs, 6) The supply side of health services: perceptions of quality of public health services and attitudes of public health service staffs.

There are researches which especially focus on factors affecting mother's utilization of health services for a child. A study carried out in three southern provinces of Vietnam in 1998 and 1999 (Hong, Dibley & Tuan, 2003) which examined the mother's utilization of health services for childhood diarrhea by controlling for potential confounders in regression models found that maternal ethnicity, mother's education in high school (in comparison with no education or incomplete primary education), more severe disease and the use of oral rehydration solution (ORS) were factors associated with increased utilization of health care services.

A similar study carried out in rural Saudi Arabia (Al-Nahedh, 1995) found that distance from health services, mother's education, and her age were the strongest determinants of the choice of health services available for a mother and a child. A survey done in Jerusalem between 1985 and 1986 (Ellencweig & Palti, 2005) to find out health service utilization patterns of pregnant women found that the type of insurance, need factors and education were determinants. Also it was well established that educated and working mothers were more likely than uneducated and nonworking mothers to take advantages of modern health care services (Mosley & Chen, 1984; Cleland & van Ginneken, 1988; Mencher 1988). Working women were considered to have greater awareness of the existence and value of health care services.

From these surveys in other countries, we classify factors affecting mother's utilization of health services for a child and of maternal health services as follows: 1) The mother herself: mother's educational level and mother's age, 2) Social status of the mother: mother's occupation and ethnicity, 3) Distance from health services.

## **2.2 Purpose of our research**

### **2.2.1 Importance of preventive health services**

We found factors which affected mother's health seeking behavior for her child in Cambodia and mother's utilization of health services in other countries. However we noticed that previous studies on child health in Cambodia only focused on mother's health seeking behaviors for the sick child, not on utilization of health services to prevent child health from disease. In Cambodia, preventive health care is very important to reduce child mortality because most of its causes can be prevented and to improve child health condition. Therefore our research in Cambodia focused on factors which affected mother's utilization of preventive health services. This



is our contribution to previous studies on child health in Cambodia.

In order to see the mother's utilization of preventive health services, we chose maternal checkup, infant checkup and immunization for a child as representatives. According to WHO Millennium Development Goals, environment in delivery as premature delivery, suffocation, and infection is one of the main causes of infant mortality. Therefore periodic maternal checkup can prevent these by checking maternal health condition and preparing for safe delivery. If a mother can get knowledge not only about birth preparation but also health care for a baby in maternal checkup, it will contribute to reduction of child mortality.

The periodic infant checkup can find bad child health condition as diarrhea or cold in the first stage and it will prevent a child from dying by serious diarrhea or pneumonia. Information about child health which a mother will get at an infant checkup will contribute to mother's awareness of child health and prevent a child from dying by a preventive disease.

According to MDG4, the proportion of 1 year-old children immunized against measles is one of the indicators to measure reduction of child mortality. Also malaria and rubella, the main causes of infant and child mortality in Cambodia (RACHA, 2000; WHO, 2006) can be prevented by immunization. Therefore, we chose three preventive health services to see the behavior as follows:

- 1) Maternal Checkup
- 2) Infant Checkup
- 3) Immunization

### **2.2.2 Factors affecting mother's utilization of preventive health services**

The group has picked up four factors that we assumed to be directly affecting mother's utilization of preventive health services for a child from those in previous research as mentioned above. First we chose the mother's educational level from factors relating to the mother herself. This educational level includes not only years of schooling, but also experience of health education because health education can provide important health care information.

Because Desai (1994) and Hobcraft (1993) reported that child health is not always influenced by mother's education alone, but also by socio-economic status<sup>4</sup>. Therefore we chose the socio-economic status including mother's occupation, household expenditure per capita, livestock, and mother's age. Third and fourth factors were chosen especially in terms of contexts of rural Cambodia. They were the influential persons and the traditional practice. As previous research in Cambodia indicated, a mother was likely to be influenced by other persons, and mother was strongly affected by traditional practices or belief in rural Cambodia.

Previous research found that distance from health services was the one of the determinants which affected mother's health seeking behavior and utilization of health services for a child. However, we did not include distance as a factor because we wanted to focus on what we could find from interviews with the mothers and we assumed that to measure distance by using findings from the interview would be difficult. Thus, we chose four factors to examine the situation of mothers as follows:

- 1) Educational Level
- 2) Socio-economic Status
- 3) Influential Person
- 4) Traditional Practice

### **2.2.3 Supply Side**

In addition to the given four factors, we also chose the supply side as another element to understand its effect on mother's utilization of preventive health services. Even though a mother's behavior is affected by four factors, the situation of the supply side such as health services and education services also affect mother's behavior to utilize health services.

In health sector, lack of services and quality of services affect mother's utilization of health services. As previously mentioned, only 37.7% of women could receive antenatal care by trained professionals in Cambodia (The National Institute of Statistics of Ministry of Planning and the National Institute of Public Health of Ministry of Health, 2000). Quality of public health services and attitude of public health staffs also affected mother's utilization of the public health services (University Research Company, 2004).

According to previous research on correlation between educational level and utilization of health services, we assumed that the education sector which had provided mothers with health education when she had been a student would have influenced their behavior regarding health. In our research, we tried to find how education sector affects mother's utilization of preventive health services.

With regards to the education sector, access to education is relatively high, but continuing schooling is still difficult in Cambodia (UNICEF, 2005). Also JICA (2001) pointed out that the rapid expansion of access to school could not catch up with high quality of education that it caused high dropout rates and high repetition rate. Also in remote areas, there are significant gaps in access to secondary education within the areas.

Therefore, we focused on how access to services, continuance of receiving services, and quality of services in health sector and education sector affected mother's utilization of preventive health services.

## **2.3 Research Questions**

We found that mother's role is important for child health. Furthermore, we focused on preventive health services affecting child health and narrowed them down to three: maternal checkup, infant check up, and immunization.

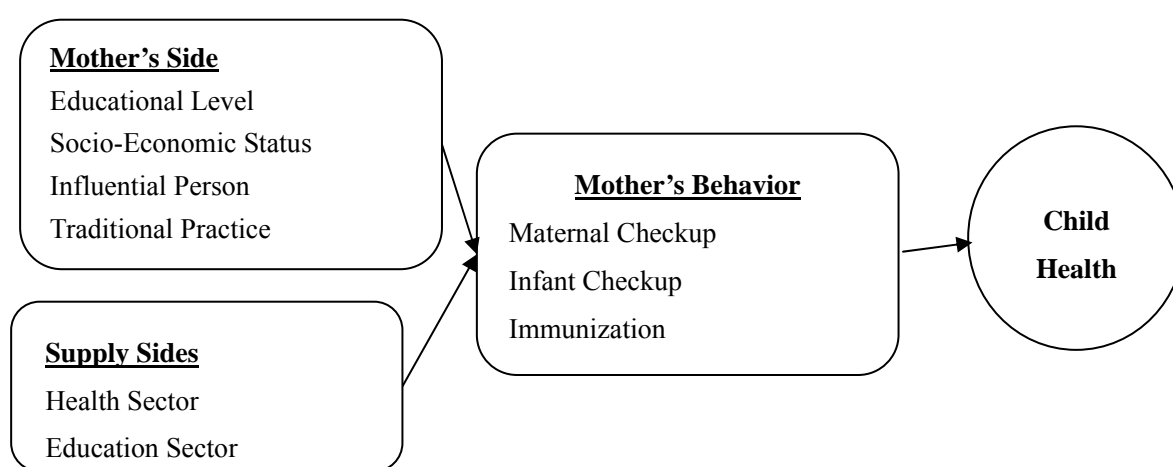
Therefore, we set our main research question as follows: "Why do mothers utilize preventive health services?" To answer this question, we researched how supply sides (the health sector and education sector) affected mother's utilization of preventive health services for a child. Thus, our first related question was "What are the services provided by education and health sectors?"

We chose four factors which we assumed would affect a mother's utilization of preventive health services based on previous studies: mother's educational level, socio-economic status, influential persons, and traditional practices. We tried to find which factor affected a mother's utilization of preventive health services more.

Therefore, our second related question was "What factors affect mother's utilization of preventive health services?" We interviewed mothers about the reasons for using preventive health services because we wanted to support the results from qualitative survey.

Our third related question was "What are the reasons mothers utilize or do not utilize health services?"

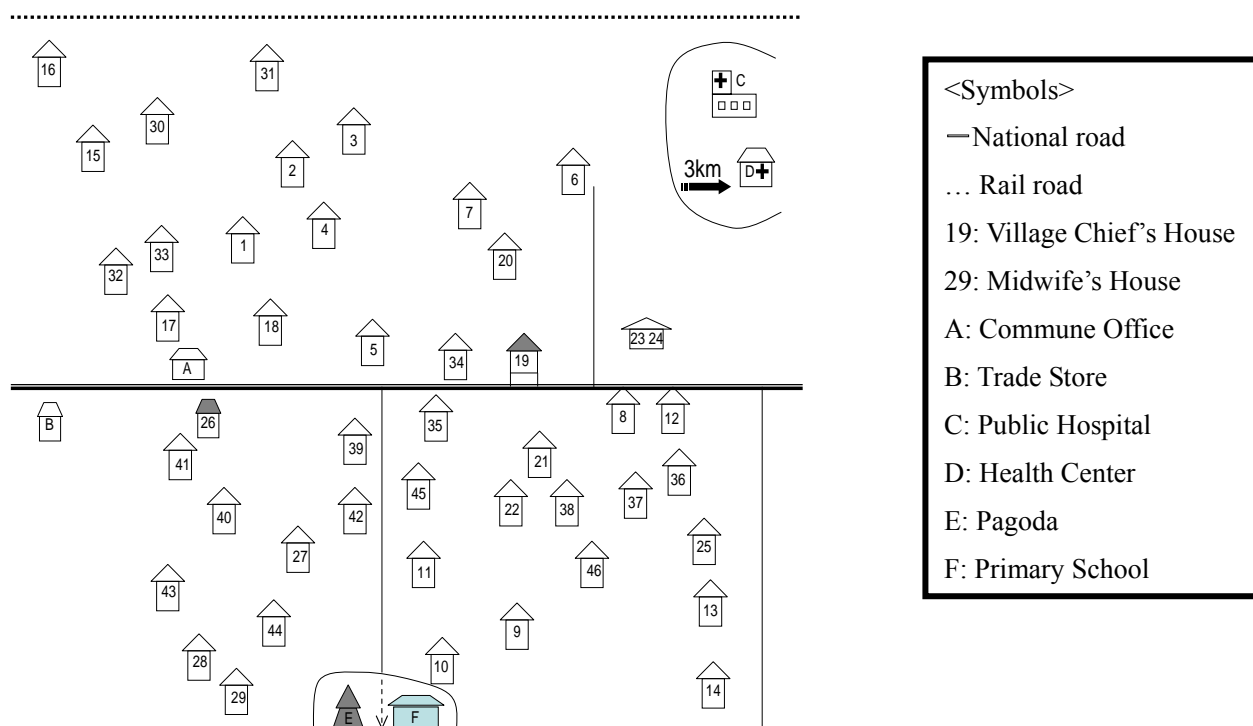
**Figure 1: Research Framework**



### 3. Methodology

#### 3.1 Research Field

We conducted our research in Deung Cha village located in Kampong Trach Khang Lech Commune, Kampong Trach District, Kampot province, from September 2<sup>nd</sup> to 11<sup>th</sup>, 2006. In the village, there were no hospital and clinic. Public hospital and health centers (Figure 2.C&D) were located 3 km away from the commune office (Figure 2.A). One trained midwife lived in the village (Figure 2. House number 26) and she worked at the health center (Figure 2. D). As for educational services, the village children went to Phnom Salay or Kaoh Phdau Primary School (Figure 2. F) and Royal Father Budget High School which were located in other village in this commune.

**Figure 2: Village Map**

### 3.2 Respondents Data collection method

According to our research profile, we conducted our interview with two sides. One was village mothers who had children under 5 and the other was supply side which included the health and education sector.

In order to collect data from mothers, first we conducted semi-structured interviews using questionnaires. All the interviews were conducted at their houses. We interviewed 46 mothers with 60 children. This data could be considered reliable because there were 65 children under 5 within 103 households all over the village. The mean age of mothers was 32.15 years old, and the mean number of their children was 2.74.

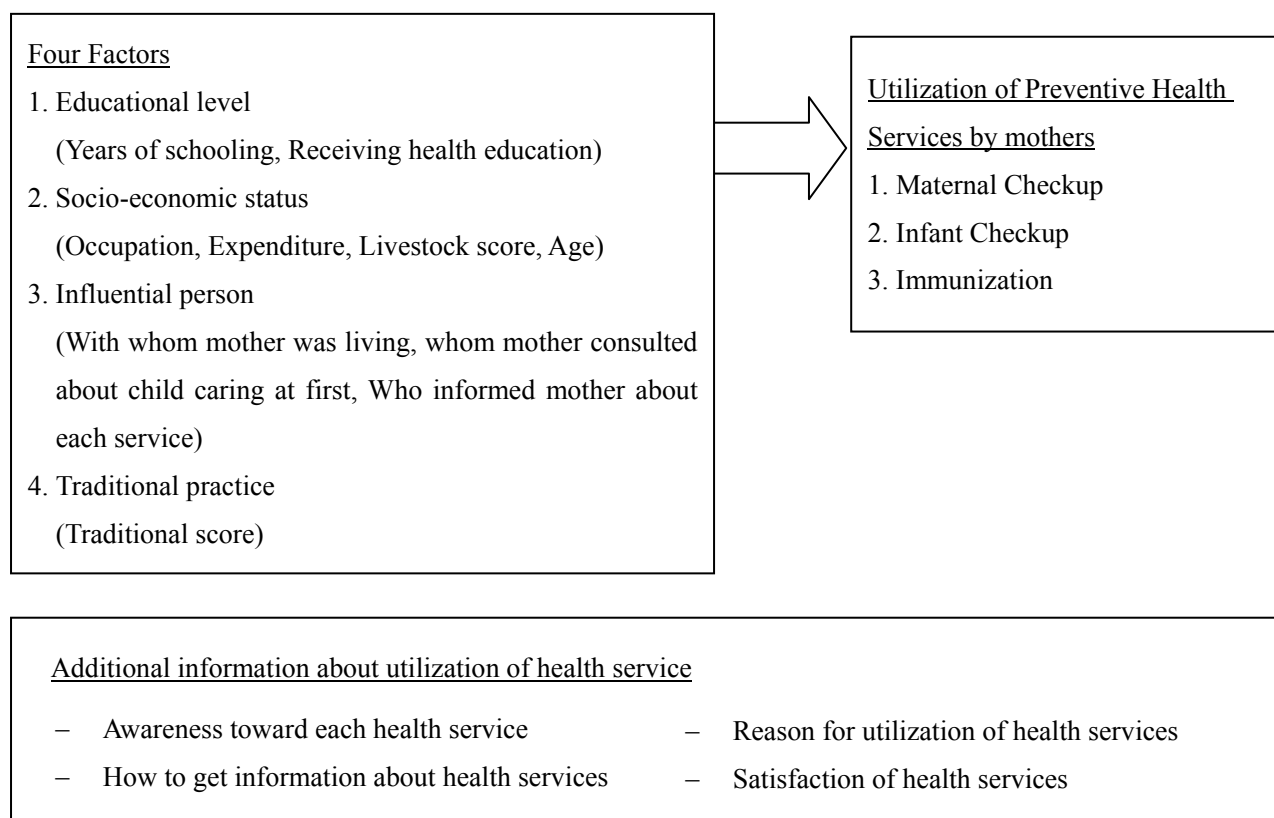
In order to collect data from the supply side, we conducted semi-structured interviews. With regard to the health sector, we visited the Ministry of Health (MOH); the Provincial Office of Health (POH); the District Office of Health (DOH); the Referral Hospital; the Health Center; and the Private Clinic. Concerning the education sector, we visited the Department of Planning, the Pedagogical Research Department, and the Department of School Health in Ministry of Education, Youth and Sports (MoEYS); the Provincial Office of Education (POE); the District Office of Education (DOE); Principals of Phnom Salay Primary School and Royal Father Budget High School.

### 3.3 Contents of Interview

#### 3.3.1 Mother's side

The contents of interview focused on four factors and mothers' utilization of services which is shown in Figure 3.

**Figure3: Framework for interview to mothers**



#### 3.3.2 Supply Side: Health Sector

The aim of questions for health sector is to know the situation of the supply side. We asked them regarding the structure of Cambodian health sector from ministry level to local level, policies, health situation, and problems. The objectives of these questions are to know the kinds of utilizable services and the nature of health problems the supply side is aware of. In addition, we put emphasis on health education which is provided by the health sector. Also we were able to conduct interview with staffs of private clinic and ask about health service situation which was different from the view point from public sector.

### **3.3.3 Supply Side: Education sector**

The contents of interviews for education sectors are mainly about the current educational situation and the health education. The questions about current educational situation have two aims. We set the mother's education as one factor. Therefore it can be helpful to think about mother's educational situation by understanding the Cambodian education. We asked the interviewees the enrollment rate, dropout rate and repetition rate and we also asked prevalent problems from the view point of the supply side. Through this interview, the second aim is to understand the health education, including curriculum and the contents.

## **3.4 Data Analysis**

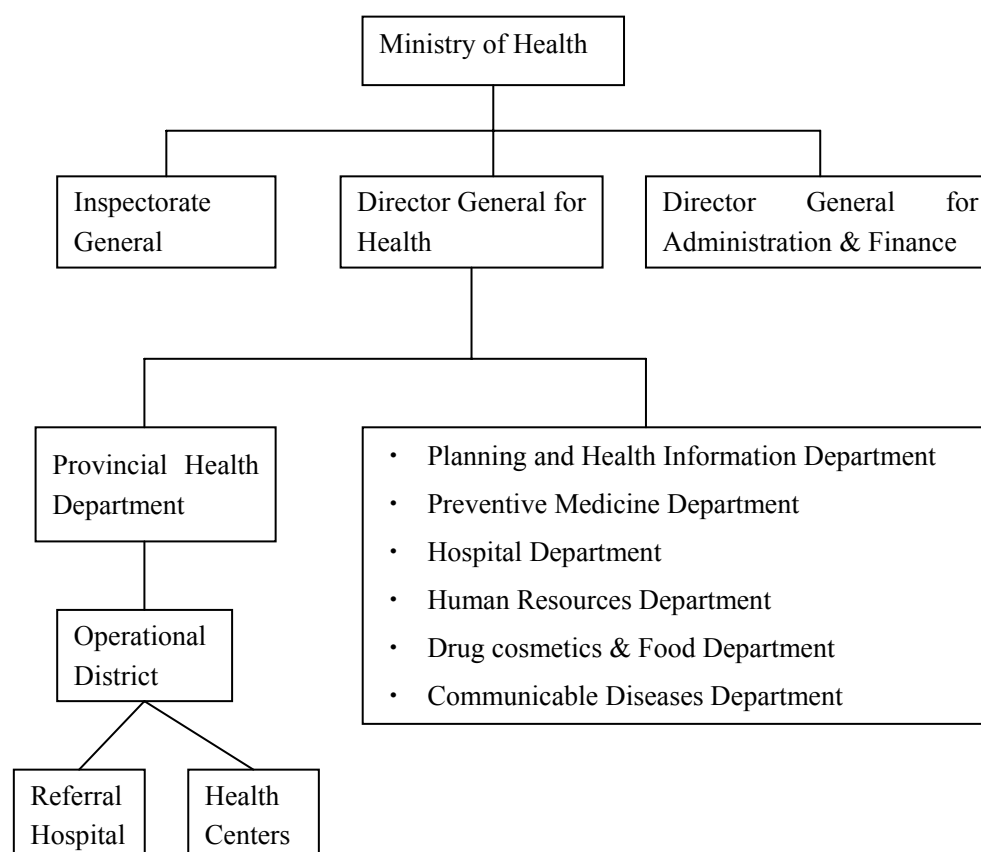
In order to analyze statistical data from mother's interview, we used SPSS 13.0 for windows as analyzing tool, and used three ways to analyze bivariate correlation; chi-square test, t-test and One-Way ANOVA. P-value is statistical term and it can indicate significance of statistical analysis; in general, it can be said that there is significant when p-value is lower than 0.05, but in our research, lower than 0.10; nearest 0.00, highest significance.

## 4. Results (1) -Supply Side-

### 4.1 Health Sector in Cambodia

#### 4.1.1 Structure of Health Sector

**Figure 4: Organization Chart of Central Level of Ministry of Health**



Source: Kingdom of Cambodia, Ministry of Health, Health Sector Strategic Plan, 2003-2007

The structure of health sector was shown in Figure 4, and each province had operational districts for health that were not identical with administrative districts. Operational districts were divided in order that one district covered about 100,000 people and Kampot province has four operational districts. With regard to public hospitals, there were four levels in Cambodia: national hospital, provincial hospital, referral hospital and health center. Each operational district had one referral hospital and 15 to 30 health centers, and one health center covered about 8,000 people. In the case of Kampong Trach district, there were 12 health centers. When people got a serious diseases that could not be treated in a health center, patients were sent to a referral hospital, and when they could not be treated there, they were sent to a provincial hospital, and finally to a national hospital.

#### **4.1.2 Policy and Programs**

MOH in Cambodia set a Health Sector Strategic Plan of 2003 – 2007 based on the national health policy. The overall goal of this plan was to improve the health of Cambodian people, especially mothers and children by focusing on maternal and infant health status. To achieve these results, it was mentioned that improving the quality of basic health services, preventive and curative services through health centers and outreach activities was important. Moreover, the government set a propriety package that provided the supplementary salary to health workers. This was brought into operation on August of 2006 and made it possible to hire more health workers and send them to remote areas.

In order to improve the coverage of providing public health services, Cambodia had implemented the Outreach activities. The aim of outreach activities was to provide public health services for those who live in remote areas from health centers through the regular planned visits by nurses and doctors. The activities covered both medical services and health education.

Immunization was relatively a successful public health program in Cambodia. Ministry of Health started its National Immunization Program in 1986 with the assistance from UNICEF. One of the reasons for the success was improved social mobility and communication through the outreach activities. Because of the outreach activities, villagers did not have to visit a health facility to receive the immunization.

#### **4.1.3 Current Situation of Health Institution**

The hospital is open from Monday to Friday at 7 to 11 am and 2 to 5 pm and the health center is open from Monday to Friday in the morning. They were the next to each other. In the health center, there were secondary or primary midwives and nurses as health workers and provided services to the villagers, such as maternal health care, antenatal care, birth space, immunization, and giving vitamin A and vermicides (medicine for parasites). Furthermore, they provided pink cards for pregnant women to record TT (tetanus) vaccination and yellow cards for children to record immunization.

However, the health service of the hospital was in poor condition because health workers did not stay whenever being needed and patients had to wait for a long time to see a doctor. These caused that only 3% of delivery was at the hospital and 25% of villagers went to the hospital once a year in Kampot. Although the main concern was to improve the quality of services in the district level, the answer of officers of DOH was that POH and MOH were thinking about policy and activities for higher quality of health services.

Nurses and midwives could open a private clinic if they were allowed to do by the provincial office, for there were not enough clinics and doctors in that area. They gave medical treatment and medicine to patients and delivery services to pregnant women. A private clinic could receive patients for 24 hours and provided more services and medicine than public hospital. These situations tended to lead people to go to the private clinic rather than the public hospital. The fee for treatment was different to each private clinic and it depended on diseases and patients. When a patient did not have enough money for treatment at that time, it was possible to pay after getting money.



#### **4.1.4 Health Education in Health Sector**

Health education was taken into account as one of important things to promote health, and every program worked on health education in Cambodia. Especially for mothers, the mother's classes were held in the health center. And health workers educated mothers when they came to see them. Besides, not only health workers but also public officers promoted health education using leaflets, posters, TVs and radios. Furthermore, Cambodian Health Community (CHC), one of organization cooperating with health centers, provided health education to mothers.

In the health center of Kampong Trach operational district, the mother's class was held for the first time in the end of August of 2006. Forty-five pregnant women and those who have a baby joined in this class. This class consisted of three parts; lecture, movie and quizzes. Although this was a good opportunity for mothers to learn health matters, the next class had not been planned at the time.

### **4.2 Education sector in Cambodia**

According to the interview at DOE, one of the biggest problems of basic education was out-of-school children. During 2005 – 2006, 184 students dropped out in the secondary school and 62 were girls among them. Causes of drop-out were: (a) lack of school, (b) lack of facility, (c) lack of teacher, (d) low quality of teacher, (e) poor community funds, (f) distance from home to school, and (g) lack of household income.

According to the interview at Provincial Office of Education (POE), the re-entry program to encourage out-of-school children to reenter formal schools is provided, in cooperation with ILO. This provides a two-month program of which contents were the same as those of formal schools during vacation. According to our interview at DOE, to encourage child schooling the DOE made maps of villages and staffs went there to ask families to let their children go to school. If family did not want to send children to school, their staffs gave notebooks to come to school and use them in classes.

#### **4.2.1 Health Education in Education sector**

In Cambodia, the child health problem was given high priority even in the education sector. Getting knowledge, skills and attitudes to improve and maintain health of students themselves, family and society was one of the ten Cambodian Aims of Curriculum (MoEYS, 2004).

According to the interview at Department of School Health, there were two classes for health education in a week in the curriculum. The main themes of school health are as follows: 1) sanitation or hygiene, 2) preventing infectious disease as HIV/AIDS, bird flu, and malaria, 3) reproductive health, 4) food and water safety, 5) diarrhea, 6) drug abuse. Contents of school health differed by the grade levels of students. Some themes were taught in curriculum while others were integrated into other subjects as social studies, citizenship, home economics, biology and Khmer literature. School health was taught using additional booklets, and there were pamphlets, brochures, posters and pictures for school health. Furthermore, at the morning gathering

session (5-10 minutes) the principals and teachers taught about disease, for example about disease going around at that season, cleaning or washing the school yard, malaria, or HIV/AIDS.

In Cambodia, the main content of non-formal health education programs was HIV/AIDS. It was implemented by international organizations, government, donor countries, NGOs and monks in the communities.

## 5. Results (2) –Mother’s Side: Focus on Four Factors-

### 5.1 Utilization of each health service

We asked 46 mothers whether they knew about maternal checkup, infant checkup, and immunization; the rate of mothers who knew about maternal checkup was 89.1% (n=41), infant checkup was 73.9% (n=34) and immunization was 95.7% (n=44). Next we asked mothers whether they utilized each service if they knew about it. The rate of those who utilized each service is shown in table2. It was clear that most mothers utilized more immunization than other services. The rate of mothers who knew and utilized maternal checkup services was 75.6% that of infant checkup was 67.6% and that of immunization was 86.4%. In addition, all mothers who did not know any of the services did not utilize them. Although as Matsuyama (2005) said it was not clear whether awareness ties directly with utilization of service like the case of infant checkup in our research, we could say there was relation between awareness and utilization in case of immunization.

Next, we focus on four factors which can affect mother’s utilization of each service. We tested correlations between utilization and four factors; 1) Educational level, 2) Socio-economic status, 3) Influential person, 4) Traditional practice.

**Table2: Utilization of each service**

	frequency	(%)
maternal checkup		
Use	31	67.4
not use	15	32.6
infant checkup		
Use	23	50.0
not use	23	50.0
Immunization		
Use	38	82.6
not use	8	17.4

N=46

Source: Authors

## 5.2 Educational Level

### <Mother's Schooling>

In order to know the mothers' educational level, we asked mothers about years of schooling they had during their childhood. The mean year of their schooling is 3.76. One mother had 11 years of schooling, which is the longest among all. Seven mothers have never attended school.

The mean year of schooling among mothers who utilized maternal checkup was 4.13 and that average among mothers who did not utilize it was 3.00. This does not show a significant statistical difference. Similarly, infant checkup was 4.13 and 3.39; this figure also shows no significant difference. However, immunization was 4.11 and 2.13; this figure shows significant difference ( $t=2.024$ ,  $p=.049$ ).

**Table3: Education level of mothers**

	Frequency	(%)
schooling year		
none	7	15.2
1-3 years	16	34.8
4-6 years	16	34.8
7-11 years	7	15.2
mean	3.76	Years
health education		
take	28	63.6
not take	16	36.4

Source: Authors

### <Health education>

We also asked whether mothers have ever received health education or not, because we thought that mothers could get information about health from not only school but also from other people. As a result, the rate of those who have ever received health education is 60.9%, those who have never received is 34.8%, 4.3% is that we could not get clear answer. More than half of mothers have received health education. The content of health education is that many mothers mentioned are as follows: 1) washing hands and brushing teeth as sanitation and hygiene practice in school. Some other mothers mentioned 2) HIV/AIDS; how to use condom safely, 3) family planning, 4) child health in commune office by hospital staff or some NGO staff. However, among those who have never received health education, some mothers said that they want to receive health education if it is possible.

The rate of mothers who received health education and utilized maternal checkup was 82.1% and who did not receive health education but utilized maternal checkup was 50.0%, there was significant difference ( $p=.025$ ), but lack of sample number. Also, infant checkup was 60.7% and 31.3%, there was a weak significance ( $p=.060$ ). Immunization was 92.9% and 68.8%, it was significant ( $p=.035$ ), but lack of sample number. Thus, we can say there were significant correlation between receiving health education and using each service.

In terms of correlation between receiving health education and awareness toward each service, only awareness toward infant checkup was correlated with receiving health education. Mothers who received health education and knew infant checkup was 85.7% and who did not receive health education but knew infant checkup was 56.3% ( $p=.030$ ), but lack of sample number. Awareness toward maternal checkup and immunization were not significantly correlated with receiving health education. In our research, some mothers

get information about infant checkup from health education.

Mothers who had longer schooling were likely to receive health education. The mean year of schooling among mothers who received health education was 4.71, and those who did not receive health education was 2.25 ( $t=3.298$ ,  $p=.002$ ). There was a positive correlation.

### 5.3 Socioeconomic status

In previous research, many researchers mentioned socioeconomic status as one of the factors that affects mother's behavior. The socioeconomic status here, we focus on four elements; 1) mother's occupation, 2) household expenditure per capita, 3) their livestock which they possess in their household, 4) mother's age.

#### <Mother's occupation>

We categorized mothers' occupation by types of profession. Among 46 mothers, the rate of farmer as occupation was 63.0% ( $n=29$ ), sellers was 2.2% ( $n=1$ ), and the rate of mothers who worked as both farmer and seller was 34.8% ( $n=16$ ). To analyze data, we combined "seller" and "farmer and seller" into "seller-farmer", in this way we used occupation as "farmer" ( $n=29$ , 63.0%) and "seller-farmer" ( $n=17$ , 37.0%).

The rate of farmers who utilized maternal checkup was 58.6% and the rate of farmer-seller who utilized maternal checkup was 82.4% and the significant difference ( $p=.097$ ) was weak. Likewise, infant checkup was 51.7% and 47.1%. Also immunization was 75.9% and 94.1%. Both were not significant. Thus, we found that mothers who are farmer-seller utilized maternal checkup better than those who are purely farmers.

The rate of farmers who knew maternal checkup was 82.8% and the rate of farmer-seller who knew maternal checkup was 100.0%, there is a weak significance ( $p=.070$ ), but the sample size was too small. In a similar way, infant checkup was 72.4% and 76.5%. Also immunization was 93.1% and 100.0%. Both were not significant either.

**Table 4: Socioeconomic status of mothers**

	frequency	(%)
Occupation		
Farmer	29	63.0
seller-farmer	17	37.0
expenditure per capita		
$X < 5,000$	10	21.7
$5,000 \leq X < 10,000$	16	34.8
$10,000 \leq X < 15,000$	14	30.4
$15,000 \leq X$	6	13.1
Mean	9137.79	Riel
livestock score		
0	4	8.7
1	3	6.5
2	4	8.7
3	6	13.0
4	5	10.9
5	24	52.2
mean	3.67	Points

Source: Authors

### <Household expenditure per capita>

We focused on total expenditure of their household last week based on time when we visited village on September 3<sup>rd</sup> to 8<sup>th</sup>. The mean expenditure was 50,086.96riel (=R) (maximum was 200,000R, minimum was 10,000R); about 4,000R in 1 US\$. As analysis, we used expenditure per capita as household expenditure divided by the number of family in order to know how much each household spent money for each family member. The mean expenditure per capita was 9,137.79 riel.

The mean expenditure per capita of mothers who utilized maternal checkup was 9,950.85, and who did not utilize it were 7,457.48, there is no significance. Likewise, infant checkup was 10,660.16 and 7,615.43, but there was a significant difference ( $t(44)=1.945, p=.060$ ). Also immunization was 9,202.73 and 8,829.37, and there was no significance.

### <Livestock>

We asked mothers about what their households have in order to measure their economic conditions. In order to analyze our data, we used MSL (Material Style of Life) methodology, which was a criteria to measure economic condition of each household in place where money economy was not common. We developed MSL using domestic animals which showed economic conditions.

We asked mothers whether they had horses, pigs, chickens, cattle, ducks or dogs. We tested coefficient of reliability and got 5 items ( $\alpha=.741$ ); pig, chicken, cattle, duck and dog. This figure had reliability, and we used sum of 5 items as livestock score. The mean livestock score was 3.67 points.

The mean livestock score of mothers who utilized maternal checkup was 3.77 and that of who did not utilize maternal checkup was 3.47, there was no significant difference. Likewise, infant checkup was 4.13 and 3.22, there was significant difference ( $t(44)=1.855, p=.070$ ). Also immunization was 3.58 and 4.13, there is no significance. Thus, the mean score of livestock affects utilization of infant checkup.

### <Mother's age>

The mean age of mothers was 32.15. There is no significant correlation between mother's age and utilization of each service, or age and awareness of each service. Also there is no significant correlation between mother's age of first delivery and utilization of each service. According to previous research, mother's age tied with utilization of health service, but there was no correlation in our research.

## 5.4 Influential person

We defined influential person as followed; 1) person with whom the mother was living; 2) person whom with the mother consulted at first about child rearing, 3) person who informed mother about each service.

### **<Person with whom the mother was living>**

We asked mothers about whom they were living with. 26.1% (n=12) of mothers were living with their own father, 34.8% (n=16) were living with their own mother, 15.2% (n=7) were living with brother, 10.9% (N=5) were living with sister.

There was weak significance as for the correlation between persons with whom mother was living and utilization of immunization. The proportion of utilizing immunization by mothers who were living with their own mothers was 68.8%, and who were not living with their own mothers was 90.0% ( $p=.070$ ). Other members of family had no correlation with utilization of each service. Additionally, the mean year of schooling among mothers who were living with their mothers was 2.38 and that of those who were not living with their mothers was 4.50, there was significant difference ( $t(44)=2.893$ ,  $p=.007$ ).

### **<Person with whom mother consulted at first about child rearing>**

We asked mothers about with whom they consulted at first about child rearing. 42.2% of mothers consulted with their mothers at first and 51.1% of mothers consulted with their husband at first. There was no significant difference between person with whom mothers consulted at first and utilization of each service.

### **<Person who informed mother about each service>**

We asked mothers about who informed them about each service. The result showed that only health staff was correlated with utilization of services. Thus, we will indicate the result of only health staffs in the following.

The proportion of utilization by mothers who knew maternal checkup through health staff was 77.3% and not by health staffs was 58.3%, indicating no significant difference. Infant checkup was 80.0% and 35.5%, indicating a significance ( $p=.005$ ). Also immunization was 92.9% and 66.7%, showing significance ( $p=.022$ ), but a lack of sample number.

The proportion of utilization by mothers who knew maternal checkup informed through outreach program was 68.8% and not through outreach program was 66.7%, there was no significance. Likewise, infant checkup was 72.7% and 42.9%, there was weak significant difference ( $p=.084$ ). Also immunization was 90.0% and 76.9%, there was no significance.

## 5.5 Traditional practice

We asked mothers about 3 types of traditional practice;

1) during pregnancy and 2) after the delivery and 3) when children get sick with six practices; go to TBA, scratch skin, pray, go to pagoda, go to fortune teller and go to Kru Khmer. Next, we found that the result of coefficient reliability of 6 items. In this way, we used sum of 6 items as traditional score ( $\alpha=.744$ ); this figure has reliability.

The mean traditional score of mothers who utilized maternal checkup was 2.93 and who did not utilize was 2.71, there is no statistical significance ( $t(42)=.375$ ,  $p=.709$ ). In a similar way, infant checkup was 2.43 and 3.33, there is significant difference ( $t(42)=-1.703$ ,  $p=.096$ ). Also immunization was 3.05 and 1.67, there is significance ( $t(42)=1.813$ ,  $p=.077$ ). Although we expected that traditional practices would keep mothers away from using public health services, research result showed that, immunization was especially likely to be taken by mothers who had higher traditional score.

**Table 5: Traditional score**

traditional score	frequency (%)	
0	4	9.1
1	11	25.0
2	2	4.5
3	9	20.5
4	7	15.9
5	10	22.7
6	1	2.3
Mean	2.86	points

Source: Authors

**Table6: The factors correlated with utilization**

	maternal checkup			infant checkup			immunization		
	use	not use	p-value	use	not use	p-value	use	not use	p-value
schooling years	4.13	3.00	.170	4.13	3.39	.341	4.11	2.13	.049**
health education	74.2%	38.5%	.025**	77.3%	50.0%	.060*	70.3%	28.6%	.035**
Age (year-old)	32.10	32.27	.945	31.87	32.43	.805	32.74	29.38	.262
Occupation									
Farmer	58.6%	41.4%		51.7%	48.3%		75.9%	24.1%	
seller-farmer	82.4%	17.6%	.097*	47.1%	52.9%	.760	94.1%	5.9%	.113
expenditure (riel)	9950.85	7457.48	.149	10660.16	7615.43	.060*	9202.7	8829.37	.863
livestock score	3.77	3.47	.574	4.13	3.22	.070*	3.58	4.13	.206
family number	5.84	6.07	.760	5.87	8.96	.901	5.87	6.13	.835
Child number	2.90	2.60	.638	2.78	2.83	.943	2.95	2.13	.300
traditional score	2.93	2.71	.709	2.43	3.33	.096*	3.05	1.67	.077*
living with mother	29.0%	46.7%	.239	39.1%	30.4%	.536	28.9%	62.5%	.070*
informed by staff	54.8%	33.0%	.171	52.2%	13.0%	.005***	68.4%	25.0%	.022**
informed by outreach	35.5%	33.3%	.886	34.8%	13.0%	.084*	47.4%	25.0%	.246

\*p&lt;0.10; \*\*p&lt;0.05; \*\*\*p&lt;0.01

Data: from our research

authority: author made

analysis: chi-square test, Independent-Samples T-test

Source: Authors



## 6. Results (3): Mother's Answer of Utilization

There were some mothers who did not utilize each service because they did not know them. We did not use data of those mothers in this chapter. We compared mothers who knew but did not utilized service with mothers who knew and utilized service.

### 6.1 Adequate information is needed

Mothers, who did not utilize services despite they knew them, did not get adequate information. For instance, in terms of maternal checkup, two mothers reported that they had felt feared of injections. In addition, 3 mothers reported that they were healthy. Therefore, we can say that the purpose of maternal checkup was not well understood. In terms of infant checkup, 3 mothers reported that their children had never got disease, and 2 mothers did not get enough information. In terms of immunization, 4 mothers reported that children were not in the period to get immunization, and 1 mother reported that children had never got disease. Thus they did not utilize services due to lack of information, even though they were frequently informed by health staffs.

Even mothers who utilized services might have misunderstandings. For instance, in terms of maternal checkup, 5 mothers reported the reason for their own health and 3 of them reported that they had some problem in their body. If they had no problem, they might not utilize maternal checkup. Likewise, there was 1 mother who reported that children had serious disease in terms of infant checkup. Therefore, mothers should be given adequate information.

**Table7: The reason why mother didn't use maternal checkup**

1) no money	1
2) no money, busy	1
3) had been healthy	3
4) fear of injection	2
5) no reason	1
6) unclear	2
Total	10

**Table8: The reason why mother used maternal checkup**

1) prevent child from disease	3
2) child good health	10
3) mother's health	5
4) follow health staff said	4
5) follow mother's acquaintance	1
6) can get good service	1
7) afraid of difficult birth	1
8) want to know how to raise child	1
9) 1)+2)	2
10) no reason	1
11) unclear	2
Total	31

**Table9. The reason why mother didn't use infant checkup**

1) never get disease	3
2) busy	2
3) did not have clear information	2
4) no reason	1
5) unclear	3
Total	11

**Table11. The reason why mother didn't take immunization**

1) never get disease	1
2) too young	3
3) too late	1
4) unclear	1
total	6

**Table10. The reason why mother used infant checkup**

1) prevent child from disease	4
2) child good health	9
3) follow health staff	3
4) had to use because child disease	1
5) can get good service	1
6) care about child health	1
7) 1)+2)	2
8) unclear	2
Total	23

Source: Authors

**Table12. The reason why mother took immunization**

1) prevent child from disease	18
2) child good health	6
3) follow health staff	5
4) care about child health	1
5) can get good service	1
6) 1)+4)	1
7) 1)+2)	2
8) 2)+all villager took it	1
9) unclear	3
total	38

## 6.2 Images of services

We found mothers had different reasons or image between each service. Proportions of using services for good health and protecting child from diseases were 10 versus 3 in maternal checkup, 9 versus 4 in infant checkup, 6 versus 18 in immunization. About half of mothers believed that immunization could protect children from diseases. On the other hand, about only 17% of mothers believed that infant checkup could protect child from diseases. Also 40 % of mothers believed that infant checkup was good for child health, but only 16% of mothers believed immunization was good for child health. We assume that this difference was caused by the stereotype or image mothers had. Immunization is more concrete medical practice and actual effects, in other

words, immunization can protect them from diseases by injection. Such kind of positive image can help mothers utilize it in the good way. In terms of infant checkup, mothers do not understand the effects of infant checkup well because infant checkup is not medical act for any specific diseases. We assume that mothers had a vague image that infant checkup may be something good, but did not know how good it was. Such kind of image became obstacle for mothers to take infant checkup.

## **7. Discussion: Why do mothers utilize each service?**

From the results of three aspects, we found differences between utilization of each health service and we had to discuss each health service individually as follows.

### **7.1 Midwife contribute to utilization of maternal checkup**

According to our research results, maternal checkup was less likely to be correlated with four factors besides health education and occupation. In addition, health sectors did not focus on maternal checkup.

As staff from POH mentioned, only 3% of women delivered at the hospital in Kampot province. Additionally, in our research, 39.1% of mothers went to public hospital, 23.9% of mothers went to health center, 34.8% of mothers went to private clinic during pregnancy. Proportion of mothers who went to public hospital or health center at least one time during pregnancy was 50.0%. Mothers were less likely to go to medical institution during pregnancy. In terms of occupation, farmers were less likely to utilize maternal checkup than seller-farmers ( $p=.097$ ). This implied that farmers could not have much time to go to medical institution during pregnancy.<sup>4</sup>

However, there was no significant difference between farmers and seller-farmers who went to medical institution at least one time during pregnancy ( $p=.760$ ). What made the difference of utilization of maternal checkup? It was significant that seller-farmers were more likely to know maternal checkup than farmers ( $p=.070$ ). Thus occupation could affect awareness of mothers. As a result, farmers seemed to be less likely to utilize maternal checkup than seller-farmers. The main reason why some mothers knew but did not utilize maternal checkup was lack of adequate information, and awareness and information could make difference.

In such situations, the midwife in the village was meaningful. One midwife lived in the village, and she could help mothers utilize maternal check up in the village. Some mothers reported that they received maternal checkup at midwife's house. Actually, mothers who lived near midwife's house utilized maternal checkup regardless of occupation. Some mothers could get information about maternal checkup by living near midwife's house, and such condition could negate the disparity between farmers and seller-farmers. To be able to know and utilize service easily living in their neighbors was important, and existence of midwife in the village could

contribute to utilization of maternal checkup. Therefore, mother's occupation could affect awareness and utilization of maternal checkup, but existence of midwife could eliminate difference of occupation.

## **7.2 Economic and information disparity in utilization of infant checkup**

Only half of mothers reported that they utilized infant checkup. Utilization and awareness of infant checkup was lower, and the proportion of mothers who knew but did not utilize was higher than other services.

Utilization of infant checkup was correlated with expenditure per capita and livestock score, which meant that household budgets were related to utilization of infant checkup. These correlations did not appear in the utilization of maternal checkup and immunization. That is, economic disparity could contribute to utilization of infant checkup. In addition, economic status could affect mother's awareness of infant checkup. The mean expenditure per capita among mothers who knew infant checkup was 3.94 and mothers who did not know about it was 2.92 ( $p=.075$ ). In expenditure per capita, there was no significant correlation but a slight significance. Thus economic disparity could affect both awareness and utilization of infant checkup.

Additionally, the infant checkup was less likely to be utilized than immunization. It is because we assume that mother did not think infant checkup affect child health or did not understand its effect well. Immunization was also preventive care for child health but this was concrete and actual medical acts, which mothers could understand its effect easily. The reason why some mothers knew but did not utilize infant checkup was due to lack of adequate information. Also mothers needed advice from medical specialist to understand infant checkup because those who were informed by health staffs about infant checkup were likely to utilize it ( $p=.005$ ).

Therefore economic disparity could make difference of awareness and utilization. To utilize infant checkup, adequate information by health staffs was very important. In such a situation, because there is no specific encouragement for infant checkup by the supply side, the proportion of utilization of infant checkup was lower than other two services.

## **7.3 Education and Mothers Can Make a Difference**

Thanks largely to National Immunization Program, utilization of immunization was higher than maternal checkup and infant checkup. In Cambodia, health sectors made a strong effort to prevail immunization, and about 70% of children could get immunization in national level and also Kampot province (National Institute of Statistics, Ministry of Planning, 2003). Such effort encouraged mothers to take immunization for their children. Also mothers had recognition that immunization could protect children from diseases in deed, such concrete images promoted mothers to utilize immunization with using injections. In addition to this, injection is used in traditional healing (Socchanny, 2004), and mothers were familiar with immunization and could accept it.

However, there were some differences between mothers who utilized immunization and mothers who did not utilize immunization by focusing on four factors. When mothers had shorter years of schooling or lived with

their own mothers, they were less likely to take immunization. Mothers with lower schooling years were likely to live with their mothers, and they seemed to follow their mothers' way in utilizing health service. The reason why some mothers knew but did not utilize immunization was lack of adequate information. As for immunization, it needed to focus on both mothers' education and also their mothers.

## **7.4 Adequate information provided by health staff within the village**

Although there were differences between three services, only health education was commonly correlated with three services. Thus, health education was practically effective. Years of mother's schooling cannot change, but mothers are ready to receive health education at any time outside school. Health education can give information about health services to mothers.

There was information disparity among mothers, and some mothers really wanted more information about child health. Although mothers could received information about preventive health services by their families, neighbors or villagers, such information could not affect utilization of each service. Rather, information by health staffs could affect utilization of infant checkup and immunization.

There were already efforts for maternal checkup as existence of midwife and for immunization as National Immunization Program, and those efforts meant information about services by health staffs within the village. In terms of infant checkup, there was no specific effort hence health education had correlation with awareness of only infant checkup. Without health education, information of maternal checkup and immunization was already provided by health staffs. It is essential for improving utilization of infant checkup to provide information for mothers by health staffs. Therefore, 1) adequate information 2) provided by health staffs and 3) within the village was important for utilization of services.

## **7.5 Vicious Cycle of Lower Educational Level**

There was some correlation between mother's education and utilization of each service. According to the staff from POE, their first priority was "child health" because when the children get sick, they tend to drop out. Unhealthy condition keeps a child from going to school. Also the issue of drop-out-of school children is the cause of lower educational level in the future, and such children would not utilize health services for their children in their adulthood.

We think that this is a vicious cycle of lower educational level. Educational level of this generation could affect those of next generation. In this way, also unhealthy condition would be inherited by next generation within vicious cycle of lower educational level. Therefore, influence from education sector can lead improvement of child health condition.

## 8. Conclusion

It was our aim of research to know the situation how mothers utilize health services of preventive care for children in Cambodia with focusing on mother's side and supply side. It became apparent that both the mother's side and supply side linked together to affect the utilization of preventive services.

At first, quality and quantity of services provided by supply side are very important for mother's utilization. This is because, in the first place, mothers cannot utilize health services of preventive care if services do not exist or are insufficient.

Also, there are reasons why mothers utilize the preventive health services, and these services differ from each other. For maternal checkup, occupation of mothers and only midwife in the village affect utilization. Infant checkup, which had lowest utilization among the three, was strongly affected by the amount of information and economic level of household. About immunization, effort from health sector and mothers' schooling years affect utilization of the service. Therefore, we can say that mothers use these preventive health services because these factors affected the awareness of utilization.

In order to improve the condition of child health, increasing the utilization and awareness of preventive health services is the key issue. First, supply side should provide more services to mothers, especially information about their services. According to our research, adequate information provided by health staffs in the village positively affects mother's utilization. Second, service itself should be provided to mothers, especially health education. From our research, health education correlated to utilization of all three services, and it teaches the importance of preventive health care not only to mothers, but also to girls which influence future health condition in the village. In order to accomplish this goal, more chances for higher education are also necessary. Therefore, more contribution from both health sector and education sector promote utilization of preventive service, and it improves child health condition.

There were two limitations in our research. One was that we could not unify the way of interview in the field; we revised questionnaire several times, and also we divided our group members into three small working groups with three members each. This caused some data imbalance. The other was that we simply asked mothers whether they have utilized health services such as maternal check up, infant checkup and immunization. It showed that our data did not focus on frequency, place and content of utilization of health services. Also, we did not know whether mothers and children took each service properly.

Additionally, although only receiving health education was correlated with all three services, we did not collect enough and overall information about health education; for instance when mothers received, where mothers received, what organization provided it, and what kinds of contents were taught. Health education was an important factor of utilization of the three services, but we cannot say what kind of health education should be provided. Future research is required to focus on such intention.

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## Endnotes

1. Data from 'The World Health Statistics 2006' and 'The World Health Report 2006', Available at <http://www.who.int/whosis/whostat/2006.pdf>, and [http://www.who.int/whr/2006/whr06\\_en.pdf](http://www.who.int/whr/2006/whr06_en.pdf), Accessed on 06/12/17
2. According to University Research Company (2004), Kru Khmer, the traditional healer, is a very important source of health care for the villagers, especially the poor. Their treatment gives consolation for a variety of diseases. Depending on diseases, the mother will bring the child to Kru Khmer or will ask him to visit to treat the patient. Khmer people look at health and illness in holistic way and see assistance from the Kru Khmer for the spiritual aspects of illness.
3. TBA does not get medical training. Though TBA is utilized when delivery, sometimes it is an option for health seeking behavior if the child is very young (University Research Company, 2004).
4. Research in Zimbabwe and South Africa (Kickbusch: 2001) showed that high education did not always reflect good health.

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## *Working Group 4*

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# MIGRATION

(Phnom Saley Village, Kompong Trach  
Khang Lech Commune, Kompong Trach  
District, Kampot Province, Cambodia)

1. Introduction
  2. Migrant Composition
  3. Migration and Social Networks
  4. Positive and Negative Impacts of Migration
  5. Migration Policies and Programs of Local  
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## 1. Introduction

After a long period of conflicts and civil wars in Cambodia, the coming of stability provided Cambodians with new opportunities for investment, economic growth and employment. Due to the tremendous workforce supply from a baby boom during the 1980s and 90s, the labor force has steadily grown in the last decade. The Cambodia Socio Economic Survey (2004) suggests that the workforce numbers have increased approximately 320,000 p.a. since 1999 when the workforce was registered at 5.5 million<sup>1</sup>.

However, since the government failed to create new job opportunities and an effective system of income distribution in the country, many people still suffer from inadequate income. This tendency is especially strong in rural areas. In general, incomes of rural dwellers are just enough to survive and 92 percent of people living below the poverty line reside in rural areas<sup>2</sup>. Therefore, it leads them to seek new sources of income outside their native areas regardless of the fact that migrants face danger and other risks on the way to their new place of employment and upon arriving at their destination. Usually representatives of the young generation tend to seek employment outside their villages. We distinguish between two major types of migration: external migration, characterized by movement of people who look for jobs in neighboring countries such as Cambodians in Thailand and Vietnam, and internal migration, where laborers seek jobs in urban areas of their own country, such as Phnom Penh.

### 1.1 Research Objectives

Though the current situation of migration in Cambodia could be assumed through preceding research it is still worth investigating since migration in Cambodia is an absolutely contemporary issue, in the sense that it is continuously changing. In order to understand the process of migration, the 5 goals of our group to attain in the case study of a rural village in the Kampot Province is set as follows: First, we would research what locations migrants tend to go. Second, we would figure out what and who supports villagers to immigrate. Also, we would see both risks and benefits of migration. Moreover, we would find out the governmental and district policies on migration. Acquiring these data would be useful to reveal current migration issues in Cambodia.

### 1.2 Methodology

#### Selection of the village

Phnom Saley Village consists of 113 households, in which 637 people (347: male 290: female) are residents. According to the interview with Rat Kim Village Deputy Village Head and Kem Heang Village Head, farming is the main source of income for the villagers. When the villagers migrate Thailand and Korea tend to be the destinations for external migrants, while Phnom Penh tends to be the location for internal migrants.

### 1.3 Data Collection

Information was collected mainly through interview with two groups. The first was the interview with village chiefs and villagers. Since our group aims to analyze the general situation surrounding migrants in the village efficiently, a questionnaire was used to guide interviews. During the two weeks of our research, we interviewed 25 migrant families<sup>3</sup> and collected information on 32 cases of migrants. Additionally, we interviewed 8 non-migrant families<sup>4</sup>.

The second interview subject was provincial and district officials, and an NGO and a private company's employees. Since we aim to figure out what policies are created by each governmental office we conducted rather flexible conversation-style interviews following the format of our questionnaire. All interviews were held in the interviewees' own language through interpreters.

The provincial and district offices, an NGO, and private companies were visited as follows:

- Kompong Trach District Office of Social Affairs, Labor, Vocational Training and Youth Rehabilitation
- The Kampot Province Planning Department
- The Kampot Province Department of Labor and Vocational Training
- Philimore Cambodia Co., Ltd (recruiting agency)
- Human Rights and Development Agency (Kampot City)
- ACLEDA Bank (Kompong Trach District Branch)
- X Garment Manufacturing International Trading Ltd.

### 1.4 Qualification

The purpose of the present study is to research migration in Cambodia. However, it is essential to note that the results of the present research do not necessarily represent general migration trends in Cambodia as a whole, as the fieldwork has been conducted in only one area of Cambodia, the number of interviewees is limited, and the target of our field work focuses on labor migration only. Also, we cannot neglect the information gap between what the group obtained and what the villagers said in their own language, since we collected information through interpretation. Nonetheless, the data of the villagers is still valued because it contributes to revealing the current situation of Cambodian migrants.

### 1.5 The Trend of Migration in Cambodia

There is no doubt that increased migration has been an important trend in Cambodia for the last few decades. After the collapse of the Khmer Rouge regime in the 1980s, two significant events stimulated the stream of migration. The first is privatization of agricultural land in 1989, and the second is the Peace Accord of 1992, when the official government was formed and promoted monetary support and investments from outside of the country. The latter contributed to the reorganization of governance and produced new labor force demands for urban and semi urban areas<sup>5</sup>. All these factors caused labor migration from rural areas, and their numbers continue to increase

rapidly. The 1996 Demographic Survey estimated that some 634,700 persons had moved from rural areas within the five years prior. Then, in 1998, the census counted a total of 881,400 persons who had moved from a rural area within the five years prior to the census<sup>6</sup>. This current tendency of migration results from several phenomenon in rural areas. The following sections introduce these plural factors based on previous studies so called push and pull factors, which accelerate migration.

## 1.6 Push Factor

Previous studies on migration in Cambodia reveal that several push factors lead villagers to work outside their rural villages. Two major factors are mentioned here. First, lack of land in rural areas forces villagers to go out from their home. Due to the drastic increase of population through the 1980s and 1990s the amount of land is not sufficient any more. Consequently, younger generations, especially working age groups, have started to seek livelihoods out of their rural hometowns. Also, prevailing poverty around rural areas triggers migration. In rural areas, agriculture and fishery are the principal sources of income. The World Bank estimates that 29-50% is sourced from agriculture; 14-22% from fisheries and forestry-based resources and 36-57% from business and wage labor in 2005<sup>7</sup>. However, the increase of population and the lack of infrastructure, such as irrigation system, have been an obstacle to overcoming poverty in rural areas.

## 1.7 Pull Factor

Several factors tempt villagers to leave their villages. First, the expectation of sufficient wages in richer areas is one of the most important pull factors. Therefore, labor migrants tend to go to urban areas such as Phnom Penh in Cambodia or richer countries such as Thailand. Wages that could be earned in these areas exceed those in rural areas, explained as “workers in rural areas are reported to receive Riel 3,500-4,000 [US\$0.86-US\$0.98] per day for agricultural work for non-farm work (World Bank, 2005). This amount is well over the rural poverty line of Riel 1,753 [US\$0.44] per day per person in 2004.”<sup>8</sup> Moreover, the average income differential for the same work between Thailand and Cambodia could be 3-5 times, though part of the earnings is spent on travel expenses, clearances, etc<sup>9</sup>. Second, the existence of job opportunities is crucial for villagers to migrate. For example, Phnom Penh is likely to be the popular destination for female labor migrants; 56% of migrants to Phnom Penh in 1998 were women. This reflects the opening of many garment and shoe factories in the capital that started attracting rural women in 1997 and 1998.

## 2. Migrants Composition

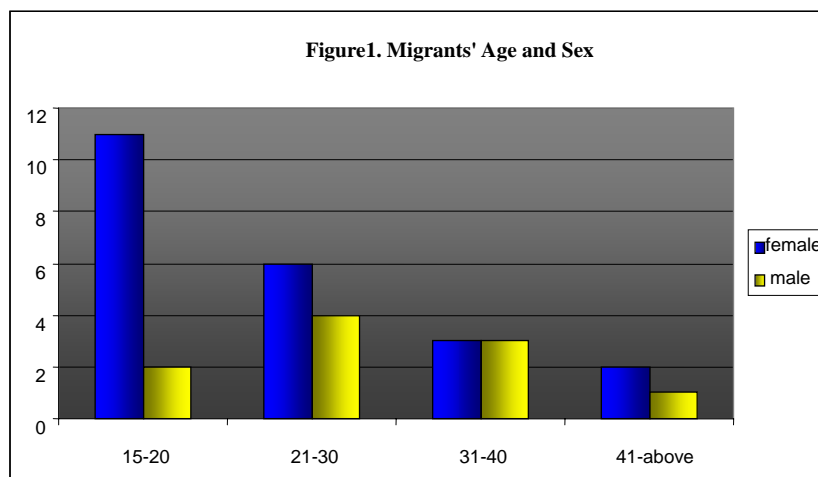
Identifying what kind of background potential migrants have, whether they are from extended families or from small families. Clarifying migrants’ family’s economic status is vital in the study as well. When there are financial constraints within the family, it reinforces migrants’ decision to leave the village.

Local government may use these findings to identify potential migrants, paving the way for the said local government to orient its constituents that could fall to these characteristics regarding the circumstances migrants

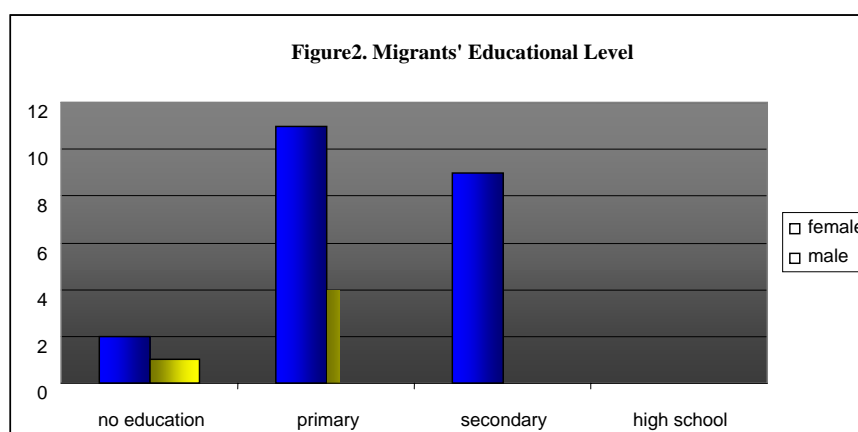
might face at their destinations. Thus this chapter is devoted to identifying the migrants from Phnom Saley Village.

## 2.1 Gender

Most migrants that come out of the village to work either within Cambodia or those who go abroad are very young (15-20 yrs old), as shown in this graph. They are followed by migrants with ages ranging from 21-30. Interestingly, in almost all age categories, the female bars are high. The only exception is in the 31-40 years old category, in which males had a similar rate of leaving the village.



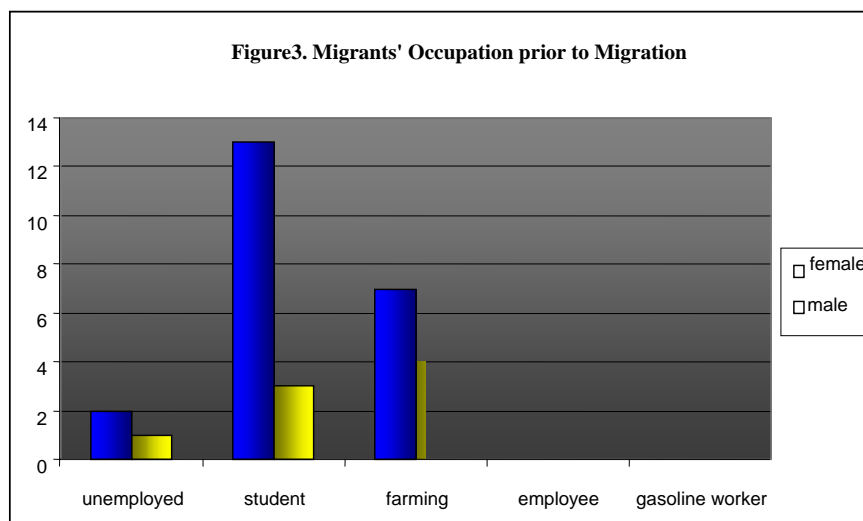
There are several reasons for this exodus of people. One is that most of the job opportunities such as work in garment factories and as housemaids are for females. These two industries are the main destinations of migrant workers who are predominantly female. In the same province, a newly opened recruitment agency, Philimore Cambodia Co. Ltd., has been sending young female Cambodians to Malaysia as housemaids.



Although the group did not find any cases in the village of migrants recruited to work in Malaysia, based on the group's interview with the head of Ad Hoc<sup>10</sup>, an agency devoted to protecting human rights, there have been cases of abuse like rape against Cambodian migrants in Malaysia (This issue will be discussed further in the 4<sup>th</sup> Chapter on Positive and Negative Impacts of Migration). Despite these incidents, the agency has managed to send 21 young ladies to the said country.

## 2.2 Educational Background and Work Experience Prior to Migration

Migrants are engaged in low skilled occupations such as garment factory work, housemaid, cook and others. All these kinds of work do not require higher education, special training or experience.



As depicted in Figure 2 (Migrants' Educational Attainment), the majority of migrants had either primary or secondary education. Most of the low educated, again, however, are female. Further, on Figure 3 (Migrants' occupation prior to migration) shows that most of them are students and neophytes when it comes to working outside of the village. These migrants who lack work experience are the ones who fall under the age range of 15-20, shown in the previous graph (migrants' age and sex, Figure1).

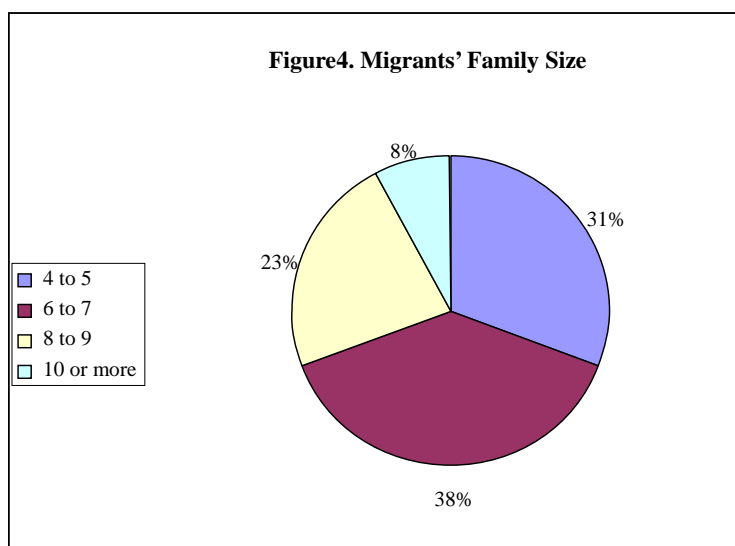
## 2.3 Family Size

The size of families of migrants in Phnom Saley varies from a 4 member household, the smallest, to the biggest family, 13 people. The chart shows the majority (38%) of migrant families have 6 or 7 members, that is not significantly different from 31% percent of the families with 4 or 5 members.

Bigger families comprised of 8 – 9 members constitute 23% of migrant families in Phnom Saley, while families with 10 or more members are in the last position constituting only 8%.

It can be said that the size of the family influenced the decision of villagers to migrate on the level of sense of responsibility for other

family members. It explains the fact that a significant amount of money migrants received outside of the village had been used for education of children and younger siblings in the family (The issue of migrants' spending habits will be discussed further in Chapter 4). Loss of one of the family members, usually former breadwinners influenced dramatically in the decision of other members of working age to search for employment outside of the village as a



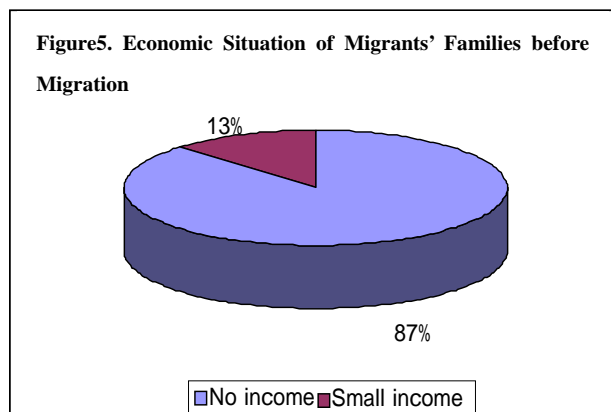
last resort method to support their household.

## 2.4 Economic Background

The majority of migrants was involved in farming for consumption or was students and therefore had no sufficient income before migrating. Very few villagers admitted they were doing any kind of trade such as selling vegetables grown on their plots of land. Some of the villagers however stated they had income before leaving their village for work in another place.

As seen in the diagram, comparing to 13% of those who had possibility of earning before migration, a significant number of migrants (87%) did not earn anything.

Migration therefore played two important roles for the migrants. For villagers without any income it was the only possibility to gain some income, and for those with income migration gave them the possibility of income increase, and in turn, to secure their position in the case of emergency.



## 2.5 Causes of Migration

There are many reasons that can be accounted for regarding why people migrate and often – to seek greener pasture. This is true in the case of Phnom Saley village. Only one out of the 32 migrants answered he/she migrated to look for a job when they were asked the reasons for their migration. The rest said they wanted to help the family or to increase their income. This also shows that the flow of information regarding jobs in the destinations of the migrants is well facilitated through social networks. This part will be elaborated more on the formation of Social Networks in chapter 3.

Another reason could be the limited opportunity the village offers for them. Most of the people living in Phnom Saley village rely on farming agricultural activities for their daily consumptions. Employment in the village is only during rice cultivating seasons, thus many migrate when these seasons are over. A similar research was conducted also in the neighboring villages of Battambang province. Limited opportunity for villagers to work in the village was also included in its findings why villagers go to Thailand (Chan Sopha, So Sovannarith: Cambodian Labour: A preliminary Assessment, pp.4).

The officer in the Ministry of Planning, who the group interviewed, acknowledged this limited opportunities. That is why in the province's five-year plan, according to the officer, considered creating more livelihood activities for the villagers such as creating fish ponds and forestry projects in the villages so that when cultivation season is over, villagers can turn to them as a source of income.

According to the Ad Hoc officer, villagers also lack the entrepreneurial skills. This could be partly true and partly false. As can be observed in the village public market, not much entrepreneurs sell goods. There were at least three to four vendors selling vegetables, fish and fried sweet potatoes. At the same time, however, the villagers were also business oriented. Some houses visited by the group for an interview served them fresh coconut juice. According to the interpreters of the group, villagers usually sell these into travelers. The price of each coconut is 500 Riel.

Furthermore, some of the migrants faced the necessity to look for employment outside the village because the responsibility of breadwinning was passed on to them. The reason for this was an unexpected shift in family roles that are caused by sudden death or severe sickness of family head. Thus they left their village at an early age hoping to support the family. One case was narrated to the group by the head of the commune head of Social Works and Former Soldier; where one young girl had to seek employment outside her village due to the sickness of her mother. Getting money to buy her mother medicine convinced her to work and she believed all the lies of the broker. In the end, she found herself involved in prostitution.

## 2.6 Destinations

Most of the migrants from Phnom Saley village migrated within Cambodia. Only seven of the 32 cases went abroad – five migrated to Thailand while two to Korea. Of these five migrants, one of them works in an Ice plant while the rest are/were house maids. The remaining two who went to Korea are engage in factory works. Further, majority of these migrants, who went outside Cambodia are experienced when it comes to worker outside their village. Of the seven, only three of them were found to be first timers.

When it comes to migrating within the country, Phnom Penh is the most popular destination. 20 out of 32 cases of migration in Phnom Salley Village, villagers migrated to Phnom Penh. As explained earlier, this is because of the opportunities offered by the capital, especially its several garment factories.

## 3. Migration and Social Networks

In this section, we will discuss the existing informal and formal social networks focusing on the contribution of villagers' decision to migrate and the formation of these networks.

Interview results definitely show that there is a variety of new connections between migrants and people surrounding them which we call "networks". The network can be divided into two types; one is formal and another is informal. The informal network is defined as a web of relationships that people use to exchange resources and services (Cook, 1982; Scott, 1991; Wellman, 1983 cited in McGuire, 2002). Informal network differs to formal network in that it is not officially recognized or mandated by organizations and in that the content of their exchanges can be work related, personal, or social (Ibarra, 1993 cited in McGuire, 2002). In this field work, the formal network is seen as reciprocal relationships between migrants and organizations such as governmental units, media and companies including personal employers with whom they have written agreements determining the conditions of their cooperation and their mutual relations, while the informal network refers to individual relationships between migrants and people close to them, such as their family members, relatives, friends and neighbors based on unwritten agreements.

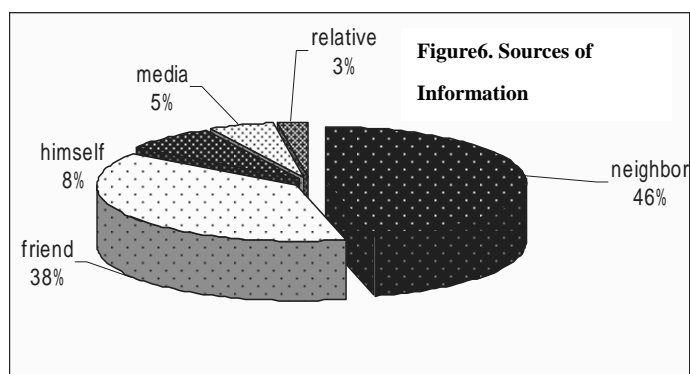
In order to make it more easily understood, migrants' activities have been raised and classified by the time order; before, during, and after migration. And we will attempt to examine their role in enhancing villagers' special mobility as the following: 1) their role in obtaining information regarding their new destination prior to leaving their village, 2) their role in receiving assistance in the process of their movement to a new place of employment, 3) their place in establishing connections between their new location and their native village, including their savings' remittances.



Let us first analyze how an individual obtain information before leaving the place of origin. Most migrants have received information regarding the type of job and approximate salary they will receive before traveling. The most common way to obtain information is to rely heavily on their family members, relatives, friends and neighbors who had experience in working outside the village. We have found that those who provided basic information to migrants are mostly the same persons who encouraged and assisted migrants to work outside the village later. Thus, internal migrants working in Phnom Penh and Kampong Sao overwhelmingly acquired information of job recruitment, salary and housing through their friends, relatives and neighbors. However, it is worth noting that neighbors and friends are the ones who had experienced working outside the village before, and after they had some useful information on recruiting, they have suggested or even took other villagers to go to work at their new destination. Asking for the reason of recommendation, former migrants have suggested their co-villagers to search for job opportunities outside their village because they wished other villagers to have higher incomes and acquire better living conditions, in the way they had. Some former migrants just provided the job information and shared their working experiences with co-villagers, but whether they migrate or not is up to co-villagers' themselves.

Another way of getting information is from direct recruiting announcements by companies, employers and government agencies. Only a few migrants working at garment factories got job information by themselves through recruiting posters. Some migrants working as housemaids are directly informed about the job and salary by their employers. We found that it is quite common to obtain information on the conditions of work and places of recruitment in the case of going to work abroad. Especially, Korean enterprises receive a lot of cooperation from the Cambodian government in recruiting workers in Cambodia. The government agencies provide information on the recruitment and conditions of work through local radio stations and assist future workers in obtaining necessary documents and Korean visas.

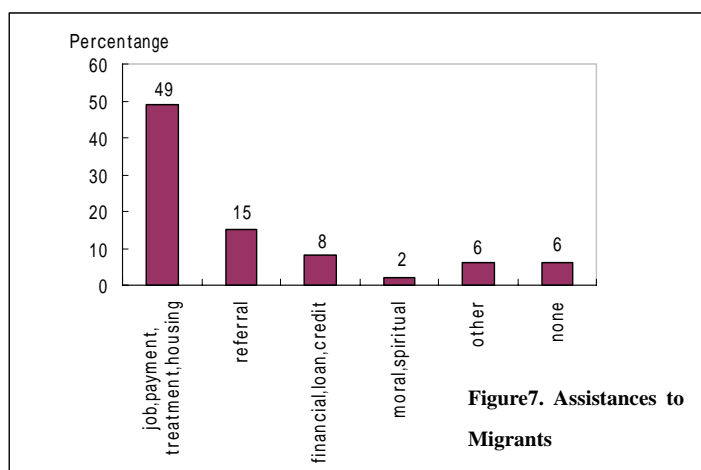
Figure 6 shows sources of information on job, salary, payment and treatment of migrants. According to the figure data, migrants received information through neighbors (46%) and friends (38%). Some of the migrants went to destination and found a job by themselves (3%). Some got information from radio (2%) or relatives (1%). We can see that more than 85% of migrants acquired information through sources that can be referred to as informal networks. However, migrants also obtained information through media (5%) such as FM radio broadcasting about recruitment from the government as in the case of a recruiting project of Korean factories under the cooperation of the Cambodian government. Therefore, informal networks facilitate a reciprocal exchange of information prior to migrants' movement to their destinations.



As mentioned above, networks providing information to migrants prior to movement to a new destination are both informal and formal. Informal networks of relatives and other fellow migrants have played an important role in providing information, and suggesting and assisting migrants before traveling. On the contrary, they could not depend much on routes established by governmental agencies. However, it is noted that most migrants know what kind of job they will do, and how much salary they will get, but they have not been told about their future job conditions like working hours, welfare and benefits. Therefore, there are several cases in which the actual working conditions are not similar to what was expected.

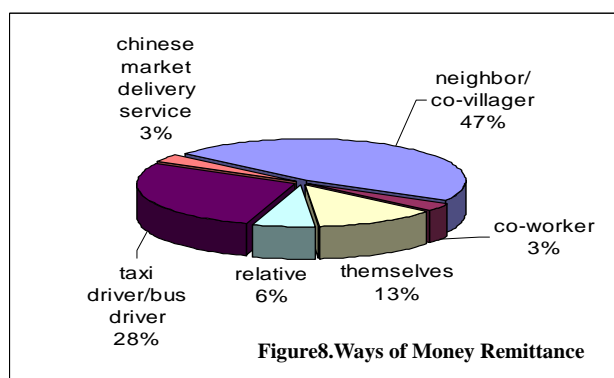
Let us discuss the process of migration next. Informal networks also continue to play an important role in assisting migrants in the process of an individual's movement and accommodation at his/her destination. Migrants received assistance from their friends or from those who suggested they migrate. The details of this assistance include information about jobs, payment, and housing that migrants, of which around 50% of migrants were informed of, and around 30% were informed by referral. When migrants have faced difficulties or problems during migration, they asked for help from the relatives and friends who had helped them to migrate. Figure 7 shows the allocation of assistances from networks.

Assistances for financial problems and transportation fees, which migrants got before migrating are 8% and 3% respectively. About 6% of people who have no assistance may be migrants who find a job by themselves, especially in the construction sector. Migrants received not only financial assistance, but also got assistance in housing from friends and relatives. Still, migrants received moral help, such as spiritual 2%, and others, e.g. foods 6%. Therefore, migrants got many kinds of help from networks in order to migrate safely and stay in their work site without any problems.



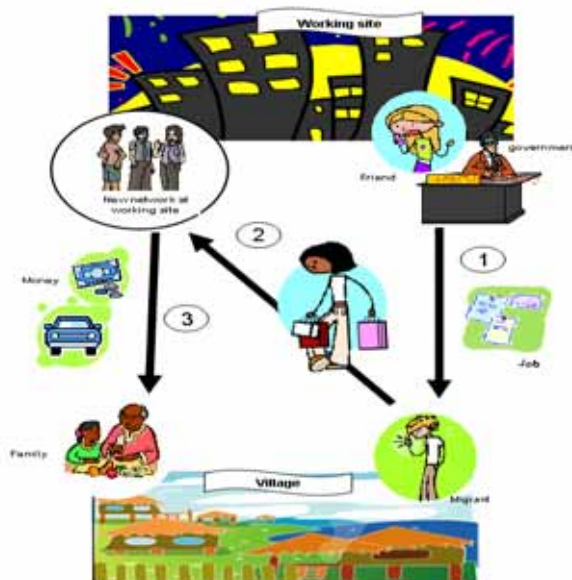
Although most migrants interviewed managed to secure jobs in urban areas where they were also provided accommodation and medical treatment from their employers thanks to information they obtained from their fellow co-villagers and siblings, it might be misunderstood that assistance was provided mostly by kinship group through informal networks. Many migrant workers also benefited greatly from information provided by governmental agencies through formal networks. Thus, several Cambodian females employed as housemaids received assistance in completing formalities for going abroad and obtaining passports. It allows us to conclude that most migrants received tangible assistance like food and accommodation as well as psychological support in a variety of ways from both kinds of networks.

The way that migrants transfer their savings to their relatives remaining in the native village also make us assume that informal networks are of great value from them. It is clear from Figure 8. that almost 50% of both internal and external migrants have sent money back through their neighbors or co-villagers who returned to their native village or entrusting money delivery to taxi drivers (28%), or relatives (6%). In addition, we also found that co-workers and Chinese market delivery services also are the ways of money delivery migrants used but not so much (3%). Anyway, some of external migrants did not send money back for special purposes, for example, keeping money for marriage or ones who had worked in illegal ways. These migrants brought money back by themselves (13%). Therefore, bank transfers are not popular among migrants comparing to informal network in remittance as same as the two above we have been already discussed.



We assume that the relationships between people in the village are very strong especially between migrants and their neighbors that it is seen from the fact that they trust each other even in delivering money. Moreover, no migrant make remittances through bank but sent money by taxi drivers instead. This also makes us assume that migrants use networks of relatives and friends at the destination rather than use services of financial institutions. With regard to the interview of ACLEDA bank manager, the bank was commercialized recently so there are still not many people who know about money transfer service and villagers may not be used to banking. If one compares bank commission with “gratitude money” given to taxi drivers, it is obvious that the former is more expensive. Bank usually charges 8,000 Riels for one transfer and the commission fluctuates depending on the sum, while taxi drivers charge no more than 2,000-3,000 Riels irrespective of the sum. So this could be a motivation for migrants to choose taxi driver than the other one. Thus, informal network still plays more important role than formal network to link migrants who work at the destination and their family who live in the village.

**Figure 9: Pattern of Migration: (1) refer to a route of information, (2) refer to a route for getting destination, and (3) is a route of remittance**



In conclusion, we have summarized all of above analysis in Figure 9. We clarified that both formal and informal networks are obviously formed and functioning well to facilitate and assist the migration in every progress of migration. Information and assistances from these networks are push factor which had a strong influence on migrant's decision whether stay or leave the village. However, formal network encompassing representatives of such institutions as government or recruitment agency seem not as much important as the informal one since only limited number of migrants rely on the formal network and the job opportunities provided by it are not remarkable. If migrants eventually decide to go out of the village, the networks will provide assistances to take him to working site. After that, they continue keep in touch with their networks that helped them migrate, or have a new network in working site that could be both formal and informal and use them for specific activities such

as remittances. From this networks' route, it looks like “N” shape which starts from the working site through the village and back up continually to working site and down to end at the village again. Therefore, the “N” shape is a chain line pattern for demonstrate the way of migration from start to finish. It can be said that the existences of formal and informal social networks play the remarkable roles in every process of migration and contribute the assistances and help to migrants.

## 4. Positive and Negative Impacts of Migration

In this chapter, the positive and negative impacts of migration will be discussed. Three major positive impacts of migration will be mentioned. First, income increase, second, improvement of migrants family's living conditions, and third, diversify risks. Negative impacts include first, problems and risks which government bodies recognize,

second, problems and risks which NGOs deal with, third, problems which migrants themselves face, and fourth, the difficulties migrants' family members face because of their absence.

## 4.1 Positive Impacts

At the individual and family levels, migration produces income increase. Before their migration, since the majority of migrants were involved in farming or were students, they had no sufficient income. 29 migrants out of 32 had no income before they migrated. (Table 1) One migrant had temporary income. She earned Riels 4,000 when she had work in other villager's field. Another migrant who had income (Riels 1,500 ) before she migrated made her living by selling vegetables.

**Table1: Income before Migration**

(Riels/day)	(Number of people)
No income	29
1,500	1
4,000	1
No data	1
Total	32

**Table2: Income in Working Place**

(Riels/day)	(Number of people)
Less than 4,000	16
4,001~8,000	14
8,001~12,000	3
12,001 or more	4
No data	4
Total	41

At their destination, it is clear that their income increased. They earned Riels 1,333 to Riels 13,000 per day in their new working place. Table 2 shows their daily income. Since some of the respondents have migrated several times, the number of people in Table 2 exceeds that of Table 1. Three migrants earned Riels 8,001~12,000 per day and 4 earned Riels 12,000 or even more. On the other hand, it was found that 30 migrants could earn less than Riels 8,000 (2\$) per day and 16 of them earned less than Riels 4,000 (1\$) per day. Therefore, it seems that people can increase their income as a result of changing their place of employment, but majority of migrants cannot generate enough income even if they look for jobs outside their village. However, considering the fact that there are not enough job opportunities inside the village, as many interviewees said that they want government to provide more job opportunities, and the fact that most of the migrants had no income before they migrated, migrants had no choice but to migrate. As a result of migration, even though it is not a great deal of money, they can generate a certain amount of money regularly.

Figure 10 reveals income increase gap, showing that migrants' income varies largely depending on their destination. It is found that migrants who went abroad (Thailand and Korea) have incomes much higher than internal migrants. Figure11 shows the average income of migrants in their new working place. As can be seen from this graph, external migrants earn more money than internal migrants. External migrants earn Riels 7639 per day in average. Migrants who went to Thailand earned Riels 8437 per day and those who went to Korea earned Riels 7333 per day in average. On the other hand, internal migrants could earn Riels 4721 per day. Those who went to Phnom Penh earned Riels 4710 per day and those who went to other cities in Cambodia earned Riel 4807 per day on

average. Compared with the average income of internal migrants, external migrants earn one and half times more than internal migrants.

According to our interview, it was found that most migrants could generate regular income in their working place send money back to their family. 29 respondents out of 34 acknowledged that they remit money to their family. Migrants' families can purchase what they need like food and fertilizer for their fields with remitted money. These remittances help migrants' families to improve their lives to a certain extent. However, as there is a gap between external and internal migration in their income, there is also a gap in the amount of remittance.

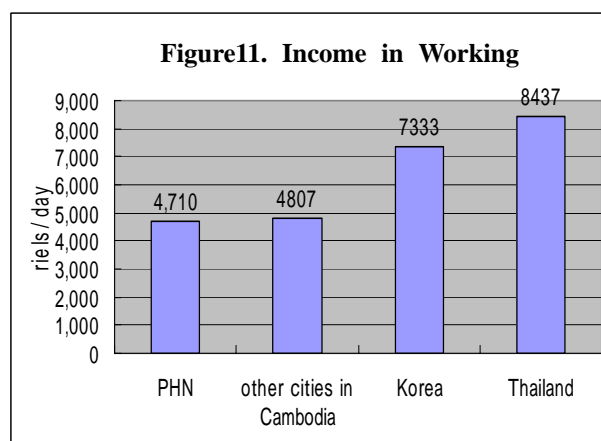
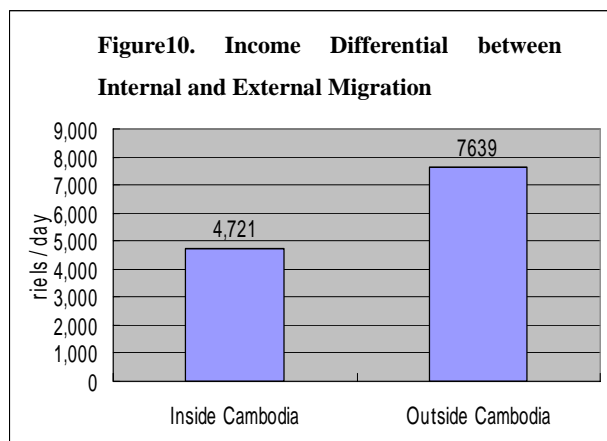
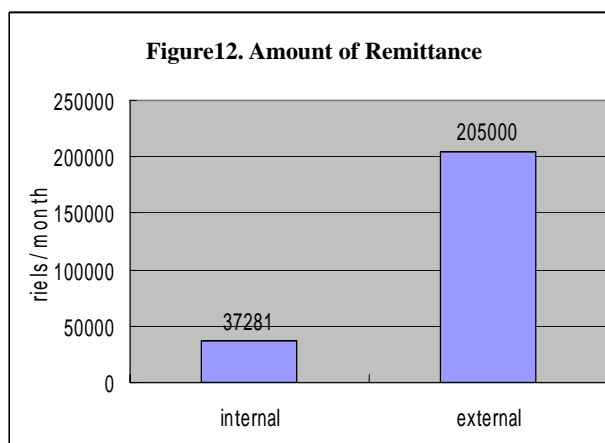


Figure12 shows the amount of money migrants remitted to their families by type of migration. In this graph, though migrants do not remit money monthly, the amount of remittance is converted into monthly remittance. From this graph, it can be seen that internal migrants remit Riels 37,281 per month on average and external migrants remit Riels 205,000 per month. The amount of money which was remitted by internal migrants is less than that by external migrants by around 5.5 times. These remittances from migrants help migrants' families to an extent. However, the amount of remittance seems not



to be enough to cover daily expenses of migrants' families. That internal migrants' family can get Riels 37,281 per month means they have only Riels 1,242 per day. Consequently, they cannot spend 1\$ (Riels 4,000) a day for a whole family even if their family members migrate. On the other hand, external migrants sent Riels 205,000 per month.

It means their families could get Riels 6,833 per day. This is more than 1\$ per day but still less than 2\$ a day. Therefore, it can be said that although the remittances from migrants help migrants' family to greater or lesser extent, it is not enough to make their lives easier. In cases where family members are highly dependent on remittances from migrants, it is still hard to make a living with a limited amount of remittance. Migration of one or more members is but one element of a family's survival strategy.

## Improvement of living conditions and investment

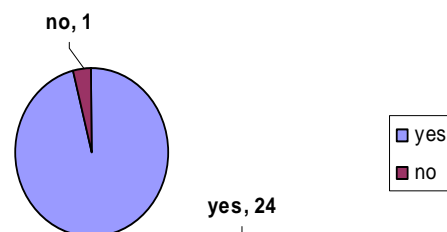
According to our field research, living conditions of migrants' families improved after their family members migrated to other regions and started making remittances to their families' members remained in the village. 24 family members of migrants out of 25 answered "yes" when they were asked whether their living conditions have improved after their family member migrated. These improvements are highly dependent on the remittances from migrants.

The most visible change was that a migrant family built a new house with remitted money and their savings, and another migrant opened a small shop facing the village's main road. Six families spent migrant remittances on food, especially rice, three families invested them in their child education, one purchased fertilizer. Even though remittances from migrants help migrants' families to a certain extent, the amount of money is far from fully covering each family's needs. Therefore, it can be said that their living

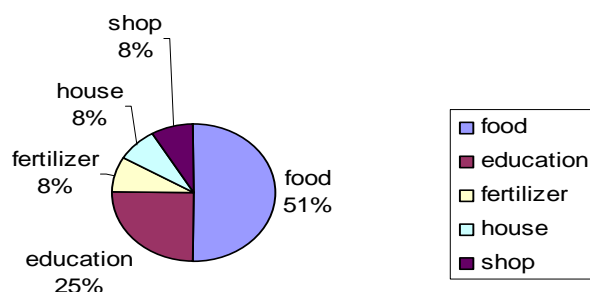
conditions have not improved dramatically but only slightly. In general, an individual household's living conditions improve because of its member's migration.

However, certain households' improvements of living conditions do not affect significantly the village or commune's economic status. There is no visible change occurring as individual improvements of household affects community level or states level development. Regarding the relationship of migration and the development of community, 6 out of 8 interviewees who have non-migrants in their household thought that migration could contribute to the development of community through donation to the community. However, recent contributions are very limited because migrants' incomes are not big enough and nobody has done that yet.

**Figure13. Does Migration Help to Improve Family's Living Condition?**



**Figure14. How Did You Spend Your Remittance?**



**This woman went to Thailand to work and after she came back to the village, she started this small store**





**The white concrete house is owned by a migrant family who migrated to... while the small one is by a migrant who works in Phnom Penh**

### **Diversification of income sources**

Migration is also one way of reducing the risks and strengthening their survival strategy. In this village, many family members depend on farming, and this is high risk because their harvest will be highly dependent on climate. Just a couple months before the research, a flood attacked neighboring villages. According to the village head, water levels went up as high as 30 cm in the main road in the village research was conducted, it lasted for just 2 or 3 days. Also, in other neighboring villages, many chickens died for a short period of time. Villagers do not know the reasons, however it is clear that livestock is one source of their income, their death highly affected their survival. Their main income source is farming and this is high risk and villagers are left

vulnerable.

Family members' migration signifies the diversification of income sources for households that strengthen the family's survival strategy. As it has been discussed in Chapter 1, most migrants were high school students before going to work outside their native village, so that family can depend on them after they quit school in order to migrate and get a job. Their work will become one of income generation. Before their sojourn, students were burdened to some extent, however. By letting them migrate each family developed further its strategy for social mobility or simply survival, creating an additional source of income. If migrants' families are in situations that require extra expenditures, the family may request their member working far from the village to support it. Migration is one of the choices in the case of emergency.

## **4.2 Possible Negative Impacts**

Problems migrants face, and possible risks

The previous sessions indicated that labor migration brings some positive impacts. However, from the interview it was revealed that a variety of problems exist in the actual situation. Here we will show the problems and risks that the migrants face in the course of their migration.

We got information from governmental officers, NGO staff, and members of migrants' families, as well as from migrants themselves. Some parts of the information from the villagers overlaps what the governmental bodies and the NGO recognize, while the rest are what has remained unexplored so far. It can be said that there is more or less a recognition gap between organization bodies and villagers. To grasp the tendency of the problems, the information will be analyzed by studying both internal and external migrants' occupations though there are some exceptions due to the limitation of information sources.

### **Problems and risks of migration that the governmental bodies recognize: Department of social work and rehabilitation of former soldiers in Kompong Trach district office**

The interview was conducted with the officer of the department of social work and rehabilitation of former soldiers in Kompong Trach District Office. He told of some episodes of migration, especially human trafficking. In one case a broker persuaded a girl to work in a factory in Phnom Penh. However she was sold to a brothel in Phnom Penh. In another case, a child who had problems with her family was sold to a brothel by a broker as well. Younger girls tend to be easily persuaded by brokers. While males, especially boys of the age 10-13, are sold to Thailand as beggars to collect money for brokers. They are sometimes intentionally injured by them.

He also said that there was no case where any brokers were imprisoned in Kampot Province, but there was a case where a broker was brought to court. Therefore, our research field might not be proper to explore the certain kinds of problems and risks regarding human trafficking. However, the information from the officer might be useful to reshape the whole situation of migration in Cambodia and what the governmental bodies recognize concerning migration.

### **Problems and Risks of migration that the governmental bodies recognize: Department of Labor and Vocational Training in the Provincial office of Kampot**

Department of Labor and Vocational Training officials named “use of drugs” as one of the major problem migrants face. In cases of external migration, employers would force their migrant workers to use drugs in order to decrease their fatigue so that they can work longer. It wouldn’t happen in internal cases, but migrants would be involved in drugs by themselves.

Another risk contingent to external migration is infection with sexually transmitted diseases including HIV due to illegal work such as prostitution. They also recognize workers abuses in some cases of labor migration to Malaysia. Moreover, although the contract usually requires workers to work for 8 hours a day, their employers make them work overtime. Internal female migrants would be at risk for abuse, cheating, rape and so on. Moreover, they sometimes have problems of accommodation, that is men and women have to stay in the same place. Thus the problems and risks would vary depending on whether the migrants go abroad or just move inside the country, though there are some common problems.

### **Problems and risks of migration that the NGO deals with**

ADHOC is, “the first NGO established to address the human rights situation in Cambodia”. Among the cases that ADHOC have dealt with, those concerning migration are about child labor and sex worker exploitation, as well as the violation of human rights of ordinary workers. According to the interview to one of the staff, the following was found.

In the cases of migration to Malaysia, some companies provide Cambodians with a contract to work in Malaysia as housemaids. Sometimes violation problems would take place, such as forced labor, rape and so on. Even though they complain of such situation, the companies would not accept the responsibilities for those and even ignore them in some cases.

The cases of labor migration to Thailand are more serious, because mostly the migrants go and work there illegally including cases of human trafficking and sex crimes. A number of Cambodians have been cheated by brokers. In some cases, the migrants would be forced to be transporters of drugs. Some of them have disappeared and others have been imprisoned. Although the Cambodian and Thai government have begun to cooperate to prevent human trafficking, they still have not recognized the real dangers that migrants face. Therefore, most of illegal migrants have no way to receive help from any organizations.



Aiming to prevent such violation of human rights, ADHOC has activities in order to give villagers education regarding human rights including the risks accompanying migration and how to cope with them. However, such education has not prevailed in all districts yet. Consequently the problem that could be reshaped is that migration in search of a better job still exists, even though they know the series of related risks.

**Table3: The Problems and Risks which Governmental Bodies and NGO Recognize**

Internal migration	External migration
Abuse	Smuggling fees and cheating
Cheating (prostitution)	Threat of arrest by the Thai authorities
Rape	Use of drugs
Accommodation problem	Infection with HIV virus
	Forced labor
	Human trafficking (children, prostitution)
	Nobody responsible

### **Problems migrants have gone through in reality**

The possible problems contingent to migration are found in the reasons why some migrants are not satisfied with the results of their migration as well as the description from the interviewees that shows working conditions at their destination. In 16 out of 38 cases, migrants found some difficulties or serious problems related to their movement and work at a new place, while 17 cases did not have any. In the rest 5 cases, they did not answer. Regarding the satisfaction of the migrants, they are satisfied with their job, payment, treatment, housing and so on in 14 cases, while they aren't satisfied in 18 cases.

Long working hours is one of the problems, which is relevant for both internal and international migration. Migrants working as housemaids have to do all housework for long hours. It is hard work for them and sometimes they do not even have time for breaks. Migrants, who are working in the garment factory or at construction sites, also face similar problems as housemaids, such as physically demanding working conditions and long working hours. In some cases, they are forced to work after fixed working time hours without any overtime payment.

Regarding working in the factory, some migrants have to work in bad environments and dangerous places. Despite the fact that they cannot even receive any welfare allowance from their factory. For example, the factory does not provide them with any uniform or safety masks (safety implements), and they have to work in one position for a long time, handle dangerous machines, and so on. Even in the case that migrants get injured or have an accident in their working place, they cannot get any compensation for medical treatment expenses from the company. Some suffer from sickness such as backache or headache owing to work hard, but the factory does not give welfare like health condition checks or medical treatment. Sometimes even though they get sick, they are forced to work. Average wages of factory workers are not sufficient to cover their daily expenses and make savings, especially those who have to pay for accommodation by themselves. Therefore, they have to borrow money from others and the interest rate would be higher than usual in some cases.

In contrast, however, migrants working as housemaids are likely to get more or less assistance from their employees. For example, the employees would take their housemaids to receive medical treatment and buy necessary medicine when they get sick, even though the employees rarely make them enroll in an insurance policy. Moreover, the advantage of working as housemaid is that they do not need to be concerned about accommodation and food, which could be crucial spending for factory workers.

In addition to the problems that the internal migrants face, the external migrants, especially those who migrate as illegal migrants would face some problems while working in foreign countries. The following are cases of 5 migrants to Thailand including a male who has worked in a factory, a female who has worked in a factory the first trip and then worked as a housemaid the second time, and other females who are working as housemaids even now.

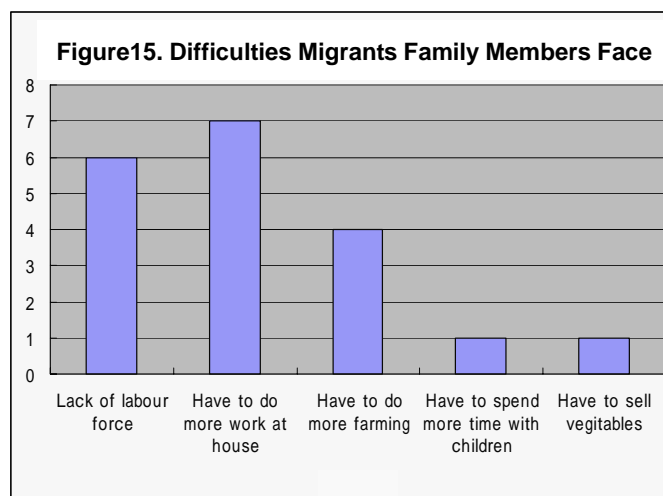
Communication is one of the biggest problems the first time one migrates. In most of the cases, they have to try to learn the destination country language by themselves. As for housemaids, some employees provide Thai language textbooks for them and sometimes they try to teach it in daily life. Then the migrants can learn the language little by little. In the case of migration to Thailand, though the migrants can catch a few words at first, the similarity between Thai and Cambodian languages might facilitate them in picking up more words, even enough to work and live daily life.

Illegal migrants would confront problems both in the process of migration and while working. Those who were working in a factory were not allowed to go outside the work place because they were at a risk of being arrested by the police and being sent back to Cambodia. One female who had worked as housemaid in Thailand has experienced being arrested because she walked around without any identification documents. After that, however, her employee took her to register. It can be assumed that unless the foreign laborers are perceived to be illegal officially, the employees would not be willing to provide them the procedure to be legal laborer.

According to a female who has worked as a housemaid in Thailand, a Thai broker mediated in crossing border and providing the job. She described how she felt risky while crossing the border. She entered Thailand with a tourist visa bought from the broker, which permitted only a 7-day stay, and she had to overstay her visa in Thailand to work. When she was coming back to Cambodia, she had to pretend to be a carrier of vegetables and hide a big amount of money that she had received. She also mentioned that the foreign laborers including Cambodians and Myanmarers in the factory were given discriminatory treatment. For example, the foreign laborers were not served any masks or uniforms, while local Thai laborers did get them. Furthermore, only foreign laborers were forced to work overtime, even though Thai people work along with fixed working hours.

**Table 4: The Problems that the Migrants Have Experienced**

	Internal migration	External migration
Factory	Long working hours Dangerous work No safety implements No overtime payment Bad working environment No health condition check No health insurance High daily expenses Debt and high rate of interest Accommodation problem	Long working hours Dangerous work No safety implements No freedom to go out Communication problem Unequal treatment between foreign workers and local workers Risks during travel between Cambodia and destination Debt for the first time
Housemaid	Long working hours No day off No break No health insurance	Long working hours No day off No health insurance Being arrested No working contract Communication problem Risks during traveling between Cambodia and destination



It can be concluded that demanding working conditions including long working hours are common problems in any type of migration. Working in a factory would bring more problems than working as housemaids. One of the reasons is that housemaids are reserved both accommodation and food for free, while factory workers sometimes have to pay for their daily consumption, so that less amount of money can be left. Such problems above were found in through interviews with the migrants where they rarely mentioned by the governmental offices.

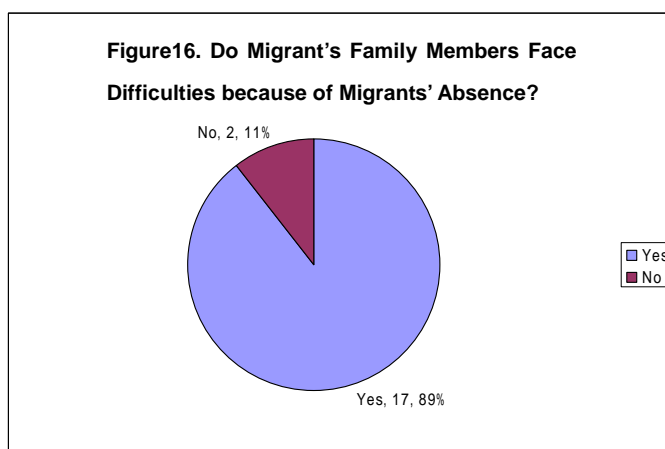
The problem unique to external migration is communication problem, legal issues and discrimination according to nationality. Comparing to the information of governmental offices and the NGO, such extreme cases were not found through the interviews, except for the case that the migrants were arrested due to the lack of identification in Thailand. It can be said that what is actually happening is not always the same as what the

government or other organization recognize. At the same time, however, it shows the limitation to collect information with both enough quantity and accuracy through this fieldwork.

Though the information provision activities by such organizations are not enough to cover a whole population, some villagers seem to learn the risks contingent to migration in some way including stories or rumors of experienced migrants. It partly appears in the results of the interviews with non-migrants as well, which are shown in the Chapter 5. Despite such recognition, no small number of villagers want or recommend migrating in search of a job. Four out of 5 returnees said they wanted to migrate again. Three of 8 non-migrants answered they still wanted to migrate even after considering the risks. Besides, more than half of villagers including the returnees and the members of the migrants' families said they would recommend migration to other people.

### Shortage of labor force

Most of the people who stayed in the village face many difficulties because of migrants' absence. Seventeen out of nineteen households said they have such difficulties. Family member who stay in the village has to do extra tasks which migrants used to do. Reasons why migrants' families face difficulties is shown in the graph: six households lack labor, seven households have to do more work at home, four households have to do more farming, one household has to childcare, and one household has to sell vegetables. In order to meet the needs of



labor, some families employ 7-8 people to cultivate fields and pay 7000 Riel/per morning that is quite a lot compared to their income. One case shows that grandmother must take care of 5 grandsons by herself, do housework, and work in the field early in the morning till afternoon because their daughter migrated and left their children. There are many cases where young couples divorce or either husband or wife died, and they are left missing one young active laborer, which is a huge burden for the family left behind.

## 4.3 Conclusion

According to our interview, it can be said that there are both positive and negative impacts of migration. Regarding positive impacts, migrants who had no income before they migrated can generate income through migration. Although the amount of money they can earn is limited, their living conditions improved after migration. Thanks to the income increase, they could also reduce their risks and strengthen their survival strategies. On the other hand, it should be mentioned that migration also has lots of problems and risks. Not only migrants themselves, but also their family members who stay in the village face risks. Taking such risks in to consideration, it seems that risks that the migrants and their family face are too much in compensation for benefit they can get. However, since there are not enough working opportunities in their village, they have no choice but to go out from village to survive.

## 5. Migration Policies and Programs of Local Authorities and the

## Cambodian Government

According to the information we got through not only the interviews with Department of Labor and Vocational Training, but also those with the villagers, there are some specific migration policies and programs of the local authorities and the Cambodian government. We obtained the following results through analyzing the information gathered from the fieldwork.

### 5.1 External Migration Policies of Cambodia

In terms of external migration, the migration policies and programs are:

1. Government of Cambodia and Thailand are conducting negotiations regarding the status of Cambodian workers in Thailand.
2. There are Labor Export Regulations under sub decree law 52 stipulating rights and duties of recruiting agencies in Cambodia.

Although there are some specific migration policies and programs of the local and national governments, it is still not sufficient for the needs of migration policy development. For example, there are offices on the border between Cambodia and Thailand, as well as the border between Cambodia and Vietnam. But the job responsibility of those offices is only to have the migrants fill out necessary forms to pass the border. There is no official who is in charge of providing assistance to those migrants when they are facing problems at the border. And no one who has worked outside the village to receive any assistance from the government except for a couple of Korean cases, which are organized by the agreement between Cambodian government and Korean companies. (The government provides the training including language training and working skill training).

### 5.2 Internal Migration Policies of Cambodia

In terms of internal migration, the migration policies and programs are:

1. Work announcements are sent via companies to the Ministry of Labor and Vocational Training (MLVT).
2. Local government gives information to unemployed people in order to help them to work outside.
3. Department provides information annually through radio and TV.

However, both the local and national governments do not provide enough job training for the villagers, and do not try to educate the school age people some working skill. From the villagers' point of view, they hope the government would provide them with more job opportunities, training of job skills, and assistance for the migrants.

According to interviews of the villagers, 20 out of 27 interviewees have some proposals for the government:

1. The most common request is to provide more information on job opportunities including information on how to get job. In addition to information, some of them also want the government to generate more job opportunities. One requests the establishment of factories in the province because he doesn't want people to migrate. Related to the generation of job opportunities, some suggest vocational training and financial assistance for operating small businesses in the village.
2. Some also just requested financial assistance to improve their living condition.
3. Regarding to the migration policies, they want government to give enough information on job opportunities

or find job for them before migration. Not only job information, some of them requested the information on working condition including risks and the labor law. They also think the government should have responsibility to guarantee the safe migration.

### 5.3 Conclusions

The Cambodian government should create a migration policy for the long term and short term, which will meet external and internal migrants' needs. Long-term policy should be focused on economic growth, which will provide more working opportunities both in urban and rural areas. Short-term policy should reduce the danger and risk of internal and external migrants face. According to the data gathered from our fieldwork in Cambodia, it seems that the government was trying to provide some assistance to migrants and to enhance co-operation with the neighboring countries. But it is still not be sufficient for the increasing needs of migration development.

The government should establish more vocational schools and some spare schools in rural areas for training young people in order to assist them in obtaining special skills for various jobs. Through the results of our fieldwork it was revealed that villagers do not have access to vocational education. Also, government should provide information about the job opportunity both internal and external as much as possible. And, regarding an adverse selection as a result of the imperfect information about the risks and negative impact on migration, especially external migration, the government should prevail the correct information about both of the positive and negative impact among the villagers.

## 6. Conclusion

Economical reasons were found to be the most significant factors pushing potential migrants away from their households in search of job opportunities. The majority of migrants leave the place of their permanent residence in search of jobs, as a necessary measure to improve their individual, as well as family, income. The factor of job availability also influences the choice of destination. The most popular one is Phnom Pen, where the garment industry is widely promoted. Significant numbers of opportunities in Cambodian cities and outside of the country call for women workers, which shapes the gender prevalence of female migrants.

Migrants mainly come from relatively big families where a feeling of responsibility for welfare of one's family members plays an important role in shaping the decision to migrate. Loss of a breadwinner in the family is one of the significant factors as well. However, low educational level of migrants limits their choice of work place. Most of the migrants are either high school student or farmers, or even both in some case, before they migrate, thus lacking the skills necessary for them to find high-paid job.

From the fieldwork results, it has become clear that both informal and formal social network formation play a significant role in every migration process. Before leaving the village, social networks provide valuable information regarding jobs and housing, and influence migrants' decision to migrate. During the migration process to their new place, social networks continue to contribute to the support of migrants, such as through financial support for their transportation. Upon arrival in their destination and while working, social networks continue to offer their assistance to migrants and a connection to their villages through remittances. It can be concluded that social networks, especially informal network, are the motivating factors and one kind of assistance for migrants,

representing a potential chain for migration.

All 32 people in the village who experienced migration had increased their income through working outside of the village. The income migrants receive at the place of their destination is however usually (30 cases from 41) less than \$2 per day, which is not enough to significantly improve their living. However, migration involves various risks, both at individual and household level. As one of the risks at the household level, there is the fact that migrants' family members often suffer from a lack of labor, meaning family members who can actively participate in income earning work. Although knowing such possible risks, migrants choose to migrate because there are no other choices for them.

As a developing country, Cambodia should develop its migration policy, bases on achieving sustained economic development and radically changing its socioeconomic structure. According to the data gathered from our fieldwork in Cambodia, it seems that the government was trying to make some attempt to provide assistance to migrants and to enhance its co-operation with neighboring countries. But it is still not sufficient for the increasing needs of migration development.

Therefore, the government should develop policies that could respond to potential migrants' needs according to the requirement of rural people, such as, to create more opportunities for the villagers to have access to vocational education, to provide information about job opportunities, both internal and external, as much as possible, to make a practicable policy, which could provide useful and timely assistance to both of the external and internal migrants.

## End Notes

- 1 Economic Institute of Cambodia: Cambodia Economic Watch, 2006: 41.
- 2 Ibid.,42
- 3 The families which do not have any members who have migrated in order to get a job outside the village
- 4 The families which have members who have migrated or are now working as migrants both inside and outside of Cambodia
- 5 Ad Hoc: *Economic and Social Commission for Asia and the Pacific*, August 2003: 4.
- 6 Cambodia Development Resource Institute: "*a Study of the Cambodian Labour Market: Reference to Poverty Reduction, Growth and Adjustment to Crisis*," 1999: 23.
- 7 : Economic Institute of Cambodia: Cambodia Economic Watch, 2006: 42.
- 8 Ibid., p.42.
- 9 Ad Hoc: *Economic and Social Commission for Asia and the Pacific*, August 2003:14.
- 10 The full name of Ad Hoc is Cambodia Human Rights and Development Association

## Refereneces

- Cambodia Economic Watch. 2006: Economic Institute of Cambodia: 41. Cook, 1982; Scott, 1991; Wellman, 1983 cited in McGuire, 2002.
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