

Labor Mobility and Industrialization in Post-Socialist Cambodia

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## ABSTRACT

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Labor Mobility and Industrialization in Post-Socialist Cambodia

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Between the socialist regime during the 1980s and the present-day post-socialist period, Cambodia has undergone a series of remarkable changes. The country's economic system has transitioned from an agricultural-oriented economy to a more manufacturing-oriented economy. The industrial sector has become a major provider of employment and income to young Cambodians. As a result, the country's labor mobility has increased significantly from an almost stagnant to a robust state. With the rapid industrialization and increasing migration from rural areas to urban areas or overseas, the Cambodian government and workers encounter a myriad of challenges and opportunities in the post-socialist period. This thesis explores the transformation of the Cambodian labor mobility from the socialist to the post-socialist period as well as the influences of industrialization on those rural migrants who now live and work in the country's Special Economic Zones. This thesis explores three research questions: (1) How has the recent transition to a capitalist market economy affected migration patterns in Cambodia? (2) What factors have caused rural Cambodian residents to migrate to urban centers and abroad? and (3) What policy suggestions can be made to improve socio-economic conditions for Cambodian migrant workers? In an attempt to answer these research questions, two sample groups, totaling of 58 participants, of domestic migrant and immigrant workers engaged in face-to-face interviews.

Cambodia's economic transition has certainly created a large and growing number of manufacturing jobs for rural migrants in newly industrialized urban areas. However, this study finds that unlike conventional thinking that rural migrants are attracted to manufacturing jobs and better economic opportunities offered in cities or overseas, many migrants leave their rural homes due to low productivity in farming. The lack of infrastructure (irrigation system) and the increasing effects of climate change, which causes persistent drought and heavy flooding, negatively affect farms and decrease the agricultural yields. While failing farms have been the primary factor in motivating and keeping the domestic migration, higher wages have been the pull factor for the immigrant workers. This research finding clearly shows that the availability of manufacturing jobs influences the migrant and immigrant workers' decision on different levels. The migration journeys of both groups of workers consist of opportunities and challenges, which require government intervention.

## DEDICATION

*To my parents and brothers in Cambodia and my family in America,  
who always show their love and support me.*

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## LIST OF ABBREVIATIONS

ADB	:	Asian Development Bank
ADHOC	:	Cambodian Human Right and Development Association
AFTA	:	Association of Southeast Asian Nations Free Trade Agreement
ASEAN	:	Association of Southeast Asian Nations
CDC	:	Council for the Development of Cambodia
CDRI	:	Cambodia Development Resource Institute
FDI	:	Foreign Direct Investment
GDP	:	Gross Domestic Product
GSP	:	General System of Preferences
ILO	:	International Labor Organization
JITCO	:	Japan International Cooperation Organization
MFN	:	Most Favored Nation
MLVT	:	Ministry of Labor and Vocational Training
MNC	:	Multi-national Corporation
MoT	:	Ministry of Tourism
MoU	:	Memorandum of Understanding
MTOSB	:	Manpower Training and Overseas Sending Board
NIC	:	National Institute of Statistics
RGC	:	Royal Government of Cambodia
SEZ	:	Special Economic Zone
UNDP	:	United Nations Development Program
WTO	:	World Trade Organization

## CHAPTER 1: INTRODUCTION

Despite being viewed as a “country stuck with turmoil... marked by skirmishes between the guerrillas and invading troops... and a disruption of agriculture that resulted in widespread of famine” (Colletta and Cullen, 2000, p. 28) during the socialist period, Cambodia has experienced a tremendous political and economic transition in recent years. Cambodia has transitioned from an agricultural economy to an industrial economy (ADB, 2016). The country has had an amazing economic growth rate of around 7.7 % on average for two decades (World Bank, 2016). With this speedy pace of economic growth, the manufacturing sector in Cambodia particularly is developing fast. Simultaneously, the total population of Cambodia stands at 15 million (World Bank, 2016) and is projected to reach 19 million in 2020 (RGC, MLVT & ILO, 2010, p. 3). Additionally, the majority of the Cambodian population is young due to the baby boom in the 1980s. In 2010, there were 250,000 young workers entering the Cambodian job market annually (RGC, MLVT & ILO, 2010, p. 3). The combination of the phenomena of a young labor force and economic development makes the mobility of Cambodian workers more robust than ever. People are moving from rural areas to urban areas and even overseas; they have changed their occupations from being farmers to being manufacturing workers. However, the number of Cambodian workers exceeds the number of jobs available. To solve this issue, the government of Cambodia has relied on the job market overseas. As a result, the mobility of the Cambodian labor force to other countries is as dynamic as the mobility of the workers within the country.

These migration movements certainly contribute to the economic growth of the country, yet the mobility of the work force also poses many challenges to both

Cambodian workers and the government. Migration, whether overseas or within Cambodia, is still new to most Cambodian farmers and the whole country where little migration infrastructure exists for potential migrants to benefit from. This lack of resources not only affects the patterns of Cambodian migration, but it increases migration risks and costs as well. Nevertheless, Cambodian migration increases every year, indicating that the country has moved from an almost stagnant labor mobility to a dynamic one.

Wage differential between rural and urban areas and between Cambodia and other countries are the gravitational points of Cambodian migration. Wages offered in the manufacturing sector are higher than in the agricultural sector, which was the backbone of the Cambodian economy and provided about 73% of employment to Cambodian people (FAO, 2011). Along with the rapid growth of manufacturing jobs in urban areas, the gradual socio-economic deteriorations in rural areas have played a significant role in compelling Cambodian farmers to abandon their rice fields.

This thesis aims to explore the transition of the Cambodian labor mobility from the socialist period to the post-socialist period and the impacts of the rising industrialization on the migrant and immigrant workers through three research questions: (1) How has the recent transition to a capitalist market economy affected migration patterns in Cambodia? (2) What factors have caused rural Cambodian residents to migrate to urban centers and abroad? and (3) What policy suggestions can be made to improve socio-economic conditions for Cambodian migrant workers? To answer these research questions, two groups of workers, migrants and immigrants, engaged in face-to-face interviews in order to provide their different perspectives on the topic of migration.

The number of the participants is 58, 46 of whom were migrant workers and 12 of whom were immigrant workers. The numbers of the participants in the two groups were largely disproportionate due to the difficulty in identifying immigrant workers to interview.

The next chapter reviews the existing literature. While the first half of the chapter explores the root causes of migration by focusing on the push-and-pull-factor framework, the second half looks at the factor that sustains the flow of migration and examines certain circumstances that deter the mobility of people.

The third chapter elaborates more on the methodology of this research. While the main methodology is face-to-face interviews with Cambodian migrant workers, the thesis also depends on the statistics provided by relevant institutions, such as the government and research institutions in Cambodia.

The fourth chapter introduces briefly the recent industrialization of the Cambodian economy. First, the chapter explores the Cambodian economic transition from an agricultural-oriented to an industrial-oriented economy. Then, it explains in detail the economic restructuring policies, overall economic trend, foreign direct investment, and the growing of manufacturing employments.

The fifth chapter looks into rural-urban migration within Cambodia. This section analyzes the information given by the informants to study the transitional trend of Cambodian migration between the socialist and post-socialist periods, the main causes of Cambodian rural-to-urban migration, and the impacts of the rising industrialization on the migrants' decisions. Likewise, the sixth chapter concentrates on the same aspects mentioned in the fifth chapter, but this chapter solely concentrates on Cambodian immigrant workers.

The seventh chapter examines the challenges mentioned by both the migrant and immigrant workers. Based on these challenges, the section provides key policy recommendations for relevant stakeholders. Finally, the final chapter summarizes the research findings of this thesis.



## CHAPTER 2: LITERATURE REVIEW

Seeing the increasing mobility of people across the world, researchers and academics try to answer many questions regarding migration across space and time. Based on Schmitter-Heisler (2000), the real questions pertaining to migration are: “Why does migration occur and how is it sustained overtime?” (p. 77); and “why do some people go while others stay?” (Hammar & Tamas, 1997, p. 1).

Scholars in the classical approach, such as Adam Smith (1776) or the British Geographer Ernst. G. Ravenstein (1889) used various hypotheses in their respective fields to answer the questions of migration by focusing on economic issues (Molho, 2013). However, the neo-classical approach seems more relevant to the internal and external migration of Cambodian people due to two main reasons. First, the global situation during which the classical-approach scholars devised their hypotheses was completely different from today’s global environment. Taking the accessibility and ability of people to move across countries’ borders as an example, with the help of advanced technology and communication, people can cross those borders with less restrictions. As stated by Dauvergne (2008), “the term globalization is grown out of control” (p. 29) because it incorporates both economic and non-economic entities alike. Second, most classical approaches study the human mobility in developed countries or countries in the West where migration data are readily available and abundant. For instance, Ravenstein (1889) utilizes the empirical data on British people’s mobility to hypothesize the seven laws of migration. Therefore, in this literature review section, I exclusively focus on the neo-classical approach to answer the persisting questions to the study of migration: why does migration occur and how is it sustained overtime?

## 2.1. Why Does Migration Occur?

The neo-classical approach often uses the push and pull factor framework to identify the causes of migration. The push factor is often viewed as a negative factor that forces people to migrate from the areas of origin, whereas the pull factor is perceived to be a positive factor to entice potential migrant workers to actually migrate (School, et. al, 2000). Based on Lee (1996), the positive and negative environments in the areas of origin and destination determine the pushing and pulling momentum for potential migrants. There is also a range of intervening variables, partial and biased information, and perception that could impair each individual's decision: "The decision to migrate, therefore, is never completely rational" (Lee, 1996, p. 51).

The push factor encompasses social, political, and economic conditions in the area of origin, whereas the pull factor covers the comparative advantages of the area of destination over the origin. Therefore, the push and pull factors decide the momentum and pattern of migration flow (Portes & Böröcz, 1989). The level of migration depends on how disadvantaged the area of origin is. By using the empirical data in modern Chinese migration, Hare (1999) concludes that though push and pull factors still play an important role in migration decision, the migrants who have higher economic potential in the destination areas will migrate regardless of the momentum level of the pushing factors at the areas of origin.

Pioneers such as Ravenstien (1889) and Hicks (1932) consider variables of labor supply and demand causing the change of wage. According to Hicks (1932), wage is the "main cause of migration" (p. 76), or a push/pull factor. Wage is the principal argument

in Hicks' approach because wage impacts individuals' preferences to migrate from one area to another.

Fields (1982), as well as House and Rempel (1980), use empirical data on migration to observe the approach stressed in the Harris-Todaro model, which is the expected income differential and probability of finding a job for a migrant worker. They come up with a different conclusion from the Harris-Todaro models. Their finding is that an increase in wage in the rural area will not necessarily decrease rural-to-urban migration. Hence, in the 1980s, economic scholars started to focus on other push factors than lower wages in the origin areas. Nabi (1984) finds that differences in agricultural practices, productivity, infrastructure condition, and credit markets result in various migration patterns and outcomes. Other factors that also contribute to push-migration include labor demographic and economic conditions in the areas of origin, such as high unemployment rates, poor working conditions, absence of social services, or poor infrastructure (Zimmermann, 1994). Nonetheless, economic reasons are still considered to be the primary factors that push workers from rural areas to urban centers where they can earn enough to meet their basic needs (Ravenstein, 1889). Indeed, an informant in Cambodia, Nara, 23 years old from Takeo, pointed out his economic hardship that he had faced at his hometown as the primary cause of his own migration:

I decided to come here and work in the clothing industry because there was nothing to do at my hometown. There had been a drought for several years. My family had to borrow money from the bank. Now I have to work to pay back the interest.

For these migrant workers, wage differential between the rural and urban areas in Cambodia essentially impacted their migration decision.

Undeniably, a worker alone cannot make the whole decision to migrate. A rather new approach to explain migration is to look into the roles of a migrant's family in the migration decision-making. An individual often decides to migrate in an effort to increase his/her family's income (Schoolr et al., 2000). The new migration economic theory indicates migration as a part of a household's strategy to maximize the family's income rather than an individual income; therefore, migration is an approach for a family to earn more income and to sustain the family's socio-economic status (Stark, 1991). This scenario is more plausible in rural towns of the developing countries where the social welfare and credit systems are absent or limited, and households have to diversify their income sources (Schoolr, et al., 2000). For instance, while one child of a family is allowed to pursue higher education, another has to migrate to urban areas to find a job and send back home remittance to subsidize his/her sibling's education and to support the whole family in general. This theory explains young female workers' migration to manufacture centers with export-processing zones in the context of household risk effort (Massey, Arango, Hugo, Kouaouci, Pellegrino, & Taylor, 1993).

Velenchik (1993) suggests that the implication of household decisions contributes to push factors for migration. The remittances from migration play a vital role in influencing migration patterns. Remittances from migrants' income adding to other incomes earned by the household shape the migration decision (Stark and Levhari, 1982). For example, especially in developing areas where irrigation systems are not well developed, a household's income from agriculture is vulnerable to weather and the

fluctuation of agricultural price in the market. Thus, based on Stark and Levhari (1982), the decision to migrate by the household members is affirmatively correlated to the household income variability from farming. As a matter of fact, the majority of the informants said that they sent money back home to their families on a monthly basis. Phanara is from Pursat province. She is working as a tailor in a garment factory in Phnom Penh. To her family in the rural area, remittance from her salary is indispensable.

My family can no longer depend on farming. There are no canals near our rice fields and there are no water sources nearby. Doing farming in our country [Cambodia] depends on the will of the God. My parents sent me to work in the garment factory with my villagers when I was 18 years old. I had to drop out of high school. By working here, I can send home about \$50 to \$100 if I am really frugal about everything.

Due to a poor financial situation of a household, the demand for remittances to diversify the family's income can be a primary push factor for rural-to-urban migration.

In addition to financial factors, the push factors incorporate other variables. Mabogunje (1970) focuses more on the spatial economic model to explain rural-urban migration in developing countries. He explains that migration is a perpetual spatial process. Mabogunje views that economic development process creates a socio-cultural condition in which many rural residents would feel unsatisfied and undignified. The development process tends to widen the prosperity gap between urban and rural areas. This gap enlarge the gap of wage differential between urban and rural areas as well as push and pull factors.

Looking from a different perspective, Crawford (1973) uses a behavioral model to explain why migration takes place. His idea centers on the value expectations of a potential migrant. The dimension of those expectations is extended outside economic reasons. They could be ambition, security, or freedom. Based on De Jong and Fawcett (1981), the total expected utilities of those dimensions reflect the migration decision. For instance, being near or away from a family or a community can either increase or decrease the expected utility. Therefore, the push and pull factors are not limited to individual level; they encompass other variables, including decisions by household members, demographics, or culture. These factors have indirect effects on the potential migrants either to facilitate or impede their migration decisions.

Domencich and McFadden (1975) use the random utility theory to further examine how an individual's behavior impacted labor mobility. While each individual was presumed to maximize the utility, the model considered two important elements contributing to the utility function: the individual's behavior and intervening variables, such as the condition causing him to act different from the conventional behavior.

To incorporate migration into the random utility theory, Silvers (1977) distinguishes the differences between "speculative migration" and "contracted migration." Speculative migration refers to the migration that the potential migrants take in hoping to find a job after the migration because they do not have a fixed job in their hometowns. On the other hand, contracted migration happens when the potential migrants decide to migrate only after they have found a job in the areas of destination, mostly in the case of developed countries (Silvers, 1977), which is out of this thesis's scope.

In the area of speculative migration, Rogerson (1982) uses the Basic Spatial Search Model (p. 219) by emphasizing the independent wage in each region in addition to travelling costs (distance) to study the job search behavior of migrant workers. He concludes that “[migrant workers] continue their search until they find a job with a wage higher than their reservation wage” (p. 227). David (1974) uses another framework to study speculative migration. According to his framework, a potential migrant worker decides to choose her/his migration location based on the differences between the fixed budget s/he has to spend searching for a job search including moving costs, and the income s/he will get back after s/he moves. He concludes that places like big cities tend to have wide relative wage dispersion and attract more job search. Nevertheless, in the case of Cambodian migrant workers, based on my informants, they chose the location to migrate to based on the migration infrastructure that was available to them back home, rather than the differential between their reservation wages and the wages offered in the areas of destination.

There is a factory in my province (Kompong Cham), but it is impossible for me to get a job there. I don't have friends or relatives working over there. You know, even this type of job, we need to know someone to get something. (Chiva, 19 years old, from Kompong Cham)

In the interview, another migrant worker gave me a different reason for not being able to work at her optimal location.

There is indeed a factory quite close to my hometown. But the factory over there hires only young people. I am old. They won't even allow me to take the skill test to work there even though I have been in this line of work for so many years. I

have an uncle working here. He introduced me to this job. (Nopyong, 38 years old, from Svay Reang)

These migrant workers decided to have a speculative migration by migrating to urban areas and hoped to use their networks to find a job.

Maier (1985), Smith and Slater (1981), and Pickles and Rogerson (1984) analyze migration further on the assumption that migrant workers have no knowledge of wage distribution between their hometowns and their destinations. Hence, those migrant workers change their reservation wage by using the information that is offered in their hometowns and the destination to estimate the wage distribution between areas. Maier (1985) points out that the process of information-gathering might not be confined to the moving costs. Migrant workers only migrate to a new place when they have all the information and are sure to have the working opportunity in the destination area. While Maier stresses the uncertainty of the wage distribution among areas, Rogerson (1982) hypothesizes that migrant workers might have knowledge of the regional wage distribution but are uncertain whether they would get the job offer or not. According to my informants, they wanted to go to the areas offering a wage that is higher than their reservation wage or wage that they expected to get; nonetheless, wage is not the sole pushing/pulling factor. Among other reasons, culture deters a migrant worker from achieving the optimal choice.

At first, my parents didn't allow me to work in the factory. Luckily, I heard that my cousin is working here. I begged my parents for three days till they agreed. As you know, in our society, you might not find a husband if people know that you live with strangers in a city and away from your parents. Besides, my cousin



helped me get this job because she knew the manager. (Ana, 18 years old, from Kompong Chnang)

Wage differential and other economic factors might push and pull a migrant toward migration; other factors, such as culture, might impair a person's reasonable decision.

## **2.2. How Does Migration Sustain Overtime?**

The previous section has reviewed the variables that contributing to the push and pull factors influencing a potential migrant worker's decision. However, these factors may not answer the question of what sustains the migration. The question remains: What nurtures and expands this mobility of people? Migration scholars looked into various factors influencing the sustained development of migration (Massey, 1990). Many scholars believe that migration networks are significant in expanding, influencing, and sustaining migration. "Migration scholars tend to treat networks as sets of kin [and sometime friends] who are always present in migration, and through which information and other resources are channeled" (Gurak & Caces, 1992, p. 152).

There is an abundant body of literature that recognizes the importance of migration networks based on relatives, friends, and community-tied inhabitants between the areas of origin and destination, and these networks create a "coherent structure for populations of migration" (Gurak & Caces, 1992, p. 150). The combination of migrants and non-migrants establishes an interconnected web of social networks (Massey, Alarcón, Durand, & González, 1987); these networks function as the information hub and financial source. In the 1960s and 1970s, scholars such as Anderson (1974), MacDonald and MacDonald (1964), and Ritchey (1967), among others, analyzed the roles of the migration networks in offering information and assistance to migrant workers who

needed them throughout the duration of migration. Mabogunje (1970) argues that the interaction between migrant workers in the areas of origin and destination reflects the dynamics of human movement.

Many migration scholars acknowledge the existence of friendship or kin networks in migration as the channel of information and resources exchange (Gurak & Caces, 1992). According to Faist (2010), a potential migrant often finds rationales behind his/her move in the existing networks and capital in the community, called migration and institutions. For instance, a potential migrant can borrow money from his neighbor for migration, while he also needs help from migration brokers to find a job in the destination area. In addition, networks from kin and society are able to connect a potential migrant to the existing social structure (Haug, 2008). Hence, social infrastructure and networks provide a potential migrant with a set of necessary conditions for migration. According to my informant Tom, his relative networks played a key role in his move by connecting him to a job opportunity and acting as a financial institution.

About ten years ago, my family was very poor. My parents did not have any money to cover my travelling cost or settling cost in the city. The microfinance institutions did not lend me any money because I did not have any collaterals. Fortunately, my uncle vouched for me and the institutions agreed to lend me some money. Then my uncle asked his manager to give me a job in a garment factory in Phnom Penh. (Tom, 38 years old, from Kompong Thom)

Another informant, Yorn, told a rather different story by revealing the negative roles that the middle men play in migration.

My villagers hate microfinance institutions and banks. We have a saying that borrowing money from them means you will end up in a never-ending circle of debt. Those people seize our lands if we pay our debts late. We know better not to get involved with them. Most of my villagers rather sell our lands or properties to cover the cost of our migration. (Yorn, 27 years old, from Takeo)

To some migrant workers, certain institutions are not very helpful in assisting the migrant workers to move. Migration networks fill in this gap.

In addition to being a hub of information and migration infrastructure, migration networks reduce the migration costs. The networks are able to cut down the migration costs because of the availability of resources and information within the networks themselves. The migration networks consist of diverse kinship and friendship which lay the foundation of an organized community and link between the areas of origin and destination (Tilly & Brown, 1967). Hence, the areas at both ends (origin and destination) will eventually be integrated into the networks. This integration will expand the networks and make it even more effective in assisting the migrants and reducing the cost. The cost and risk reduction by migration networks enlarge the number of potential migrants in the areas of origin who would otherwise consider migration out of reach.

With the financial and psychological cost reduction, Massey (1988) illustrates through the study of the Mexican workers that migration networks significantly lower the perceived requirements and needs to migrate. Consider a migrant pioneer in a community who finds it daunting to find a job or to orient herself/himself in a new work environment; contrastingly, the late migrants heading to the same destination find their new environments much easier to adapt to (Hagen-Zanker, 2008). This ease is due to the

established networks in the new destination with the assistance from the migrant pioneers (Goss & Lindquist, 1995). This assistance lowers the migration cost as well as the risk and encourages more people to migrate. Based on (Massey, 1988), the networks will keep expanding to encompass more potential migrants.

Guilomto and Sandron (2001) sums it up by stating that the perpetuation of migration networks depend upon regulations that can reduce migration cost, such as the cost of sending remittance home, and the organization context referring to the assistance among migrant workers. The pioneers helping new migrants might be because while pioneers know their working skills increase, the low-skilled new migrants help differentiate and highlight their skills even better (Stark & Wang, 2002). There are other reasons such as morality and friendship.

Furthermore, migration networks have considerable influence on the migration selectivity as to who will have to go or stay because they are the mechanisms used to transmit resources among migrant communities. Migration networks are paramount in determining the plans and destination of migrant workers (Boyd, 1989; Faist, 2010, Fawcett, 1989; Wilpert, 1992). Ritchey (1976) proposes three hypotheses on the effect of migration networks on migration selectivity. First, because “kinship and friendship affiliations tend to tie individual to communities,” he uses the “affinity hypothesis” (p. 389) to state that the higher the concentration of migration infrastructure in the origin areas, the less likely a worker is to migrate. Second, based on the “information hypothesis” (p. 386), he argues that if kin and friends are in distant locations, migration increases via the information transmission, especially pertaining to job opportunities. Third, the “facilitating hypothesis” (p. 386) focuses on the fact that because kin and

friends are already in the distant location, a migrant has a high potential in adjusting to the new environment with the assistance of the available resources. Hugo (1987) further explores the effect of migration networks on the decision-making process by identifying fundamental elements, such as the availability and source of the information, individual merits (education, motivation and the like), and the origin areas' factors, which can impact the process of information evaluation.

Migration networks not only help perpetuate a migration within a community, they also assist in sustaining the migration. Pioneer migration changes the socio-economic condition within the community and embeds migration into the communal culture, causing migration to become a more common practice (Massey, 1990). The networks sustain migration by providing reliable information, reducing the migration costs and risks, and assisting the new migrants to adapt to the new work environment. Therefore, more and more people decide to migrate to the new destination with the existing networks; as a result, migration networks become more expanded and incorporated more people. This expansion increases the accessibility to people of all levels. In this sense, migration causes more migration, which is amplified if the economy within the origin community is deteriorated.

According to Massey (1990), migration networks will become a circular causation because there will be a time when migration is saturated in the area of destination and there will be labor shortage in the area of origin. Therefore, the rate of out-migration will decrease. The migration networks between the areas of origin and destination will be gradually weakened. This decline is because as the number of migrants continues to rise, so do the burdens that the new migrants put on the existing migrant communities, which

in time will lessen the networks' effectiveness (Pohjola, 1991; Böcker, 1995).

Nevertheless, this reversal phenomenon does not happen or at least has not happened yet in the context of Cambodian migration.

### **2.3. What Causes Non-Migration?**

I have reviewed various literature exploring the factors that cause and sustain labor migration from one area to another. However, under specific circumstances, labor migration is either controlled or deterred. In this section, I will examine three particular state policies — Pass Laws, *Propiska*, and *Hukou* — discouraging labor migration within the countries.

In South Africa under the Apartheid regime (1948-1994), labor migration (especially of the Black population) was restricted. In the post-Apartheid period, the majority of the black population were living in rural areas and depended on subsistent agriculture. However, there was an increase in farms owned by the white population in the rural areas. This expansion of the white-owned farms eroded the traditional practices of subsistent farming of the black population. Many of the affected black farmers reacted to this expansion by migrating to urban areas, which expanded the black population in the cities (Maylam, 1990). The urbanization of the black population was viewed as a threat to the local white people; as a result, the government responded with a racial segregation policy in 1948 (Lipton, 1972). The key policies were the separate establishment between the black and white population and the settlement restriction of the black population, known as the Pass Laws (Savage, 1986). Under the Pass Laws, the black people had to have “passes” to provide information on their employment status (Swanson, 1968) if they wanted to migrate to the areas designated to the white population. This restriction also

meant that the unemployed people or families of the migrant workers were not allowed to be with their relatives who were employed within the white designated areas. Natrass (1976) estimates that migration of 15-to-64-year-old men had an annual growth rate of 3.1 percent from 1936 to 1970. Therefore, the Apartheid not only controlled most of the black population's migration, but it also solidified a migration system in which the majority of migrant workers isolated themselves from their families to work for the white population.

In the Soviet period, the government used the policy known as the *Propiska* [residence permit system] to restrict migration into certain urban areas (Rubins, 1998, p. 545). Under the *Propiska*, the government used the “resident permit” to control the flow of migration into urban areas. Without the resident permit, a citizen had no right to “work, rent an apartment, marry or send their children to school” (Rubins, 1998, p. 547). According to Dutt and Katzer (2009), under the Bolsheviks, Lenin sent a protesting message against the *Propiska* to the Russian population: “[T]he peasant is not quite free to go where he pleases; he does not enjoy complete freedom of movement” (p. 365), and “[he] should be free to go wherever he pleases, to move to whatever place he wants to, to live in any village or town he chooses without having to ask for permission from anyone” (p. 398). In late 1932, the Soviet Union strictly regulated rural-to-urban migration with the new “Soviet passport system,” under which citizens were to provide a wide range of documents including identification and marital status in order to migrate into urban areas (Buckley, 1995, p. 902). It was illegal for a citizen to live in an area besides the address stated on his/her documents. The Soviet's *Propiska* was designed to effectively distribute

labor force; however, it also distorted the migration decision. Migration in this sense was planned and controlled.

China has a similar system to *Propiska*, called the *Hukou* [household registration] (Dutton, 1992) to manage and control the flow of labor between agriculture and industrial sectors (Chan, & Zhang, 1999). In the pre-economic reform periods, under this system, a person was required to have the *Hukou* registration based on his regular residence. The most common residences were either urban or rural settlements. This registration was inherited by birth; therefore, a child would have a rural settlement status on his *Hukou* if his mother was a rural settler. The *Hukou* registration was important for Chinese population because it defined a person's right to get staple food, jobs, and other public services. To migrate somewhere else meant to abandon these rights. Even after the reform in modern China, the *Hukou* registration still limits a person's privileges to certain public services (Chan, & Zhang, 1999). Based on Chan and Buckingham (2008), under the *Hukou*, about 800 million rural Chinese residents were denied the rights to settle in urban areas and access to public services such as public transportation and education (p. 583). The *Hukou* system has profoundly impacted rural-urban migration in China in terms of limiting the flow of labor force from rural to urban areas.

#### **2.4. Literatures on Migration in Cambodia**

Cambodia is a rather new migration country, and little study has been conducted on either why Cambodian people migrate or how these migrants build and benefit from migration networks. Most reports on Cambodia's migration are conducted by the international organizations like the International Labor Organizations (ILO) and research institutions, such as the Cambodia for Development Resource Institute (CDRI).



Importantly, the vast majority of those reports focus on Cambodian migrant workers overseas rather than the migrants within the country despite the fast-growing mobility of the Cambodian work force in recent years.

An ILO working paper, titled “Cross-border Labor Migration in Cambodia: Consideration for the National Employment Policy,” examines the socio-economic conditions of Cambodia’s immigrant workers abroad and the legal framework that the Cambodian government put in place to promote the overseas employment of its nationals (Tunon & Rim, 2013). Tunon and Rim pay particular attention to the challenges that Cambodian immigrant workers face, including insufficient government programs on the return of those workers.

A joint report between the Cambodian Ministry of Labor and Vocational Training (MLVT) and the ILO, titled “Policy on Labor Migration for Cambodia,” also focuses on how this relatively new migrant-sending government can help to empower its nationals who are working overseas and bringing foreign exchanges to their families and the national economy (RGC, MLVT & ILO, 2010). This report contends that, given its lack of employment opportunities in the domestic labor market, Cambodia should promote foreign employment and well-accessed information. At the same time, the MLVT and ILO argue that the government should address the persistent challenges the immigrant workers face, such as high-cost-processed documents, illegal immigration, and human trafficking.

In “Migrant Workers' Remittance: Cambodia, Lao PDR and Myanmar,” Jampaklay and Kittisuksathi (2009) examine the many challenges that immigrant workers from Cambodia, Lao and Myanmar face on a daily basis by working in Thailand. Unlike

the aforementioned reports, this report focuses on what the labor-receiving government should implement to protect foreign workers from potentially exploitative environments.

In the meantime, local research institutions, such as CDRI, have conducted studies on the Cambodian migration, yet they focus mostly on Cambodian immigrant workers. In "Cost and Benefits of Cross-Country Labor Migration in the GMS: Cambodia Country Study," Suphal (2009) uses secondary data to pinpoint the issues faced by the immigrant workers among the countries in the Mekong sub-region and provides a set of policy recommendations for both labor-sending and labor-receiving governments to facilitate the cross-country migration. Suphal concludes the report with the evaluation that there is "exploitation of prospective emigrants, failures to adhere to the labor contracts, insufficient income..., insufficient labor protection, [and a] culture and language problem" (p.19).

Similarly, in the "Irregular Migration from Cambodia: Characters, Challenges, and Regulatory Approach," Hing, Lun, & Phann (2011) interviewed 526 households to "examine the characteristics, root causes and challenges of irregular immigration from Cambodia and then discusses the regulatory approaches and policy options to manage it" (p. 1). The authors find that the government lacks the policies to regulate and manage the ever-growing irregular immigration from Cambodia to its neighbors, which results in the vast exploitation and human trafficking of the immigrants.

On the other hand, little research exists on labor mobility within Cambodia. Among the limited research available, very few examine domestic migration in Cambodia. The ILO Working Paper Series on "Skills Shortages and Skills Gaps in the Cambodian Labor Market: Evidence from Employer Skills Needs Survey" looks at the

mismatch between the workforce and actual jobs (Bruni, Luch, & Kuoch, 2013). The authors assess that "in Cambodia, education and vocational training are still largely insufficient even to allow diversification of production within the existing knowledge cluster" (p. 69) with its low-educated workforce.

In a similar context, under the ILO, a publication titled "Labor Market Transitions of Young Women and Men in Cambodia," Kanol, Khemarin, and Elder (2013) aim to examine the overall condition of the young Cambodian population in the labor market and their work quality or productivity by using secondary data. The authors find that the Cambodian youths have "low-quality employment, low but improving levels of educational attainment, and insufficient in public employment services" (p. 50).

Concentrating in a similar area, Godfrey, Sovannarith, Saravy, Dorina, Katz, Acharya, et. al.'s (2001) report "A Study of the Cambodian Labor Market: Reference to Poverty Reduction, Growth and Adjustment to Crisis" explores the Cambodian labor market's structure, trends, and the relationship among the labor market, poverty, and employment. The methodology of the report is the interviews with the Cambodian workers across job sectors. The authors focus both on the country's fast growing workforce that exceeds the number of jobs created and on Cambodian low-skilled workers who are the open subjects to the entry-level of low-waged manufacturing jobs.

## **2.5. Significances of the Thesis**

The subject of this thesis is important and worth examining for various reasons. First, most of the literature uses quantitative data and focuses on macro-level analysis. By looking from a different perspective, this thesis emphasizes micro-level analysis by evaluating the frameworks based on the individuals' points of view. Furthermore, the

methodology (interview) of this research is unique in the way that it consists of diversified elements within the sample. While almost all literature either focuses solely on migrant or immigrant workers, this thesis is established with the perspectives from both migrant and immigrant workers and a government official in Cambodia. This diversified sample reduces the biased analysis and reveals the hidden connections among the elements within the sample. Finally, in addition to the theoretical objective, this thesis contributes to the limited literature on Cambodia's labor mobility. Although having its limitation in terms of the sample size, this thesis provides a platform for academic as well as policy debates on the issues of labor mobility for a new-migration country like Cambodia.

## CHAPTER 3: METHODOLOGY

This thesis seeks to answer the following three research questions: (1) How has the recent transition to a capitalist market economy affected migration patterns in Cambodia?; (2) What factors have caused rural Cambodian residents to migrate to urban centers and abroad?; and (3) What policy suggestions can be made to improve socio-economic conditions for Cambodian migrant workers? The data collection strategy of this kind of study usually involves the primary data and secondary data collection (Hox & Boeije, 2005). Due to the lack of research in the field of labor mobility in Cambodia, to comprehensively understand the topic in practicality as well as to analyze the matter objectively, I used both primary and secondary data.

### **3.1. Primary Data**

Qualitative methodology is the main approach in gathering data for this study. The data were collected through face-to-face interviews with 59 key informants during a one-month period (July 2016) in Cambodia. Informants were divided into two groups. The first group is the migrant workers who migrated to the special economic zones (SEZs) for work, while the second group is the migrant workers who either were preparing to go abroad for work or had returned from overseas. The sample in this study is determined by the snowball sampling techniques. This technique “yields a study sample through referrals made among people who share or know of others who possess some characteristics that are of research interest” (Goodman, 1961, p.141). I coordinated with the personnel officers of the SEZs to gain permission for the interviews. Before the interviews, I clearly explained to the informants the research objectives, and the possible risks and benefits of this study. I used Khmer (Cambodian local language) as the written

and spoken language in the interviews. The research was approved by the Social/Behavioral IRB, Ohio University (please refer to Appendix A for IRB approval letter).

The first group of informants included 46 migrant workers who were age 18 or older and migrated to the selected SEZs for manufacturing jobs from various places across Cambodia. The worksites were selected to represent the growing industrialization in the Cambodian economy. Two interview sites, SEZs in Phnom Penh and Sihanoukville, are by far among the largest SEZs in Cambodia.



Figure 3.1. Map of Cambodia's SEZs (field study sites are circled). Reprinted from Sun (2015).

The second group of informants consisted of 12 immigrant workers. They were 18 years old or older. They either were arranging to leave Cambodia or had just returned from foreign countries, including Thailand, South Korea, and Malaysia. I met this group

of informants at the Ministry of Labor and Vocation Training and the Cambodian Passport Office, which process applications for Cambodian immigrant workers to work abroad. The tables below illustrate the information of the interviewed informants. It should be noted that many of the names listed in both tables are created to protect the informants' identities. It is worth noting that the both sample groups had low education with an average 6 years of education.

Table 3.1

*List of interviewed migrant workers (group 1) and their characteristics*

No.	Name	Sex	Age	Education (Year)	Hometown	Occupation
1	Ana	F	18	6	Kompong Chnang	Worker
2	Bunlay	M	30	6	Takeo	Worker
3	Buntha	M	23	11	Kompong Cham	Worker
4	Chamreoun	M	27	6	Takeo	Worker
5	Chan Na	F	18	6	Garment	Worker
6	Chanthou	F	26	5	Garment	Worker
7	Chanty	M	36	3	Kompong Cham	Worker
8	Chet	M	23	4	Pursat	Worker
9	Chiva	F	19	7	Mondol Kiri	Worker
10	Chivorn	F	22	9	Kom Pot	Worker
11	Chrep	F	29	4	Takeo	Worker
12	Hok	M	33	7	Koh Kong	Worker
13	Kak	M	32	5	Prey Veng	Worker
14	Kang	M	26	6	Takeo	Worker
15	Kesor	F	30	6	Kompot	Worker
16	Komsot	M	29	4	Takeo	Worker
17	Kong	F	25	7	Kandal	Worker
18	Maum	F	27	5	Pursat	Worker
19	Nara	M	23	6	Takeo	Worker
20	Neang	F	36	1	Kandal	Worker
21	Nopyong	F	38	0	Svay Reang	Worker
22	Phanara	F	23	8	Pursat	Worker
23	Phary	F	31	6	Phnom Penh	Worker
24	Phorse	F	19	9	Kompong Speu	Worker

Table 3.1: Continued

25	Pitu	M	27	6	Kompong Cham	Worker
26	Sarat	F	30	8	Battambang	Worker
27	Sina	F	20	5	Kandal	Worker
28	Srey Neang	F	20	3	Kompong Cham	Worker
29	Sineat	F	22	6	Kompong Thom	Worker
30	Sok Kieng	F	23	7	kandal	Worker
31	Somphorse	F	35	5	Kandal	Worker
32	Sopha	F	25	6	Takeo	Worker
33	Sophorn	F	47	1	Takeo	Worker
34	Sophy	F	27	7	Kandal	Worker
35	Soth	M	33	3	Svay Reang	Worker
36	Srey Pov	M	22	7	Prey Veng	Worker
37	Tat	M	29	5	Kom Pot	Worker
38	Tepi	F	18	7	Kandal	Worker
39	Than	F	30	6	Kompong Cham	Worker
40	Theary	F	30	5	Kompot	Worker
41	Theara	F	20	7	Kandal	Worker
42	Thounary	F	18	8	Kandal	Worker
43	Tom	M	38	0	Kompong Thom	Worker
44	Vannak	M	35	6	Takeo	Worker
45	Vy	F	29	9	Takeo	Worker
46	Yorn	F	27	6	Takeo	Worker

Table 3.2

*List of interviewed immigrant workers (group 2) and their characteristics*

No	Name	Sex	Age	Years of Edu.	Hometown	Return	Depart	Status
1	Chanthou	F	26	5	Sihanoukville	Thailand		Illegal
2	Chet	M	23	4	Pursat	Thailand		Illegal
3	Chivorn	M	22	9	Kompot	Thailand		Illegal
4	Dara	M	25	4	Preah Vihear	Thailand		Legal
5	Hok	M	33	7	Koh Kong	Thailand		Legal
6	Komsot	M	29	4	Takeo	Thailand		Legal
7	Marima	F	20	9	Kompot		Korea	Legal
8	So Nern	F	40	7	Battambang	Thailand	Thailand	Illegal
9	Somphorse	F	20	11	Kompot		Korea	Legal
10	Vantah	M	28	16	Kompot	Korea	Korea	Legal
11	Vichet	M	23	7	Kandal	Thailand		Illegal
12	Vuthy	M	18	6	Takeo		Thailand	Legal



Finally, in order to understand the legal process as well as the government policy toward both Cambodian migrant and immigrant workers, I also conducted a personal interview with a government official of MLVT.

### **3.2. Secondary Data**

In addition to personal interviews with migrant workers, I analyzed economic and demographic data of Cambodia and their recent changes. First, the official data provided by the Royal Government of Cambodia include the General Report on the National Census in 1998, 2004, and 2008 as well as the report on the Cambodia Socio-Economic Survey from 1994 to 2014. These official data have been used to examine the overall patterns of Cambodian migration over the years.

Nevertheless, data from the above reports have some loop holes in providing the latest picture of Cambodian mobility patterns. As the latest General Report on National Census is available only in the years of 1998, 2004, and 2008, I used the databases on the official websites of relevant government institutions to complement the published data. Those institutions are the Council for the Development of Cambodia (CDC), the National Institute of Statistics (NIS) of the Ministry of Planning, and the Ministry of Commerce (MoC).

Besides government documents, non-governmental organizations' research reports are also important sources of information to this study. Local research institutions, such as CDRI, are imperative in providing domestic data and information on Cambodian migrant workers. On the other hand, the field and analytical reports from the international organizations such as the ILO, the Asian Development Bank (ADB), and the

International Organization of Immigrations, provide insightful information regarding the general situation of Cambodian migrant workers abroad.

Finally, to complement the above-mentioned documents, local newspapers are another significant source. Local newspapers, including the Koh Santipheap, Kampuchea Thmey, the Cambodia Daily, and the Phnom Penh Post, often convey the challenges and life stories of the migrant workers in Cambodia.

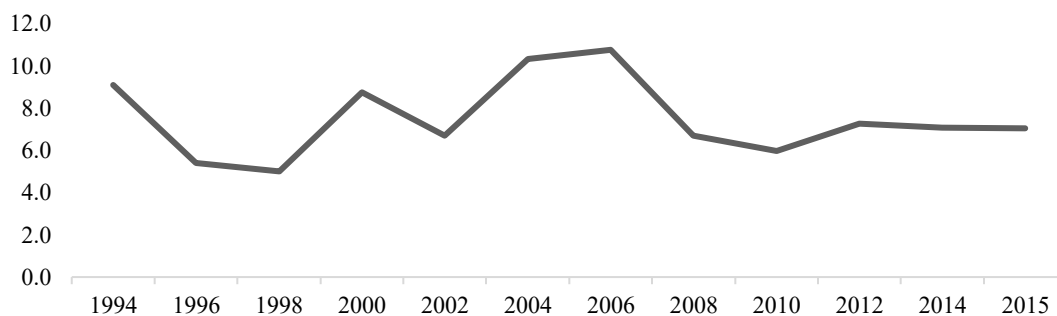
## CHAPTER 4: ECONOMIC RESTRUCTURING IN POST-SOCIALIST CAMBODIA

Cambodia had civil wars for nearly three decades. From the genocide in 1970 to the authoritarian regime in 1993, the country applied autarky and centralized economy respectively, all of which brought only pain and destruction to this once-glorious kingdom and its proud people. In the late 1980s, Cambodia underwent a broad structural transformation from a planned economy to a free market economy (Tang & Wong, 2011). Following the Paris Peace Accord in 1991 and its first democratic general election in 1993, Cambodia sped up its transition to the free market economy by opening up to foreign direct investments (FDI) and trade. Although Cambodia is among the poorest nations in the world, the country has managed to be called one of the “Olympians of Growth” with an annual average growth 7.7% of Growth Domestic Product (GDP) (World Bank, 2014). This chapter first examines the economic growth and structural changes in Cambodia from the socialist period in the 1980s to the post-socialist era after 1993. It then explores a dramatic increase in FDI in Cambodia’s SEZs, which has played a critical role in attracting young Cambodians away from rural areas to industrial cities.

### **4.1. The Opening and Growth of the Cambodian Economy**

According to Figure 4.1, in the post-socialist period, Cambodia had an average annual GDP growth of about 7.6%, reflecting the high economic performance and expansion. At the end of the socialist period in 1994, the Cambodian economy started with GDP growth of approximately 9%. This came from the apparent product of the government policy of economic transformation in the late 1980s. To attract more investors and expand its market, Cambodia became a member of the Association of Southeast Asian Nations (ASEAN) in 1999. Through ASEAN, Cambodia has enjoyed the

benefits within the ASEAN community, including the free trade agreements among the members and its development partners.



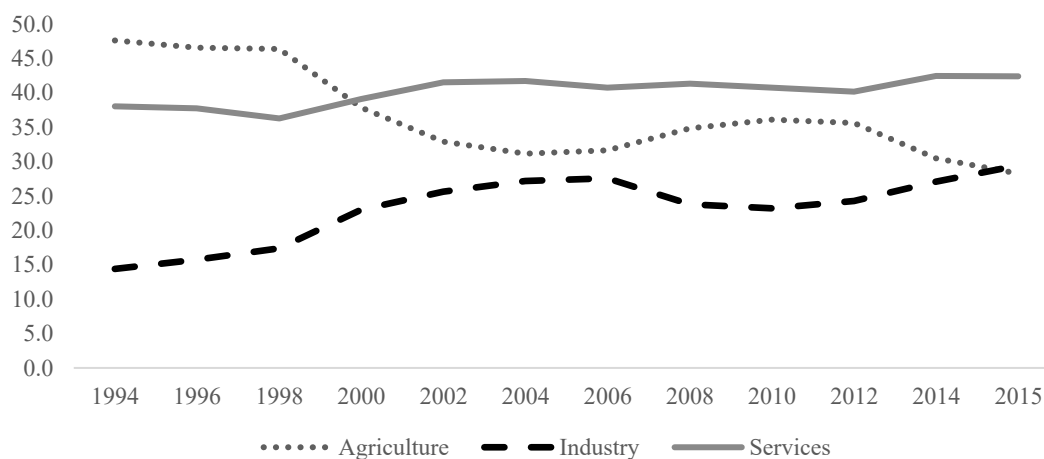
*Figure 4.1.* Cambodia's GDP growth in percentage. The data are from the World Bank (2016a).

To further gain access to a broader global market, in 2004 Cambodia joined the World Trade Organization (WTO). Per WTO's policy, Cambodia was granted the Most Favor Nation (MFN) status. It is worth mentioning that in addition to MFN, Cambodia also enjoyed the Generalized System of Preferences (GSP) from the European Union under the framework 1996-2006 (Neak & Robertson, 2009, p. 99). MFN and GSP allowed Cambodia to export certain products under low or zero tax. These two policies were crucial in Cambodian garment exports to the international market.

#### **4.2. Restructuring of the Cambodian Economy**

The economy of Cambodia relies heavily on three main sectors, namely agriculture, industry, and services (CDC, 2012). According to Figure 4.2, for the past two decades, the Cambodian economy has had a gradual transition from an agricultural economy to an industrial economy. There are two striking features describing this economic transition. First, agricultural output dropped sharply from 47.6% to 28.2% of

the total GDP in 1994 and 2015, respectively. This dramatic decline explains that Cambodia slowly relieved itself from the agricultural sector. Second, at the same time that agricultural contribution to GDP decreased sharply, industrial output increased and expanded steadily two times to dominate the overall GDP from only 14.4% in 1994 to 29.4% in 2015. Hence, in 2015, the industrial sector contributed about 1% more than the agricultural sector. Though the exceeding percentage (1%) is small, it symbolizes a drastic change for an agricultural country like Cambodia.



*Figure 4.2.* Structure of outputs in percentage of Cambodia's GDP. The data are from ADB (2012, 2016).

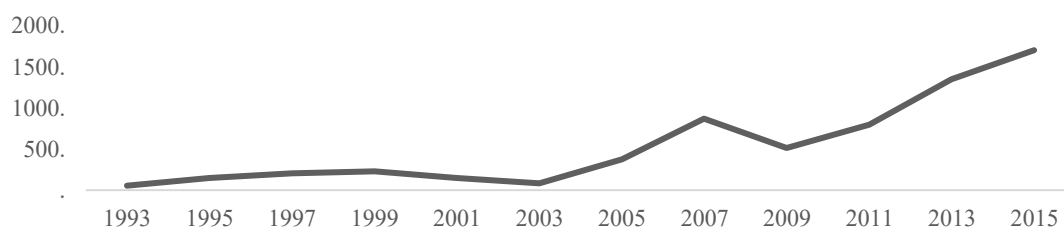
The market economy transformation and the access to the international market mark the exponential growth of the Cambodian industry. Garment/textile manufacturing and construction are the dominant sectors. The garment/textile industry has played critical roles in the Cambodian export and FDI attraction. Cambodia was granted with the MFN and GSP status from developed countries. As mentioned above, these systems allowed Cambodia to export certain products (including garment and textile) to those

developed countries with low or zero tariff. These policies absorbed the influx of FDI and poured most of the investments into the garment/textile industries. These industries alone took up about 80% of total Cambodian exports (ADB, 2016). Its contribution to the GDP was worth \$4.61 billion in 2012 and \$5.53 billion in 2013 (Styllis, 2014).

### 4.3. Foreign Direct Investment and Special Economic Zones

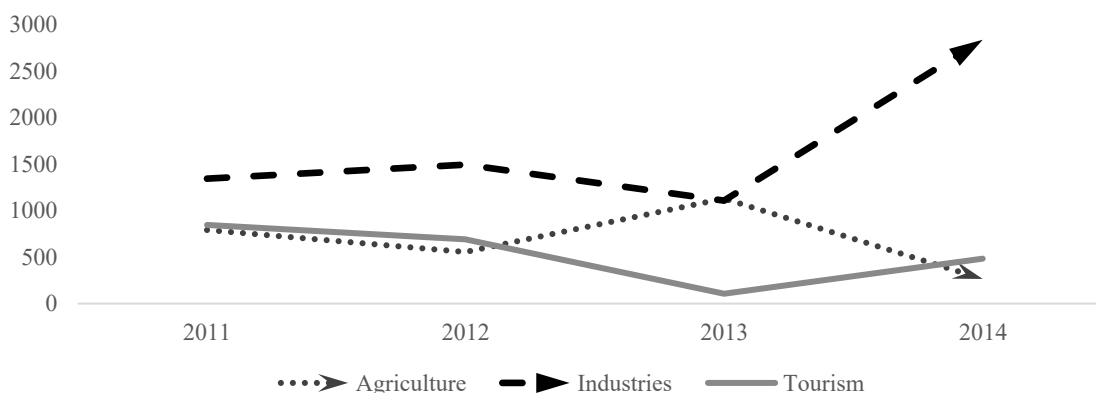
FDI in Cambodia increased steadily overtime. As demonstrated in Figure 4.3, after the economic restructuring in the early 1990s, the post-socialist Cambodia experienced a continuing surge of FDI. For the past two decades, China had been a major investor in Cambodia (CDC, 2012). There are various reasons why economic restructuring is successful in transforming Cambodia into an industrial-based economy.

After the general election in 1993, Cambodia introduced private property and privatized state-owned companies (Slocumb, 2010). In 1994, the government introduced the Law on Investment with business-incentive policies as a beacon for foreign investors. In addition, the CDC was established as the one-stop service organization to facilitate the bureaucratic process for investors.



*Figure 4.3.* Net inflows of FDI into Cambodia, using balance of payment method with current US\$ (in million US dollar). The data are from the World Bank (2016a).

Next, Cambodia has access to a broader market from being a member of ASEAN and the WTO frameworks. With the benefits from the MFN and GSP, in 2005 Cambodia established 11 SEZs. After the establishment of the SEZs, the FDI increased five folds from only \$337 million in 2005 to over \$1700 million in 2015. Importantly, as illustrated in Figure 4.4, among the Cambodian main economic sectors, industries continued to attract the most investment whereas agriculture showed a gradual decline in investment. For instance, in 2014, while the industrial sector absorbed \$2,836 million, agriculture was able to receive only \$265 million.



*Figure 4.4.* Investment by sectors in the Cambodian economy in million U.S. dollars. The data of the industrial sector does not include construction and infrastructure. The data are based on RGC, CDC (2017).

After the founding of the SEZs in 2005, the government issued Sub-Decree No. 147 assigning CDC as the management authority over the SEZs (CDC, 2015). This assignment was to avoid the complication of red tape barriers. In 2008, the Law on the SEZs was drafted and was being examined by the government of Cambodia. To further

facilitate the investment documentation process, the government initiated the “One-Stop Service”, which gathers all representatives from relevant ministries to work together in the SEZs (Warr & Jayant, 2015).

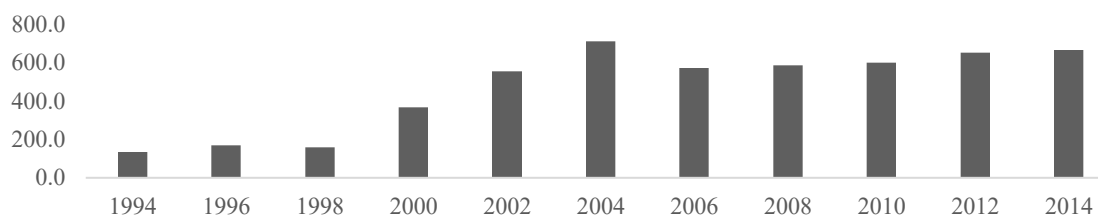
Based on the "Investing in Cambodia" presentation by His Excellency Sun Chanthol (Sun, 2015), Senior Minister, Minister of Commerce, the government approved 34 SEZs. There were 11 SEZs in operation, and more 23 SEZs were under construction. The 11 SEZs in operation were located variously in provinces next to Thailand and Vietnam, provinces with major ports, and the capital city.

According to the Cambodia’s law of investment, the companies have an exemption of corporate tax up to eight years, dividends distribution, import duties for start-up construction, export tax, and renewable property lease up to 70 years. In 2003, the government lifted the bar stated in the Law on Investment via an amendment. The new law abolished the five-year transition period (20% corporate income tax rate after tax holiday) and corporate income tax exemption, and withheld tax exemption for the repatriated profits. Plus, to get 9% of profit tax rate, the foreign firms need to invest more than \$1 million (\$0.5 million in the old law) (RGC, 2003).

The total number of the operating firms in Cambodia were 145 in 2014 (CDC, 2014). The industrial base of the factories inside the SEZs was diversified from producing electronics to household furnishing. The survey conducted by World Bank in 2012 on industrial firms in Cambodia SEZs identified those firms to be newly established and export-oriented; most of them were owned by foreigners, used imported technology, imported inputs, and assembled these inputs in Cambodia. These firms created about 68,000 jobs representing under 1% of total employment (Warr & Jayant, 2015), yet those



employments were mostly low-skilled occupation. Nevertheless, the number of industrial employment increased steadily; for instance, based on Figure 4.5, industrial sector created 134,000 jobs in 1994 and 666,000 jobs in 2014.



*Figure 4.5.* Cambodian labor force employed in the manufacturing sector (in thousand people). The data are from ADB (2012, 2016).

#### 4.4. Conclusion

After a deep restructuring at the end of the socialist period, Cambodia achieved steady economic growth for the past two decades. Furthermore, Cambodia made a gradual transition from an agricultural-based economy to an industrial-based economy. Two key factors illustrate this economic transition. First, the share of total GDP output by agriculture had a sharp decline starting from the end of the socialist period. Simultaneously, the total output by the industrial sector continued to rise and exceeded the agricultural output. Second, there was an increase of FDI pouring into various sectors of the economy, among which the FDI into the industrial sector rose sharply whereas the FDI in the agricultural sector slowly declined. In the industrial sector, the garment/textile industry played a major role in Cambodian exports and created more jobs for Cambodian workers. To attract more FDI, the Cambodian government established various SEZs in potential areas in the country. The manufacturing sector alone provided an exponential

growth of employment to Cambodian migrants. The increase in Cambodian labor supply in rural areas and the labor demand in the industrial sector reflected the mismatch between the labor supply and labor demand. This mismatch triggered the flow of labor migration from rural areas to urban areas, which will be elaborated in the next two chapters.

## CHAPTER 5: INTERNAL MIGRATION IN POST-SOCIALIST CAMBODIA

The aim of this and the next chapter is to examine how Cambodia's recent economic and demographic changes have caused new waves of migration, both internal and external. This chapter focuses on internal migration developed in the post-socialist period, while the next chapter concentrates on people moving overseas looking for jobs. After the end of the socialist period, the Cambodian economy made a transition from agricultural to industrial. At the same time, the movement of Cambodian people has become a lot more robust internally and externally than ever. The labor mobility also made a transition from being stagnant during the socialist period into being more dynamic in the post-socialist period. Nevertheless, compared to China which has experienced an explosion of migration flows to emerging industrial cities areas (Zhang & Shunfeng, 2003), Cambodia has shown a rather gradual increase in rural-urban migration, yet the current level of the internal migration is unprecedented. To explore the root causes of these changes, this chapter is divided into four parts. The first section will examine the transitional changes of Cambodian migration during and after the socialist period. The second part will explain the reasons why these workers moved. The third section will explore the factors that sustain Cambodian migration.

### **5.1. Overall Pattern of Cambodian Internal Migration**

After the Khmer Rouge regime ended in 1979, Cambodia was ushered into another isolated political era. From 1979 to the early 1980s, the Cambodian government adopted a similar economic approach to the Khmer Rouge regime under Marxism. However, in terms of human mobility, different from the Khmer Rouge government, who strictly dictated every movement of the people, the socialist government allowed freedom

for people to migrate (Colletta, & Cullen, 2000). Though there is no official data recording the mobility of people during the socialist period, there is enough evidence proving that labor mobility was not as dynamic as it is in the post-socialist Cambodia. Therefore, how did Cambodian labor mobility change from the socialist period to the post-socialist era?

### **5.1.1. Cambodian Internal Migration during the Socialist Period**

Some socialist governments implemented certain policies to restrict the labor mobility within the country. The Soviet Union used *Propiska* to bar the citizens from moving into certain urban areas. Likewise, the Chinese government applied the *Hukou* to limit the flow of its labor force from the agricultural sector to the industrial sector. On the other hand, the South African government issued the “Pass Laws” as part of the racial segregation between its white and black populations, which restricted the mobility of the black people. Nevertheless, under the socialist government of Cambodia, Cambodians experienced different circumstances affecting their mobility within the country.

At the end of the Khmer Rouge regime in 1979, the Cambodian population started to spread throughout the country. Thousands of Cambodians decided to go to the Cambodia-Thailand border with the Khmer Rouge to escape war between the Khmer Rouge and the Vietnamese troops. Others decided to go to their previous settlements before the war. After the Vietnamese troops claimed victory and took over Cambodia from the Khmer Rouge government, the concerns about the remnants of the Khmer Rouge troops still struck fear into Cambodians (Gottesman, 2004). To encourage the people to move, the Cambodian government and the Vietnamese troops had to reassure

the people that they were "free to move around...and could return to their place of birth" (Gottesman, 2004, p. 38).

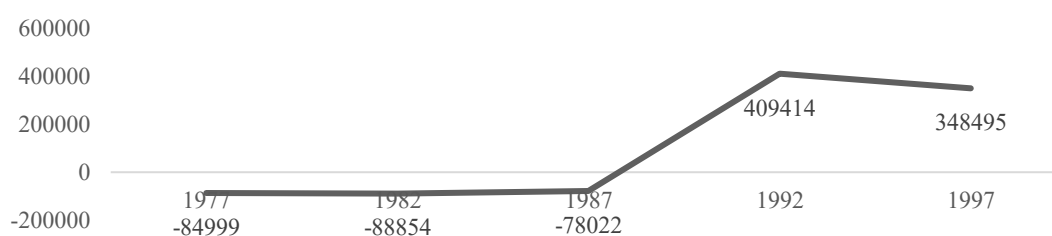
During the socialist regime, Cambodian migration was conducted with the purpose of resettlement and to be reunited with the long-lost families, rather than migration for jobs or as the labor migration. First, there had been no major economic activities in Cambodia during this period. Slocomb (2010) describes the Cambodian economy from 1979 to 1989 as a "revolutionary economy" (p. 175). The country isolated its economy from foreign investments and markets and prioritized the agricultural sector to support the whole economy (Chhair, & Ung, 2013). Furthermore, during this period, there were only 85 enterprises, 63 of which were in operation and 12 of which produced industrial products such as textiles or tires under aid agencies (Slocomb, 2010, p. 215).

Second, under the socialist period, the political environment was unfavorable to labor migration. As mentioned above, though defeated by the Vietnamese forces, the remnants of the Khmer Rouge troops were still present throughout the country. Cambodia was still struggling with political division and instability. Colletta and Cullen (2000) viewed Cambodia during this period as a "country stuck with turmoil... marked by skirmishes between the guerrillas and invading troops... and a disruption of agriculture that resulted in widespread of famine" (p. 28). Finally, the infrastructure was completely destroyed during the Khmer Rouge government (Colletta and Cullen, 2000). Consequently, inadequate infrastructure and transportation discouraged migration and mobility of people.

Nonetheless, in the 1980s, the government encouraged people to evenly resettle in various locations across Cambodia. At times, the government compelled Cambodians to

migrate to underpopulated areas by advertising those areas as the New Economic Zones (Gottesman, 2004). Though there is no data indicating the number of people moving there, there is enough evidence that the Cambodian economy at that time was beyond recovered. Hence, the number of people who decided to move to those locations might not be large. Based on Gottesman (2004), there was a resistance among Cambodians to migrate to those areas.

Regarding the mobility of people outside Cambodia, the data from the World Bank indicates that there was mobility of Cambodians crossing the borders during the socialist period. However, Cambodia faced the outflow of labor force. According to Figure 5.1, under the socialist government, the net migration was negative, which reflected the exceeding amount of people moving out of the country over people moving into it. The immigration trend did not reverse until the early 1980s, when Cambodia started to implement economic restructuring. It is worth noting that the people who moved out of Cambodia were under the refugee status rather than immigrant worker status. The United Nations High Commissioner for Refugees “supervised the repatriation effort, which resulted in 360,000 Cambodians returning to the country from refugee and border camps in Thailand” in mid-1993 (UN, n.d.).

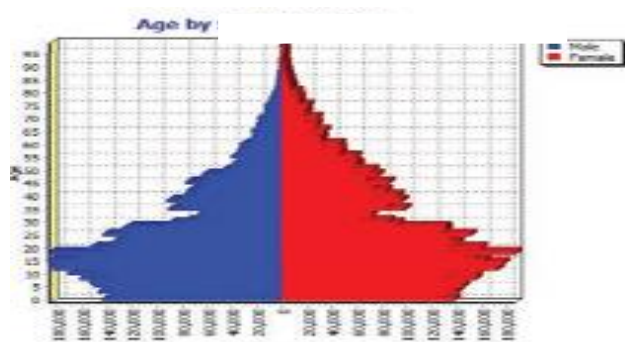


*Figure 5.1.* Cambodia’s net migration 1977-1997, which indicates the differences between immigrants and emigrants. The data are from the World Bank (2016a).

### 5.1.2. Cambodian Internal Migration in the Post-Socialist Period

In the socialist period, Cambodian labor force was devastated by wars and migrated for the sole purpose of resettlement. Cambodia lost about 1.5 million people to the wars (Kieman, 2014, p. 456). However, for the post-socialist Cambodia, two key developments in the Cambodian demographic and the nature of Cambodian mobility itself reflect the transition of Cambodian migration.

The first key development is the baby boom in the 1980s. Based on the World Bank (2016a), the total Cambodian population skyrocketed from about 6.7 million in 1980 to over 11 million in 1990. This expansion of population transformed the Cambodian demographic into a favorable element in its emerging economy.



*Figure 5.2.* Age pyramid of Cambodia's population by sex distribution in 2008. Reprinted from RGC, NIS (2009).

As can be seen in Figure 5.2, the demographic pyramid of Cambodian population has a wide base with elongated peak. The wide base indicates a large amount of young dynamic labor force from the age of 15 to 30 years old. The sharp peak of the pyramid, on the other hand, reflects a small amount of old people, who were a burden to the

national economy. This vigorous, dynamic surge of labor supply played a significant role as the fuel to propel the Cambodian economy forward.

In addition to having a high population within the working age, the labor force participation rate in Cambodia was above 80% of the labor force as illustrated in Table 5.1. Because the Cambodian demographic majorly consisted of a young population, most of the work force entering the job market was young. The high participation rate indicates that those youths, who had just entered their adulthood, were eager to participate in the market economy by taking many forms of work. Though this rate was viewed as more advantageous to the economy, it also reflected that Cambodian youths did not stay long in education. Furthermore, among youths, females joined and left the labor market at a younger age than males (RGC, NIS, & ILO, 2013). This resulted in a low-educated labor force. The average years of schooling of the participants in this study is 5.7 years.

Table 5.1

*Cambodian labor force participation rate 1994 - 2014*

Year	1994	1999	2004	2009	2014
Labor Force Participation Rate	56.6	66.1	81.3	84.4	82.6

*Note.* The data are based on the RGC, NIC (2004, 2002, 2010a, 2015).

The second key development is the change within the nature of Cambodian migration itself. While Cambodians migrated to resettle in the socialist period, in the post-socialist time, most Cambodians migrate in a form of labor migration to primarily find jobs and to diversify their families' incomes. They migrate to urban areas where there are plenty of job opportunities.



The post-socialist migration is a four-directional migration. Simultaneously, some people move from rural to urban areas, while others decide to mobilize from urban to rural, rural to rural and/or urban to urban for various reasons. Nonetheless, the movement back and forth between these two geographical domains (rural and urban areas) establishes a strong momentum in Cambodian labor mobility. Based on the Cambodian Inter-Censal Population Survey 2004 of the NIS, on average the mobility from rural to rural was 68.9%; rural to urban was almost 13.9%; urban to rural was 7%; and urban to urban was 10.2%. Cambodian people have a higher frequency of moving from rural to rural than other directional movements.

These statistics imply that geographically, the number of people living in rural areas greatly outnumbered the people living in urban areas, which means that the country's urbanization was still low. However, the urban centers have grown fast in the past two decades by attracting migrants from rural areas. According to Table 5.2, from 2004 to 2014 the urban/rural ratio gradually increased from 23.3 to 29.0, respectively.

Table 5.2

*Cambodian population in urban and rural areas by number (in thousands) and percentage*

	2004		2008		2012		2014	
	Num.	%	Num.	%	Num.	%	Num.	%
Urban	2,388	18.87%	2,614	19.51%	3,127	21.75%	3,412	22.47%
Rural	10,270	81.14%	10,782	80.49%	11,249	78.25%	11,772	77.53%
Urban/Rural	23.3		24.2		27.8		29.0	

*Note.* The data are based on RGC, NIC (2004, 2002, 2010a, 2015).

Places where there are more manufacturing job opportunities attract more Cambodian migrants than urban places where there are not. Based on Table 5.3, the two largest provinces with SEZs, Phnom Penh and Siem Reap, attracted over 40% of the migrant workers compared to the local population. Though a relatively small SEZ province, Svay Reang was also able to absorb about 30% of migrants from various places. These provinces could entice rural migrant workers due to their robust economic activities, particularly labor-intensive manufactured industries. The other provinces without SEZs experienced low human mobilization because there were not enough economic incentives to attract people (and some are located away from the capital city).

Table 5.3

*Internal migration in Cambodia by primary destinations in 2008*

	Migrants	%Migrants
<b>Provinces with SEZs</b>		
Phnom Penh	598,857	45.17
Siem Reap <sup>a</sup>	146,265	43.07
Svay Reang <sup>b</sup>	148,956	30.85
<b>Province without SEZs</b>		
Kampong Cham	224,033	13.33
Kampong Chhnang	64,833	13.75
Kampot	137,764	22.19
Kandal	219,874	17.38
Banteay Menchey	159,032	23.45
Siem Reap	119,562	13.34

*Note.* <sup>a</sup>The statistic of Siem Reap includes Koh Kong, where there are other SEZs. <sup>b</sup>Svay Reang is a relatively small SEZ province compared to Phnom Penh and Siem Reap. The data were compiled and calculated by the author based on RGC, NIC (2004, 2002, 2010a, 2010b, 2011, 2013, 2014, 2015).

An informant who moved from a peripheral province to Phnom Penh's SEZ said that:

I had to come here to work as a factory worker with my brother. My parents are farmers and we depend on the forest to support our lives, in addition to the rice yield. The government granted land concession to the Vietnamese companies, and they cut down all of our forests. (Chiva, 19 years old, from Mondol Kiri)

Lack of economic opportunities in some provinces in Cambodia encourages migrant workers to migrate to other provinces, especially the provinces with SEZs.

Since the early 2000s, Cambodia has experienced a large surge of rural-urban migrants seeking manufacturing jobs. The number of clothing manufactures, for example, went up from just seven factories in 1994 to about 300 factories in 2011 (Chhair, & Ung, 2016). This expansion has led to the robust movement of the Cambodian labor force. The question remains: what causes or helps these people to move and how is this mobility sustained?

## **5.2. What Causes Cambodian Migration?**

The environment in the rural and urban areas determines the push and pull momentum toward potential migrants (Lee, 1996). High levels of poverty and unemployment in rural Cambodia are as important as the positive job prospects in its urban counterpart in causing people to move. The majority of Cambodian people are living in rural areas; agriculture is still the backbone of this country's economy. Of the 59 informants for this research, most of them were farmers and the rests were business owners, students whose families could no longer support their education, and housewives who found their families' economic situations worsening.

The majority of the interviewees were farmers who decided to abandon their farms and opted to look for a factory job instead. First, almost all of the informants highlighted the deteriorated condition of the irrigation system, working as a strong push factor from rural Cambodia. Because the Cambodian agricultural sector depends heavily on rain rather than modern technology, these farmers succumbed to the mercy of nature. Climate change has impacted agriculture in Cambodia in a way that leaves farmers destitute (Ros, Nang, & Chhim, 2011). Water is the utmost critical component of farming, but persistent drought devastated the farmers, especially the farmers whose rice fields were located far away from water sources. Inadequate sources of water have been a major problem among farmers in Cambodia, which is proven to be a major challenge for the government destitute (Ros, Nang, & Chhim, 2011). Based on the United Nation Development Program's (UNDP) report (2013), "Cambodia's vulnerability to climate change is linked to its characteristics as a post-civil war, least developed, agrarian country ...[and] poor infrastructure...Climatic events such as floods and droughts are already recognized as one of the main contributors to poverty in Cambodia" (p. 1). An informant, Phanara, who was a farmer, had to come to Phnom Penh to be a factory worker because there had not been enough rain for his family's farm.

I was a farmer in Pursat, but my earnings from farming could barely support my family. I could not save a single cent. It was very difficult. I did not have enough water. We farmers depend on God to provide us water, but it has been either draught or flood every year. (Phanara, 23 years old, from Pursat)

A female worker, Chanthou, is working in the Sihaknoukville SEZs. Her husband left their farm to work in a factory, and she found herself in a similar situation as Phanara's.

My husband left for factory work first, while I was still taking care of our farm. God punished us. There has been drought these past five years, so I could not do any farming. I decided to move here to work with my husband. My old parents continued farming, but there was drought again. We lost a lot of money on covering the loss. (Chanthou, 26 years old, from Sihaknoukville)

Irregular weather, including drought or flood, is a major challenge to Cambodian farmers and expands the rural-urban migration chains. In 2013, UNDP identified more than 13 million people to be “affected by drought and seasonal rains ... [which were] becoming increasingly sparse and erratic” (UNDP, 2013, p. 2).

Second, as noted in Chapter II, the remittances from migration played an essential role in increasing the momentum of Cambodian migration. In addition to unfavorable weather conditions for farming, it is widely believed that rural areas in a low-income country lack social welfare or credit systems for households to diversify their income sources (Schoolr et al., 2000). In order to broaden income sources, a household seeks migration for the family members to gain more income in the form of remittances, which contribute to the push factors of migration (Velenchik, 1993). From their average \$150-per-month salary, most of the informants sent remittances home of \$50 to \$100, which accounted for a significant proportion of their monthly income. The migrant workers transferred money through two popular private companies, Wing and e-money. The charge was from \$1.50 to \$2 if the transfer was under \$250. Currently, the government does not provide any financial services for money transfers, whereas the commercial banks charge more expensive fees for each transaction. Many of the informants seemed to be under pressure to work overtime so that they could send more money back home:

I am happy that I can send home some money to help my family. The good thing about this job is that, more or less, my family has some money to survive. I just need to work more and spend less. (Srey Pov, 22 years old, from Prey Veng)

Vy, 29 years old, had a responsibility to send a portion of his salary home.

I must send money home, which is around \$60 per month, depending on the amount of overtime hours I can work. My family owed money to the bank. We lost a lot of money because of the flood and drought.

In addition to working long hours to earn overtime pay, some migrant workers were forced to cut their spending on basic essentials like accommodation and food:

I have to live in an old 5-square-meter room with one bathroom and no kitchen with three people. The electricity and water bills are overcharged, as per the policy of the landlords. The rent is \$30. In total, each of us has to pay about \$15. (Nara, 23 years old, from Takeo)

In addition to the small room, the migrant workers had to eat unhealthy (and probably unhygienic) food every day.

If you are a factory worker, you have to eat *Siklo* food [Khmer language, which means very cheap food for poor people] every day. I spend \$1 for food per day. I can eat dessert only once per week. (Sina, 20 years old, from Kandal)

To save money, these workers were deprived of even new clothes.

Buying new clothes is out of the question. The clothes that I have are secondhand clothes. They look pretty good although they are cheap. (Buntha, 23 years old, from Kompong Cham)

Remittances were important to these migrant workers and their families. They had to work more overtime hours and be pennywise in every aspect of their daily lives.

Nevertheless, the push from rural poverty and pull of urban employment opportunities were strong enough for these Cambodian workers to migrate. The manufacturing jobs in urban areas play an important role in attracting the desperate farmers in rural Cambodia seeking a better life. Wage is probably the major pull factor for Cambodian workers. As a migrant worker from Takeo stated:

Staying at my hometown is really bad for me and my family. When the weather was good, I could sell my rice yields to the middle men with the price slightly below the market. Those middle men would export the rice to either Thailand or Vietnam where it would be processed for international markets. Even with better prices, that was just enough for my family to make ends meet. The price of rice was getting lower and lower every year. I had no choice but to leave my family behind to work here. The salary is better and at least there is a reassurance that there is always money for my family back home. (Chamreoun, 27 years old, from Takeo)

Another informant shared similar reasons for her migration to urban areas for her current manufacturing job. She was left with two choices, stay at home and get little money from helping her parents' farming or come to the city to earn a monthly salary.

My family has a batch of land where my parents farm twice per year. There is nothing to do back home. I can get married, which I don't want to do. I have a cousin working here and she earns three times more than I did when I helped my parents' farming. The money is not a lot, but still it is good enough to sustain

myself and save some for my parents. (Phorse, 19 years old, from Kompong Speu)

For these migrant workers, the wage from a manufacturing job filled in an economic gap within their families' incomes.

In addition to the wage differential between rural and urban areas, modernity in urban areas might be another pull factor for some workers. Modernity does not spread far enough to incorporate most rural areas in Cambodia. Based on Zimmermann (1994), poor infrastructure and the absence of social welfare contribute to the momentum of migration movement. The majority of the informants below the age of 25 did not want to continue their boring lives in rural areas and envied their peers enjoying an urban lifestyle. The intangible utilities beyond economic reasons, such as modern lifestyles, provide more reassurances to the migration decision and capture the desire of the potential migrant workers in the rural areas (Crawford, 1973; De Jong & Gardner, 1981). Supermarkets, electricity, running water, internet, paved roads, cars, and the like offered these migrant workers a sense of realizing what they missed, and then the migrants became acclimated to the modernity. For Sopha, she could not imagine what her life would be like if she lost her job and had to go back home.

I hate my hometown. It is a small village and we don't even have running water. I had to have a shower at the communal well with a lot of boys hiding in the bushes to peek at me. I love it here. I have everything that I need. I will never live in my village. I don't even want to think about it. (Sopha, 25 years old, from Takeo)

For Srey Neang, she found her hometown a boring place compared to the urban area.



I need money and that is why I am here. On top of that, I don't want to spend my youth in that boring village. There are no people at my age. They all go somewhere to work. There is nothing but rice fields, cows, and buffaloes in my village. Here, I have internet and a phone to chat with my boyfriend. I can go to the malls on weekends and watch movies in a theater. (Srey Neang, 20 years old, from Kompong Cham)

Another informant thought she made a right decision by coming to work in the city.

After having been here for almost five years, I feel like I missed a lot of things during my childhood in my village. I am happy that I decided to leave my hometown and come here to work. (Sok Kieng, 23 years old, from Kandal)

To some Cambodian migrant workers, the increasing accessibility to a modern life in urban areas contributed partly to their migration decisions. Therefore, unprofitable farming, the wage differential between places, and modern lifestyles pushed and pulled the migrant workers toward urban cities. However, with the increasing mobility of the Cambodian labor force, it is worth exploring the means these migrant workers used to move from their hometowns to an unfamiliar place, as well as who assisted them.

### **5.3. How Do Migration Networks Assist Cambodian Rural-Urban Migration?**

Migration impacts the socio-economic condition within the community and embeds itself within the common practices (Massey, 1990). The cumulative effect of more and more migrant workers coming to urban areas creates an interconnected system of networks (Massey et al., 1987). Migrant networks have been recognized as important elements of migration (Arango, 2016). Based on the interviews with the Cambodian

migrant workers, migration networks are crucial in sustaining, influencing, and expanding Cambodian migration.

There are various reasons that Cambodian migrant workers prioritize their kinship networks. As claimed by many scholars (Faist, 2010; Haug, 2008; Massey et al., 1993), migration infrastructure (networks) reduces the cost of migration and is able to provide abundant information. The networks of migrants and non-migrants establish an infrastructure that acts as the information and financial hub for new migrants (Massey & España, 1987). Furthermore, migration networks provide the affinity, information, and facilitation to a potential migrant (Ritchey, 1976). Hence, not only do migration networks reduce the migration cost, they are also the mechanisms providing information and facilitation (Massey, 1988). These networks encourage more potential migrants to come to the area with the existing infrastructure.

First, migration networks reduce the migration cost for Cambodian workers. The pioneer migrants help the new migrants to adapt themselves within the new environment (Hagen-Zanker, 2008), and thus reduce the risk and cost for the new migrant workers. Most of the interviewed informants claimed that their relatives or friends helped them in many ways. For instance, migration networks reduce the settling down cost considerably. Tepi is working in a shoe factory in a SEZ in Phnom Penh. She said without her aunt helping her, it must have been very difficult for her (financially) when she first arrived.

My aunt introduced me to the manager and I got a job. Then she allowed me to stay with her in her tiny room with her other roommates till I got my first salary. The first few months were very difficult. I was struggling with money because I had to send some of my salary home. (Tepi, 18 years old, from Kandal)

With the help from the pioneer migrants, the new migrants were introduced with the accommodation and other services with the best price in the market. The risk of being taken advantage of by businessmen was greatly reduced. Most of the informants claimed that they had either their friends or relatives help them when they first arrived in urban areas.

Second, migration networks provide psychological safety to Cambodian migrants, especially for female Cambodians. These female workers needed to have someone they could trust to look after them if they were to be away from their parents. To Cambodian women, reputation is very important for them and their families. A woman with a bad reputation tends to find it difficult to find a husband, and brings shame to her family. Somphorse is working in Phnom Penh SEZ. She confessed that:

My parents would never ever let me come here alone. They thought it was extremely dangerous for a young girl like me to be away from home and alone. I can be raped, robbed, or killed, and no one is there to help me. It is bad enough for a girl to be away from home. My parents only allowed me to be here because my cousin is here with me. (Somphors, 24 years old, from Pursat)

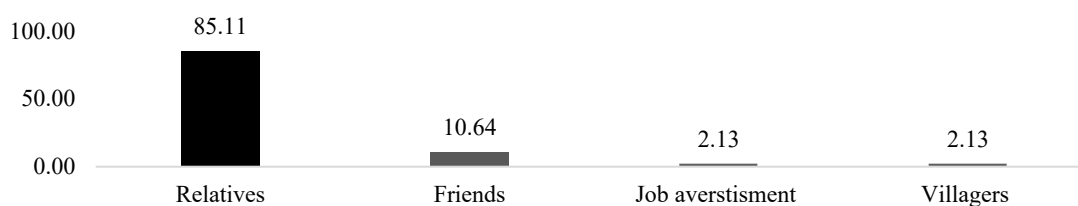
For safety reasons, most of the informants had their relatives or close friends as their roommates. Most female interviewees had two or three roommates (this was also to cut down the rent).

Third, for poor Cambodian workers who do not have full access to information, media is not quite an effective instrument for information dissemination. To them, migration networks are the most reliable sources of information (Gordon & Vickerman, 1982). To some workers, they either did not have enough money to waste on electronic

devices before they were manufacturing workers, or they did not have the luxury of time to listen to the news. Either way, migration networks complement the inadequacy of media accessibility, and construct the invisible bridges between the rural and urban areas in Cambodia. Ana is a factory worker in Sihanoukville SEZs. To her, in her rural hometown, media was not something with which she was familiar.

I have relatives who are working in this special economic zone, and they introduced me to this place. I rarely watched TV and my family did not have one. I listen to the radio from time to time, but the factories rarely advertise job recruitments through the radio. I had to rely on my friends and relatives to get information about this work. (Ana, 18 years old, from Kompong Chhnang)

Other informants also mentioned that manufacturing jobs were rarely advertised through radio or T.V. If the employers want to recruit workers, they posted the job recruitment advertisement in front of their factories. This might be partly because the employers wanted to avoid the advertising costs and knew the number of workers overwhelmingly exceeded the jobs available. Hence, migration networks spread job opportunities to Cambodian workers in rural areas. As illustrated in Figure 5.3 below, slightly above 85% of the informants were introduced to their workplace by their relatives, such as their siblings, cousins, aunts, or uncles. About 10% followed their friends, whereas the remaining 4% heard about the job from an advertisement or tagged along with their fellow villagers.



*Figure 5.3.* Among interviewees' determinants in selecting geographical destinations for migration (in percentage).

Furthermore, according to the informants in this research, migration networks play major roles in determining their migration selectivity. With the rapid expansion of the manufacturing sector across Cambodia, it has become much easier now for some rural migrants to find factory jobs close to their hometowns. Nevertheless, this may not be the case for most Cambodian migrant workers from many peripheral provinces. To reiterate, as can be seen in Figure 5.3, most of the informants were assisted by their relatives or friends to find a job and to adapt to the new work environment. There are various reasons compelling these workers to not work locally and to use the migration networks.

According to these informants, in order to be accepted to work in a factory, they needed someone to introduce them to the manager in order to get a job. A chance of getting a job while not knowing anyone was pretty slim. Kesor chose to work in Phnom Penh's SEZs, which were further away from her home than if she had worked at Sihaknoukville's SEZs:

I have so many relatives working in this special economic zone, so it is easier for me and my family to work here. I need a network to get a job, even for a factory job. There are factories near my province as well, but I do not know anyone

working in that area. In here, my relatives only needed to ask the manager to give me and my family jobs. (Kesor, 30 years old, from Kompot)

Furthermore, factories outside big SEZs run a relatively slow recruitment process. A number of the informants said that besides the factories located in the big SEZs like in Phnom Penh or Siem Reap, the factories in other SEZs do not often recruit new workers. Than, a married man with a daughter, had waited too long for the factory near his hometown to recruit new workers.

There are factories near my hometown, but they have not recruited for a long time. I gave up waiting. I came here because my brother introduced me to the job. To be here, I left my daughter with my parents-in-law in Svay Reang. (Than, 30 years old, from Kompong Cham)

The lack of personal networks and a slow recruitment in the factories intensify the importance of migration networks to Cambodian migrant workers.

The recruiting process of those factories outside the big SEZs is another obstacle for the migrant workers. Being old is the biggest challenge because the factories prefer a young labor force. A young worker, of course, is more productive and efficient. With the competitive job market, Cambodia's young demographic condition is in favor of the employers rather than the employees. An informant, who is working in Phnom Penh SEZ, expressed her intention of going back to her hometown, Svay Reang, because an SEZ was recently established there. However, she decided not to go back.

I cannot go back to the special economic zone in Bavet because I am afraid that they will not accept me. It is difficult for me because I am old. They only need young workers. (Soth, 30 years old, from Svay Reang)

Another informant is now in her late 30s and wanted to work in the factory near her province. She shared the same concerns:

I am old. I do not have a lot of choices. Even in the big special economic zones where jobs are plentiful, it is difficult for me to get a job because I am old. I am lucky to get this job because my relative knows the manager. (Chanty, 36 years old, from Kompong Cham)

In addition to the recruiting process, the recruiting tests are difficult to pass in the factories outside big SEZs. An interviewee shared his failed experience when he tried his luck to get a job in a factory near his province.

I went to the factories near my hometown and I failed the tests. They have higher requirements. They said that I was not skillful enough and I was too old for the job. So I decided to come to Phnom Penh to try my luck. (Vannak, 35 years old, from Takeo)

Morm, working in a factory in Phnom Penh SEZ, described the entrance test to the factories in her province as being corrupt and demanding:

There are factories near Pursat where I wanted to work because it is easy for me to visit home. I could not get into those factories because I failed their tests. I think those managers only picked their relatives and those who gave them money. (Maum, 27 years old, from Pursat)

The manufacturing jobs outside large SEZs required a young and skilled labor force. This requirement put a number of the labor force at a disadvantage.

Therefore, migration networks sustain Cambodian migration by reducing the migration costs and accommodating the migrants in the urban areas. In this sense, with

the help from push and pull factors, migration networks do not only sustain the migration, but also expand it. Furthermore, within this web of networks, the outflow of people from villages in rural areas causes the ripple effect to other people with different careers. This encourages more migration. Small business owners, for instance, experience the decrease in their customers from day to day and finally are in debt. Manufacturing jobs might be the only viable option for these people. Tom narrated her experiences of being caught in this ripple effect.

I sold groceries back home. I had to come to work here because most of my villagers migrated out of the village. My village became very quiet. I did not have any customers, so I had to borrow money from the bank to support my business. Now, I am working here with my husband to relieve my debt to the bank. (Tom, 38 years old, from Sihaknoukville)

Hence, migration creates more migration (Massey, 1988).

#### **5.4. Impact of Industrialization on Cambodian Immigrant Workers**

Industrialization in Cambodia establishes a strong pull factor (wage); however, its impacts on Cambodian migrant workers are various. Among the informants who used to be farmers, when asked to compare their economic situations between being a farmer and a manufacturing worker, most of them acknowledged that the manufacturing job would be temporary for them. The earning gap between farming and a manufacturing job is not large enough for them to see factory work as their long term occupation. Based on the data reported by the informants, they could earn between \$150 and \$200 a month as the manufacturing workers, depending on the number of overtime work they could get. With frugal expenses, they were able to send home between \$50 and \$100. On the other hand,



with agricultural work, they earned about \$1000 per farming season (five to six months), which was about \$200 per month depending on the amount of lands and the weather condition. Farming also allowed them to be with their families at least, and they had free time to do other businesses. However, farming in Cambodia is associated with high risk of server weather condition in addition to the unreliable irrigation system. The farmers could do farming only in the rainy season (sometimes it was flooding, which destroyed all their crops) and had another five to six months of no income. Nopyong, a worker in Sihaknoukville SEZ, chose to be a manufacturing worker because she was simply losing money with her farm. Her new job did not really improve her family's financial situation.

Compared to my old occupation, if farming gave good yields, farming would be much better. I am here because I do not have other choices. Being a farmer, I have more free time. I can look after my children and my old parents. Working here, I leave home at seven in the morning and come back at around nine at night every day. It is so tiring. (Nopyong, 38 years old, from Svay Reang)

If Cambodia had a better irrigation system and strategy allowing the farmers to adapt to the unfavorable weather, another interviewee preferred to be a farmer to a factory worker.

I could earn a lot from farming. The drought has never been this persistent before like it is nowadays. The salary that I get from working in the garment factory can barely keep up with the inflation. I have to be really frugal to be able to save money to send home. (Maum, 27 years old, from Kandal province)

For this group of workers, industrialization did not have huge impacts on their socio-economic status due to the small gap of wage differential between a manufacturing job and farming.

Additionally, the living expense in urban areas is much higher than in rural areas. With their frugal expenses plus the remittances to send home, some workers earned just enough to make ends meet. An informant, Sophorn, said she had saved nothing after working in the garment factories for a long time.

I have worked here for almost 10 years and moved from factory to factory to find a better job. Right now, I do not have a single cent for my savings. I have to send home all the money that I can scrape up for my children and sick parents. The rent and commodities prices are racing with the salary, and, as usual, the salary never increases fast enough. (Sophorn, 47 years old, from Kandal)

Like Sophorn, Somphorse complained about the high living cost in the city and was worried about her future.

You know, living in an urban area is like living in a money-sucking machine. I do not have much in my savings. My future is bleak. Right now, I just live from day to day. (Somphorse, 27 years old, from Kandal)

The increasing of the living costs in urban areas and the sluggish growth rate of the minimum wage of the manufacturing workers were primary concerns for the Cambodian workers.

Nevertheless, a minority of workers, who used to be farmers, preferred the manufacturing jobs to farming. To these people, farming was associated with high risk and long-term investment. Kang is working in a SEZ in Sihaknoukville. He described how frustrated he was as a farmer.

Farming is like a gamble for a poor farmer like me. Weather nowadays is unpredictable and crazy. Sometimes there is too much water, sometime there is

none at all. Factory jobs are very secure. I always get the salary at the end of the month. (Kang, 26 years old, from Takeo)

The workers who were risk averse found a manufacturing job more preferable to farming due to the unpredictable weather in Cambodia.

The sample groups whose previous occupations were not farmers were rather grateful for the opportunities to work at factories. At home, they had no earnings besides depending on the incomes of the other household members. A housewife or a student, for example, had no other means to earn money besides getting stipends from her husband or parents. For these people, manufacturing jobs improved their families' financial situations tremendously. Sineat, who had been a manufacturing worker for 4 years since she dropped out of school, did not feel content with the job she had, but she at least could earn money to support her family back home.

Since I worked here in this special economic zone, I have been able to send my family up to \$100 per month. The economic situation of my family has been improved since. My brother now can go to school like other kids his age. (Sineat, 22 years old, from Kompong Thom)

For these groups of workers, manufacturing jobs provided them and their families a stable salary, which would not have existed without industrialization.

## **5.5. Conclusion**

During the socialist period, Cambodian people migrated for the purpose of resettlement and to reunite with their lost families. Labor migration almost did not exist due to the Cambodian economic system and situation during this period. Nonetheless, in the post-socialist period, the mobility of Cambodians started to transform from a

resettlement migration to a robust labor migration with an abundant young labor force.

There are push and pull factors causing this transition.

For Cambodian migrant workers, the push factor plays a dominant role in their decision to migrate more than the pull factors. Unprofitable farming might be a primary push factor for migrant workers due to the fact that the majority of Cambodians were farmers. Poor irrigation systems, and persistent drought and flood transformed farming into an unfavorable occupation. For the informants, the financial difficulty pushed them to migrate to urban areas. In addition, the need to diversify the family's income in the form of remittances from the manufacturing jobs contribute partly in further pushing them to move to urban areas.

Based on the interviews, there are two major pull factors for the migrant workers, the wage differential between rural and urban areas and modernity. Wage from the manufacturing jobs filled in the financial gap of these workers. For some workers, monthly wage was considered a financial security compared to the unpredictable income from farming. Equally important for young migrant workers, the modernity and infrastructure in urban areas partly pulled them from their hometowns toward urban cities.

Even though the push and pull factors cause Cambodians to migrate from rural to urban areas, migration networks sustain and expand the migration. For the interviewed Cambodian migrants, migration networks reduced the migration costs, acted as an information hub and helped new migrants to adapt to the new work environment. Furthermore, the networks were influential over these workers' migration decisions, such as who should move and who should stay. To a majority of the informants, there were

various factors making migration networks indispensable. For instance, in order to get a job, a migrant worker needed to have someone to introduce them to the manager.

Finally, for the interviewed workers, though manufacturing jobs offered them new opportunities, there was a division of opinions on the effects of industrialization on their migration decision. For the workers who used to be farmers, a manufacturing job was not more profitable than farming due to a small wage differential between the two occupations. Another group (business owners, drop-out students, housewives, and others) found manufacturing jobs more effective in increasing their families' incomes.

## CHAPTER 6: EXTERNAL MIGRATION IN POST-SOCIALIST CAMBODIA

This chapter examines the recent growth of overseas labor migration among young Cambodian workers. With the integration of the ASEAN Economic Community which inaugurated the free flow of capital, trade, and human mobility, external migration has become an aspiration more than ever for young people in low-income Cambodian families. These people are looking for new opportunities for higher wage employment in the other countries. The dawn of this new globalized economy weakens boundaries among states, and opens the door for immigrant workers to travel across borders. In a broader perspective, external migration has made an important contribution to Cambodia's recent economic growth.

For the past decades, along with its robust economic growth, Cambodia has experienced dynamic labor mobilization externally. Table 6.1 illustrates the number of Cambodian people who immigrated internationally for the purpose of seeking a better job. The popular destinations for Cambodian immigrant workers are Thailand, Malaysia, and South Korea, among which Thailand has been the largest destination for Cambodian immigrant workers. According to Table 6.1, the outflow of immigrant workers increased gradually. Cambodian labor in the above countries skyrocketed from 1,483 to 22,425 workers from 2004 to 2013, respectively. Thailand employed Cambodian workers the most, followed by Malaysia, South Korea, and Japan.

In this chapter, the first section concentrates on the Cambodian workers' immigration patterns. The following sections emphasize the causes of immigration and its sustainability, whereas the last section examines the effect of industrialization on Cambodian workers' immigration decisions.

Table 6.1

*Number of Cambodian immigrant workers in foreign countries*

	2004		2007		2010		2013	
	Male	Female	Male	Female	Male	Female	Male	Female
Thailand	-	-	3,249	1,597	6,304	4,920	8,840	4,628
S. Korea	519	155	497	87	1,635	481	6,931	1,889
Malaysia	105	704	174	3,045	2,522	13,872	72	18
Japan	-	-	3	0	40	9	58	53
Total	1,483		8,652		29,783		22,489	

*Note.* The data are based on MLVT (2010, 2013).

### 6.1. Cambodian Immigrant Workers' Destinations

Thailand has been and continues to be the primary destination for Cambodian immigrant workers migrating to work. In order to facilitate the matter, the governments of Cambodia and Thailand signed the MoU on Cooperation in the Employment of Workers (Chaisuparakul, 2015). This MoU allows Cambodian immigrants to work in Thailand legally. Despite this MoU, the number of Cambodian illegal immigrant workers far exceed the legal ones in Thailand. In 2014, after Thailand was governed by the military junta, up to 220,000 Cambodian illegal immigrant workers were forced to leave the country (Hodal, 2014). One of the informants who experienced the deportation complained about how the Thai police treated him.

My Thai boss told me to go back to Cambodia because if the Thai government found out about me, my Thai boss would be fined. I decided to leave the country. The Thai police drove me and other Khmer illegal workers to the border area with their big pick-up cars. They did not wait for us to get off; they just dumped us like trash. (Chivorn, 22 years old, from Kom Pot)

Illegal immigration continues to be a challenge for the governments of both Cambodia and Thailand.

Poverty forces these workers to go to Thailand illegally, rather than legally, as it requires a substantial amount of cash to go through a proper channel. First, they have to figure out the cost of the passport and then the cost of travel. Based on the report by the ILO (2010), to reach Thailand, a worker needed an average of \$700. An immigrant who used to go to Thailand illegally and is now working in a factory in Phnom Penh SEZ explained:

I went to Thailand because I did not have money. Then, if I wanted to go there legally, I had to have at least above \$250. I did not have that much money. If I had had that money, I would not have gone to Thailand. Going there illegally was easier. I gave just about \$50 to the recruiter and some money to the border-patrol police. I could be in Thailand and got a job. (Chet, 23 years old, from Pursat)

Another interviewee decided to go to Thailand illegally due to its close proximity to Cambodia. The traveling cost is not expensive because Cambodian workers can reach Thailand either by bus or by motorcycle if they reside in the provinces near Thailand. More importantly, they can come back to visit their families whenever they want.

I chose Thailand because it is next to our country [Cambodia]. I gave \$60 to the recruiter for my travel expense from Cambodia to Thailand. Also, I can visit my family once or twice per year. (Vichet, 23 years old, from Kandal)

Therefore, the high cost of the legal immigration channel and the close proximity between Cambodia and Thailand encouraged Cambodian immigrant workers to choose an illegal border-crossing.



Different from Malaysia and Thailand, where there is no quota of labor demand, South Korea imposes an annual labor quota on Cambodian workers under the Employment Permit System (EPS), which requires the recruitment and placement process to be managed under the so-called Government-to-Government agreement. Under this framework, the Manpower Training and Overseas Sending Board was established as a government agency responsible for recruiting, training, and sending workers to South Korea. In addition, to be able to work in South Korea, a worker will likely spend around \$950 due to the fact that South Korea requires, among other things, basic knowledge of the Korean language, training, and medical examination. Between 2003 and 2013, Cambodia sent a total of 32,226 workers to South Korea under EPS to work for industrial, agricultural, fishery, and construction sectors (RGC, MLVT, 2013).

Japan, on the other hand, is a well-known country that isolates itself from immigrant labor, yet it accepted 394 Cambodian immigrant workers from 2007 to 2013. The connection between the immigrant workers and Japan is the private recruitment agencies and non-governmental organizations (NGOs) with the support of the Japan International Cooperation Organization (JITCO) program. JITCO was designed by the Japanese government to actively transfer Japanese skills to labor forces in developing countries via the schemes of the training program named Technical Intern Training Program.

According to Table 6.1, an overall observation indicates the overwhelming number of male immigrant workers over female immigrant workers. Nevertheless, there was a remarkable expansion of the female participation in each country. This increase of female workers shows the aspiration of Cambodian females to remove themselves from

the old-bound traditional concept, confining the role of women to house chores and looking after children. It is worth noting that Malaysia saw an incredible surge of Cambodian female immigrants, an increase from 195 to 13,872 from 2000 to 2010, respectively. The majority of female immigrants in Malaysia were domestic workers, and the remaining labored in the manufacturing industry (RGC, MLVT & ILO, 2010). Thailand, South Korea, and Japan, although male-dominant in respect to the Cambodian immigration labor force, experienced an increasing number of female workers as well. For instance, in the case of Thailand, Cambodian immigrant workers consisted of only 894 females in 2006, yet it rose to 9,839 in 2012.

## **6.2. What Causes and Sustains Cambodian Immigration?**

Like their fellow migrant workers in the country, these immigrant workers were compelled by the same reasons to go to the other countries. Most of them were farmers whose yields could not support their families due to drought and flood. But what are the distinguishing factors between these immigrant and migrant workers?

The pull factors play major roles in the immigration decision making, which is in contrast to the migrant workers, who identify the push factors as dominant to their decision making. The major pull factor is the wage differential among Cambodia and the other countries. The minimum wage for factory workers was at least 930,000 Won (\$900)/month for South Korea, whereas Malaysia paid at least 520 Malaysian Ringgit (\$161)/month for domestic workers. Likewise, for Thailand, the factory and fishing industry workers got paid with the minimum wage of 300 Baht (\$10)/day (TF-AMW, 2014). On the other hand, the average daily wage of Cambodian plantation workers was \$3.46 per day (Chandararot & Liv, 2013) in 2012.

No one wants to be away from family and in an unfamiliar country. It's just that the wage here is so little. Working in the country won't allow me to save money. It's just making ends meet. I went to Thailand for two years and I could save some money to run a small business here. (Chanthou, 26 years old, from Sihaknoukville)

Marima, who was preparing to leave for South Korea, stated the same reason.

I don't want to work in Cambodia. I don't think my family can survive with the current minimum wage. I think it is about \$120. I studied hard, passed the exam, and now am waiting to go to Korea. My cousin told me I can earn more than \$1000 per month after all the expenses. Who wouldn't want to go? (Marima, 20 years old, Kompot)

The wage differential between Cambodia and the destination countries is wide, which attracts Cambodian workers to overlook the local jobs. This wage gap is in contrast with the small wage differential between rural and urban areas in Cambodia.

Next, in the same way that migration networks sustain and expand migration within the country by being an information hub and reducing the cost and risk, to Cambodian immigrant workers they are essential in determining who stays in Cambodia to work and who leaves. The migration networks influence the selection of destination (Banerjee, 1983). First, migration networks establish a proper channel for Cambodian immigrant workers. This kind of personal networks allow the unfamiliar immigrant workers to gain access to information and influence their decision on destination selectivity (although it also depends on the level of concentration of the peer immigrant

workers) (Caces, 1986). Chet went to Thailand illegally when he was 18. He explained why he dared to take such a perilous journey.

I had two cousins working in Thailand illegally, and they sent home a lot of money. They reassured me that they would help me find a job and look after me.

If I had not known anyone, I wouldn't have gone there. (Chet, 23 years old, from Pursat)

To these rural workers, migration networks acted as the instrument to channel the information flow from the destination to origin countries (MacDonald & MacDonald, 1964; Massey et al., 1987). The poverty in rural Cambodia limits access to information and other necessities. Because migration networks reduce the uncertainty in the destination countries (Hugo, 1981), they partially influence the immigration decision in picking the country destination. An informant who had just come back from Thailand recalled his experience:

My parent would never allow me to go anywhere if there was no one they could trust to look after me. You had no idea. My cousin had to tell my parents everything about Thailand to persuade them to let me go with him. (Vichet, 23 years old, from Kandal)

The unavailability of networks deprived the workers in rural Cambodia of information, which deter their decision to immigrate.

Second, migration networks help new immigrants to adapt to the foreign environment. Immigrants can travel or be within the company of their kinfolk, who provide them assistance in the form of material needs, protection (Choldin, 1973), or

language assistance (Gurak, 1987). Different from Chet, Hok, spent nearly four years working in Thailand legally. He stressed the importance of having friends to help him.

All of my villagers around my age were working in Thailand, so I decided to go with them. We helped each other out. They helped me find a job when I first arrived. Later, we usually got into fights with other workers from Vietnam. We were lucky that we had each other. (Hok, 23 years old, from Koh Kong)

The assistance that was provided by peer pioneers within the networks allowed the Cambodian immigrant workers to adjust their lives within the new environment easier.

Third, migration networks reduce the cost of migration in the form of cost-saving information, as well as the psychological cost (Massey & España, 1987). Rather than going to recruitment agencies who charge a fee for the paper work process as well as for matching the workers with the jobs abroad, relative networks connect Cambodian immigrant workers to the labor-intensive jobs available in the destination countries. Two of the informants shared their different experiences between recruitment agencies and migration networks. Dara, 25 years old and from Kompong Cham, is working in a SEZ in Sihanoukville. He returned from Thailand three years ago. He shared his bitter experience with a recruitment agency who helped him go to Thailand.

I went to Thailand via an agency in Phnom Penh [Cambodia's capital]. I had to pay them with four months of my salary to cover the fee and the interests. I did not even have as good of a job as they told me I would get.

On the other hand, Komsot went to Thailand with his brother, who had been there for five years.

My brother told me how good and easy it was to earn money in Thailand. He told me I did not have to worry about anything. He asked his boss to give me a job, and I stayed with him in a small room he rented. (Komsot, 23 years old, from Takeo)

Besides reducing financial cost, migration networks decrease the psychological risks. Sonern, who is now working in a clothing factory in a SEZ in Phnom Penh, went to Thailand illegally five years ago.

The first time that I went to Thailand, I went there with my villagers who had their relatives working there. They introduced me to a good boss, familiarized me with the way Thai people lived, and taught me how to not get into trouble with the Thai authorities because at that time I went to Thailand illegally. I wouldn't dare to go to Thailand alone if I had not known anyone. (Sonern, 40 years old, from Battambang Province)

Migration networks are even more important to female immigrant workers. Transnational immigration "hinders women" (Kohpahl, 1998, p. 7). Low education and lack of familiarity with foreign cultures limit the choices of immigrant workers, especially Cambodian female workers.

In conclusion, based on the information from the interviewees, in addition to the differences in the pull factor (the wage differential between rural and urban areas in Cambodia and the wage differential between Cambodia and the destination countries), migration networks were imperative in distinguishing migrant workers from immigrant workers. A worker who had a network within Cambodia and none outside the country

had to work locally, and vice versa. Nevertheless, the increasing industrialization in Cambodia also left considerable impacts on the workers' decisions.

### **6.3. Impact of Industrialization on Cambodian Immigrant Workers**

As the Cambodian economy is growing fast, more and more manufacturing jobs are available for domestic workers. Based on the CDC (2017), "the majority of committed investments are in the infrastructure and industrial sectors, which together account for 76% of total investments in the last five years." With the increase of manufacturing jobs accessibility in the country, why did these workers decide to go to foreign countries for work?

When asked how the availability of jobs in the industrial sector impacts their decision to work abroad for better wages, the informants provided mixed responses in relation to different destination countries. The majority of the informants in both groups of the sample did not want to go to Thailand, yet they wished to go to South Korea if they had a chance by citing the high salaries and safety. It is worth noting that in order to go to South Korea, an immigrant worker has to undergo a proper training and vetting process. Nevertheless, about two third of the informants felt content with working in Cambodia, though they were not satisfied with the salaries. They provided various reasons for these statistics.

First, their peers provided them with first-hand knowledge of failure by going to work abroad. In the case of Sophy, compared to workers in Thailand, Malaysia, or Korea, she earned much less in Cambodia. She said she did not want to go to Thailand, but if there was a chance she wanted to go to South Korea.

I know some illegal workers. They were stranded in Thailand with no work and were abused by their bosses. I met a lot of people who told me that even after they had a passport to go to Thailand, it was still very difficult for them to go into Thailand. I was not sure of the reasons why, but I believed them anyway. Moreover, I do not have any relatives who have experienced working abroad before. Actually, I have two relatives who used to go abroad to work. My uncle spent a lot of money applying for a passport to go to work in Korea. When he arrived in Korea, there was no work for him. When there was no work, he became an illegal immigrant who was pursued by the police. He went to a pagoda to hide, and then decided to come back home penniless. Another one of my cousins decided to try his luck by going to Thailand legally through a recruitment agency. After arriving in Thailand, he was told to come back home to wait for another three months because there were no jobs for him in Thailand. (Sophy, 27 years old, from Kandal)

Srey Neang faced similar circumstances to Sophy, and it discouraged her from pursuing her job outside of Cambodia. She had a choice in Cambodia by working in a clothing factory in a SEZ in Phnom Penh.

All of my relatives who went abroad, such as Korea or Thailand, came back home with nothing much. My relatives were conned by the recruitment agency. They did not get paid after their work like they were promised. My brother went to Thailand legally. He had to save a lot of money to apply for a passport. When he was in Thailand, he could not find any jobs, and then he decided to continue his journey for



work to Malaysia. He was stranded in Malaysia because he did not have enough money to fly back home, nor any jobs to support his life. Now he is in his mid-thirties with no job and no money, so he decided to work in the same factory with me. (Srey Neang, 20 years old, from Kompong Cham)

Hence, while a success story of a peer encouraged the Cambodian workers to choose the overseas jobs, a failure experience also discouraged them from leaving Cambodia.

Second, being away from their families is a big decision to make for Cambodian immigrant workers. Phorse is a tailor in a Chinese garment factory in a SEZ in Phnom Penh. She left her two children with her parents in her hometown.

I am working here to help support my family. I know that Cambodian workers who are working in Thailand, Malaysia, or Korea earn more money than I can now, but I have no intention of going to work abroad. I can't bear to be apart from my family. Working abroad, I will die of missing them. I have no clear future plan yet, right now I just want to support my family. (Phorse, 19 years old, from Kompong Speu)

In addition to the psychological cost, learning foreign languages and adapting to new environments are even more challenging to them.

Even though working abroad in places like Korea or Thailand can give me a higher salary, I decided not to go because going abroad is a big challenge for me. I do not know any other languages besides Khmer [Cambodian Language]. Even for Korean, I don't think I could learn the language because now I am too old to learn anything, especially

other languages. My mind is crammed with family and other complicated matters. With the family burden, I don't really want to be away, but I want to work near home. (Kong, 25 years old, from Kandal)

The workers, who had families and children, encounter a paradox when they had to be away for a long time from the very people for whom they immigrated to support.

Third, some workers face the challenges of not having proper networks (kinship). Kesor had been married for five years. She and her husband are working in a SEZ in Phnom Penh. Kesor decided not to go to Thailand because she did not know anyone working there.

I know that working abroad can give me a higher salary, and I want to go abroad too. But right now it is too late for me. I have children and a family. My husband and I cannot go to work abroad like other people because there will be no one to look after my children and my parents are already old. Even when I was younger, I could not find any courage to go to Thailand because I did not know anyone working over there.

Right now, I think it is too late for me. My only option is to save money and to move back to my hometown to run my own business. (Kesor, 30 years old, from Kompot)

In fact, other informants also echoed Kesor's reasons of not being able to go abroad because they simply did not have anyone to give them the information they need or to guide and help them when they were in a foreign country.

Finally, in order to work abroad, Cambodian immigrant workers need to have a substantial amount of money to cover the documentation and traveling costs. These entry barriers limited the immigration movement of rural Cambodian workers.

I think living in other countries is very difficult. It is not as easy as living in my own country. Besides, I cannot visit my family whenever I like. A friend in my village can visit her family every two or three years. I work here and I can visit my family almost every month. But, I still want to go to other countries because I can get more money. The problem is I don't have enough money to work abroad. Right now, I want to save up money to study Korean like my cousin who had the same situation as me. Now, she is in Korea working with more money. For my situation, it is going to be more difficult because the money I send home barely supports my family, so I have little to save up for myself. (Theary, 30 years old, from Kompot)

Therefore, to some informants, overseas jobs are not attractive to them because of the failure experience of their peers, nostalgic feeling for their families, lack of migration networks, and high entry barrier cost.

#### **6.4. Conclusion**

The Cambodian migrants and immigrants decided to move out of rural areas because of the same major push factors: poverty caused by poor irrigation systems and the unpredictable climate, and the need for remittances to diversity their families' incomes. Though both groups also faced the same pull factor (wage differential between the area of origin and destination), the nature of the pull factor for immigrant workers is

stronger than the migrant workers, i.e. the wage differential between Cambodia and the destination countries is much wider than the wage differential between Cambodian rural and urban areas. Therefore, for the immigrant workers, the pull factors played a major role in their immigration decisions, whereas in the case of the migrant workers, the push factors dominated.

In regard to the immigrant workers, the main destinations are Thailand, Malaysia, and South Korea, among which Thailand has been the most popular destination. To migrate to these countries, according to the informants, migration networks critically influenced their immigration. Migration networks were the bridge between the destination countries and rural Cambodia by being an information hub, a connection to job opportunities, and a mechanism to help new immigrants adapt to the new environment and to reduce financial as well as psychological costs.

Finally, the increasing availability of the manufacturing jobs has impacted Cambodian immigrant workers at different levels. According to the sample for this thesis, the majority did not want to go to Thailand, but they would not mind to go to South Korea due to the high salaries and safety. About two-thirds of the informants felt content with their current local job in Cambodia, though they were not satisfied with the salaries. Nevertheless, wage is not the only concern for these workers. The next chapter gives emphasis to the challenges faced by both migrant and immigrant workers and provides key policy recommendations.

## CHAPTER 7: POLICY SUGGESTIONS FOR SUSTAINED MIGRATION

Migration, both internal and external, has been a positive outcome of Cambodia's transition to the capitalist market economy. The country has been gradually industrialized and urbanized; simultaneously, there is an increasing rate of Cambodian labor migration from rural to urban areas. Based on the informants, there are various challenges faced by both the migrant and immigrant workers. Hence, this chapter aims to address certain socio-economic policies that the Cambodian government should implement to facilitate and sustain Cambodian migration. In order to have a comprehensive view from both the workers and the government, I interviewed an informant who is currently a government official working in the MLVT. The MLVT is mandated to monitor and protect the Cambodian workers within and outside Cambodia. However, he requested to be anonymous for his personal reasons. The chapter is divided into two sections. The first section explores the challenges raised by the migrant workers and key policies to address those issues. The second section has the same framework as the first section, but it emphasizes the immigrant workers.

### **7.1. Challenges Faced by the Migrant Workers**

Based on the informants, there are various key challenges for them. First, the most common problem cited by the interviewees was wage. As can be seen in Figure 7.1, over three-fourths of the informants viewed the current wage as a threat to their financial situation. Most factory workers resent the minimum wage set by the government, which is accused of being biased toward the factory owners. The informants did not feel content with their current monthly salary, which was about \$140. For some factories, the workers got an extra of \$20 as the traveling and food costs. It is worth noting that in May 2013,

the minimum wage was increased from \$60 to \$75 with a \$5 living allowance (Campbell, 2013). The wage was raised to \$100 in 2014 (Tep, 2014) and \$128 in 2015 (Mom, 2015). With this amount of salary, the workers were forced to work overtimes in order to cover their expenses and to send home some money. With the overall expense, most of the informants were able to send home \$50-\$100 depending on the number of overtime hours they could work.

I have to sign up for the overtime work whenever the factory offers. Otherwise, I will not be able to have much to send home for my parents. I rarely buy new clothes. Normally, I just buy second-hand clothes. If I am not careful, I won't have any money left to send home. (Chana, 18 years old, from Sihanoukville)

The slow growth of the minimum wage and the raising living costs in urban areas forced these workers to eat unhealthy food and to live in a small room with many roommates. Another common challenge for the informants was being away from their families. The high living cost in urban areas might be a common reason why these parents could not afford to have their children or spouses with them.

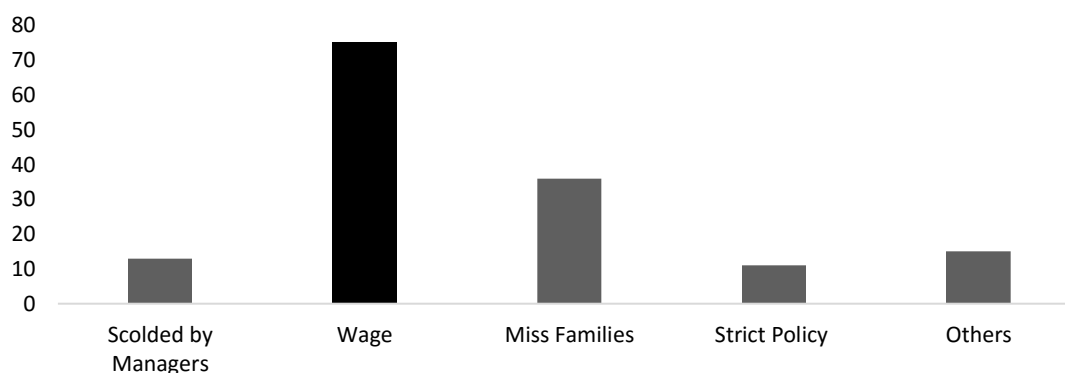
Second, a fair number of the informants complained about the verbal abuse by their managers and the strict leave policy of the factories. Sophy, who is working for a garment factory with a Chinese owner, expressed her discontent toward her boss.

Every time that I made a mistake, like sewing with the wrong color thread, the boss shouted from the back in Chinese. Though I did not understand Chinese, but I could get a sense that those words were not a blessing. (Sophy, 25 years old, from Takeo)

Another informant got his salary decreased because his factory did not have a two-day leave policy. It took almost a whole day to travel from where he worked to his hometown. With one-day leave he could not come back to work on time.

My factory allows workers to have only one-day leave. If I need a two-day leave, I had to come back and request another one-day leave. When my grandfather was sick, I was given a one-day leave. To get to my home town, it takes five hours. I could not get back on time. They scolded me for not abiding by the rule and reduced my salary. (Sarat, 30 years old, from Battambang)

Besides the above challenges, there were minor complaints among the informants about working contracts, rising cost of livings, unsafe transportation and air quality within the factories.



*Figure 7.1.* Challenges faced by the informants in group 1 (migrant workers) in percentage.

Third, to reiterate what has been said in Chapter V, factories outside large SEZs had a slow and challenging recruitment process because those factories required high skilled and young labor forces. The informants found that the accommodation and

transportation outside large SEZs were inadequate. The interviewees claimed that there was no room to rent. Even though the factories were in their provinces, they were far away from their homes. Hence, they had a long distance to commute to work, and most of them were alarmed by the rate of traffic accidents in Cambodia. Based on the annual report by the Government of Cambodia (2013), traffic accidents caused five deaths and 15 injuries per day. An interviewee had considered working in the factory in her province, but later she rejected the idea.

They don't have rooms to rent near the factories that are near my province, so I have to travel to work by a pick-up truck. I don't like to go to work by car every day. I am carsick and it is very risky to travel nowadays. People die of traffic accident before your eyes. (Theary, 30 years old, from Kompot)

With the current rate of traffic accidents, to have a long commute to work is considered dangerous, even to the general population. To sum up, the migrant workers faced the challenges, such as low wage, psychological issues, strict policies, and unfavorable recruitment process of factories outside large SEZs.

## **7.2. Policy toward Internal Migration**

To address the above complaints from the workers, the government should implement certain key policies. From the government perspective, the government is aware of particular issues within the migrant communities.

The government is clearly informed of the predicament that our migrant workers are facing right now. As you know, Cambodia is a developing country and we have a lot of things to do. Having said that, the government has been working so hard to make sure that our workers are safe and have been treated properly based



on the law in Cambodia. To date, we have one major law to protect workers in Cambodia, the Labor Law. Also, the government worked closely with the Electricite du Cambodge to lower the electricity price for our workers. We keep the inflation rate in check. Compare to other countries, we have a relatively low inflation rate, which is around four or five percent annually. (The informant from the MLVT)

The Labor Law (RGC, 1997) was stipulated extensively from professionals to household servants, security guards, agricultural worker, and plant worker in enterprises, industries, and retail stores. It emphasizes the work contract, wage exploitation, overtime pay rate, maternal leave, and the forbiddance of any kinds of discrimination in hiring the workers in all aspects of life, such as race, color, religion and the like. Nevertheless, due to rising concerns among the migrant workers, it is unfair to assume that the Cambodian government has done nothing or little to alleviate the situation, yet the government might look at the issues from a wrong angle.

First, to address the wage issue, the Cambodian government issued *Prakas* [proclamation] to set the minimum wage, health care scheme, holiday pay, part-time pay, trade union, and other related issues. Based on ADB's glossary (n.d.), *Prakas* is "a regulation issued by a Minister." It does not go through the legislative body for approval.

Law is very difficult to pass. It demands a lot of time and has to go through the Senate and Parliament. It requires hard effort to lobby as well. In order to respond to the needs of our workers on time, the government uses *Prakas*, which requires only the signature from a Minister. It is faster and easier. Recently, as you know, the contentious issue in our country is the minimum wage. We tried to negotiate

hard with the factory owners to get the best for the workers. But we also need to keep the investors happy to invest in our country. Trust me, it is very difficult to make everyone happy. We have successfully raised the minimum wage from about \$60 to \$153 in the period of about 10 years. Right now, you can see that everyone has a job and money to send home. The economy is doing so well. (The informant from the MLVT)

Though it is undeniable that the government raised the minimum wage two times as much, the issue might lie somewhere else. As mentioned by an informant in Chapter V:

I have worked here for almost 10 years and moved from factory to factory to find a better job. Right now, I do not have a single cent for my savings. I have to send home all the money that I can scrape up for my children and sick parents. The rent and commodities prices are racing with the salary, and, as usual, the salary never increases fast enough. (Sophorn, 47 years old, from Kandal)

At the same time that the government tried to raise the minimum wage, the cost of living ranging from rent to food price increased. Therefore, the real income was not really greater than before.

In addition, as mentioned in Chapter V, the majority of the informants emphasized the small wage differential between farming and industrial jobs. They also mentioned that being the manufacturing workers did not improve their families' socio-economic conditions. Most of the informants agreed on two challenges for their farms: poor irrigation system and unpredictable weather. Interestingly, for these workers, if farming was profitable, they would rather go back to their old occupation. Although the government put agriculture as one of the main pillars in its Rectangular Strategies Phase

III, the increasing number of labor migrants and the citation from the informants reflect the weak will of the government to strengthen agricultural sector.

Next, the government has issued various trade policies including the establishment of SEZs to attract investments to provide jobs to Cambodian workers. Nevertheless, the job distribution among various places is not equal, which causes the geographical mismatch between labor supply and demand. Manufactures are concentrated only in a few provinces, while other places have none. Moreover, as mentioned by the informants, some places without large SEZs have factories with a slow recruitment process and high requirement in recruiting workers. In addition, there was a lack of accommodation which required the workers to commute to work. It is worth noting that a long commute was considered dangerous due to the high rate of traffic accidents.

The issues of recruitment and accommodation deterred the migrant workers from working locally and forced them to migrate only to large SEZs. The migration that converged into urban areas resulted in the snowball effect, the concentration of jobs only in SEZs. In addition to the fact that SEZs have better infrastructure than other places, the concentration of labor supply encourages the investors to invest only in the SEZs and ignores other potential places. Though this might be the ultimate purpose of the government in establishing SEZs, it impacts migrant workers who are not included in the migration networks. For workers who do not have a relative or friend working in SEZs, they do not have many choices or job opportunities. Furthermore, due to a slow recruitment process of factories outside SEZs, they are left in an even more difficult situation.

Hence, by acknowledging all of the endeavors by the Cambodian government and based on the information provided by the informants of this research, in order to ensure the safety and economic benefits of Cambodian migrant workers, there are three key policy suggestions that the government might consider. The first suggestion regards wage concerns within the manufacturing worker communities. It is essentially important to provide an investment-friendly environment to the investors, and persistent demand to increase the minimum wage might not contribute to the desired environment. Nevertheless, the government might provide better incentive for the investors in exchange for the increasing minimum wage. The government can reduce the bureaucracy costs, be more transparent in document processing fees (abolish bribery), or prolong the tax break. The cost reduction of the new terms will compensate for the increased minimum wage. In other words, the government should shift the responsibility of increasing the wage from the industries to the government in the form of reducing bureaucratic fees and providing more incentives.

Second, due to the small gap between agricultural sector and industrial sector, some workers might be better off with farming. Hence, the government should refocus and strengthen its commitment toward the agricultural sector. The main obstacle for farmers as cited by the informants is water. The key solution to this issue is to invest in an irrigation infrastructure in rural Cambodia. Cooperation with the World Bank and ADB as well as Thailand and Vietnam, who are the main rice exporters in the world, will provide the government sufficient funding and frameworks to rebuild this country's irrigation system. With abundant water sources, Cambodian rural workers will have more job opportunities, which decrease their psychological and migration costs.

Finally, based on the informants, the majority of them used migration networks to migrate. Many mentioned they had relatives within these migration networks. This kin/relative networks reflect the limitation of migration networks in Cambodia. The networks are extended to cover only a number of people who have relatives, while leaving behind many others. This exclusiveness of Cambodian migration networks limits the capacity to mobilize of the majority of people in rural areas. The government should empower and expand the accessibility of the migration networks. There should be an increase of information accessibility via radio broadcasting about job opportunities as well as public information campaigns. A Community-based approach is essential in connecting rural workers with job opportunities. Hence, the government should train community-based stakeholders about legality and information related to job and migration. A simple step can start with the compilation of the contact information of the people who migrated to urban cities to work. A potential migrant can use this information to inquire more information from their pioneers.

### **7.3. Challenges Faced by the Immigrant Workers**

Living a life away from family and home is quite daunting due to Cambodian culture, which values collectivism and harmony. In addition to the nostalgic feeling, the immigrant workers faced many challenges. First, according to the informants, they faced difficulties such as the lack of specific mechanisms monitoring their well-being, physical abuse, arbitrary wage cuts, and passport seizures. However, these cases tend to happen to workers in Thailand rather than in developed countries like South Korea. Vantah, who went to South Korea two years ago and is now preparing another trip to South Korea, said:

My boss seemed to be grumpy most of the time. I did not really understand most of what he was saying even if he was cursing me. But he treated me well. I have a good room and three meals per day. (Vantah, 28 years old, from Kompot)

Workers, who had experiences working in Thailand, shared different stories:

If you said the working conditions were bad, they really weren't that bad. The bad thing is the boss. Everything was good at first, and then he kept my passport and some of my salary. He kept saying that I would get the rest of the money at the end of the year. Then I was tired of waiting. I resigned and he still did not give it to me at all. (Komsot, 23 years old, from Takeo)

Dara, 25 years old, from Kompong Cham, added:

My boss never used physical abuse toward me. But he was cursing me all the time, even when I made just a small mistake. I had a friend, though, he was beaten by his boss. I helped him by asking my boss to give him a job.

Verbal abuse was also common within Cambodian immigrant workers who worked in Thailand.

Another significant challenge is the issue within the Cambodian migration networks: the recruitment agency. Some agencies could not supply the workers to meet the demand of the market abroad; hence, to deal with the shortage, the agencies coerced the immigrant workers to renew their contracts. Based on the ADHOC report, if the immigrants denied the renewal of the contract, they would get their wages cut or not get paid at all (ADHOC, 2012). As stated by the informants, some agencies charged high fees and did not provide as good of jobs as they promised.

I went to Thailand via an agency in Phnom Penh. I had to pay them with four months of my salary to cover the fee and the interests. I did not even have as good of a job as they told me I would get. (Dara, 25 years old, from Kompong Cham)

The high fee and irresponsible recruitment agencies might contribute to large numbers of illegal immigrant workers.

The illegal immigrants, due to the high cost of legally processed documents, use many different mechanisms to cross the borders. Based on the informants, some crossed the borders between Thailand and Cambodia by taking risk of being arrested or worse, triggering the landmines, which were left behind during the wars. Others crossed the border via unauthorized recruiters. These immigrant workers crossed the borders without a passport or with a passport but without a work permit. In 2014, there was an estimation of more than 200,000 illegal Cambodian immigrant workers (Loughlin & Tapper, 2014). These illegal immigrant workers are the most vulnerable in the labor force due to their lack of documentation, which causes their non-existence under the Cambodian government protection via the Royal Embassies abroad. This type of immigration has resulted in various problems for the immigrant workers. Some were shot dead at the border by the guards, while others faced accidents, torture, detention by the authorities, sexual abuse, forced drug abuses, beating, overwork, low wages, living in constant fear, facing imprisonment, becoming debt slaves, and sometimes suffering from labor and/or sexual exploitation (ADHOC, 2012). Human trafficking poses another threat to Cambodian immigrant workers, especially to the illegal ones. In summary, the Cambodian immigrant workers had challenges: the lack of specific mechanisms

monitoring their well-being, physical abuse, arbitrary wage cuts, passport seizures, high entry barrier cost, and irresponsible recruitment agencies.

#### **7.4. Policy toward External Migration**

Labor export is viewed as the most lucrative business in global trading due to its less capital investment and low risks on the part of the original countries (Bakunda & Mpanga, 2011). Remittance provides short-term crucial support for household budgets, especially the household that suffers from economic difficulty. The government of Cambodia has prepared itself internationally and domestically to help the migrant workers to go to foreign countries. Based on the informant from the MLVT, the Cambodian government is well aware of the challenges faced by immigrant workers.

The Cambodian immigrant workers are more difficult to protect than the workers in the country. For one thing, we don't really have many embassies in one country and our workers are everywhere. Besides, we have to work with foreign governments, and we cannot just call them. There is a diplomatic channel that we have to go through. Anyway, our government has signed various international laws and has tried to have the MoUs with as many countries as possible to help protect our workers as well as to expand the job market. (The informant from the MLVT)

To date the Cambodian government has signed MoUs with Thailand, Malaysia, South Korea, Japan, Qatar and Kuwait. Recently, Cambodia has been also under the pilot project, which sends migrant workers to Singapore. Malaysia and Cambodia had a renewed draft MoU as well.



Domestically, the government issued various legal instruments to protect Cambodian immigrant workers: sub-degree 57 on sending Cambodian migrant workers abroad in 1995; sub-degree 70 on creating the Manpower Training and Overseas Sending Board (MTOSB) in 2006; or the code of conduct for private recruitment agencies in 2009, to name a few.

The government and various Ministries issued consecutive sub-degrees and *Prakas* to help prepare and facilitate our workers as much as possible before they depart to the other countries. The government has created various task forces in specific countries to help solve the problem of our workers abroad and also instructed the Cambodian embassy to use all their resources to help the Cambodian immigrant workers. (The informant from the MLVT)

Moreover, in order to avoid the abusive condition that the immigrant workers have faced abroad, the government established a number of government agencies to police the issue. In 2007, the MTOSB was established as a public employment agency tasked with recruiting, training, and sending workers to South Korea (MLVT, 2010). The same year, the Labor Migration Taskforce was created to formulate and implement policy and action plans, including the coordination of technical assistance in the area of labor migration (MLVT, 2010). The government also called upon the related ministries to cooperate as the Inter-Ministerial Task Force for Migration in 2006, consisting of the MLVT, Ministry of Foreign Affairs and International Cooperation via the Cambodian Royal Embassies abroad, the Ministry of Interior on the issuance of passport, anti-human trafficking, and

the Office of the National for Committee for Population and Development of the Council of Ministers.

In addition to these efforts, in relation to the information from the interviewees, there are three key suggestions that the government should consider. First, the Cambodian embassies abroad, especially in Thailand, should work more closely with the local authorities to protect the Cambodian workers abroad. These embassies also are the mechanisms to monitor the well-being of the immigrant workers abroad. Importantly, the government should expand the numbers of the consulates in the main destination countries for Cambodian immigrant workers. This increase will cover the spread-out demographic of Cambodian immigrants across those foreign countries. For instance, to date, Cambodia has the embassy in Bangkok and only one consulate in Sa Kaew (near the border of Thailand and Cambodia).

Second, Cambodian immigrant workers would prefer taking the risk of illegal immigration rather than choosing the legal option. This choice is due to the high cost of processing documents and the fee charged by the recruitment agencies. The government should reduce the entry barrier cost by cutting down the fee charged for document processing and providing subsidies or a tax break to the recruitment agencies.

Finally, immigrant workers also faced unprofitable farming and found migration networks important in their immigration decision. Hence, the Cambodian government should devise policies to strengthening agricultural sector as well as migration networks to provide benefits to both migrant and immigrant workers. Equally important, this will help the immigrant workers who return from overseas to easily find jobs in Cambodia.

## 7.5. Conclusion

The Cambodian migrant workers faced several key challenges, such as low wage, psychological issues, strict policies, and unfavorable recruitment process of factories outside large SEZs. To help alleviate these difficulties, the government of Cambodia should increase the wage by providing more incentives to the investors, improving irrigation infrastructure, and expanding the migration networks to include more workers in rural Cambodia. Likewise, the Cambodian immigrant workers encountered difficulties such as: the lack of specific mechanisms monitoring their well-being, physical abuse, arbitrary wage cuts, passport seizures, high entry barrier cost, and irresponsible recruitment agencies. Hence, to assist these workers, the government should increase the numbers of the Cambodian consulates abroad as the mechanism to monitor the well-being of the immigrant workers, reduce the high fee charged by the recruitment agencies by providing subsidies and tax break, and improve irrigation system as well as increase the inclusiveness of the migration networks.

## CHAPTER 8: CONCLUSION

From the socialist regime during the 1980s to the present-day post-socialist period, Cambodia has experienced a dramatic change in the political system from socialism to democracy, and in the economic system from an isolated economic system to a free market economy. These transitions significantly affected migration patterns in Cambodia. The gradual transition from an agricultural-based economy to an industrial-based economy creates manufacturing jobs in newly established SEZs across the country. Nevertheless, the labor demand in the industrial sector concentrates only in urban areas, whereas the increase in Cambodian labor supply occurs in rural areas. This geographical mismatch between the labor supply and labor demand triggers the flow of labor migration from rural areas to urban areas.

Furthermore, although the growth and creation of manufacturing jobs in urban areas contributes greatly to the recent robust movement of the labor force in Cambodia, there are other factors causing rural Cambodian residents to migrate to urban centers and abroad. The main push factor was the unproductive farming. It is worth noting that in 2011, “over 80 percent of the population of Cambodia lived in rural areas, and about 73 percent depended on agriculture for their livelihoods” (FAO, 2011, p. 1). The lack of infrastructure (irrigation system) limited the rural farmers to farm only once per year during the rainy season. Furthermore, the effect of climate change, including persistent drought and heavy flood, severely impacted their farming practices and lowered their yields. The unpredictable climate left most farmers with debts and infertile lands.

In regard to the migrant workers, they found a higher wage in the industrial sector as a solution to escape poverty and debts. With the accessibility to the manufacturing jobs

in the urban areas, they decided to leave their farms behind, and changed their occupations. A manufacturing worker could earn at least \$150 a month. With frugal expenses, they were able to send home between \$50 and \$100. On the other hand, a farmer could earn about \$1000 per farming season (five to six months), which was about \$200 per month depending on the amount of lands and the weather condition.

Therefore, with this small wage differential, the availability of the manufacturing jobs affects these workers' migration decisions on different levels. Those who were farmers and were driven out of their hometowns due to the profit loss from farming claimed that manufacturing jobs were just the alternative occupations for them. Farming offered them better benefits because they had more free time to do other businesses; importantly, they could be with their families. On the contrary, those who were not farmers and had no other income sources in their hometowns, such as housewives or students, found that manufacturing jobs provided them employment opportunities and allowed them to diversify the income sources for their families. By migrating to urban areas, in addition to the steady flow of their incomes from manufacturing jobs, this group of migrant workers could enjoy the features of modernity, which were absent in rural areas.

On the subject of the immigrant workers, the pull factor has stronger momentum than in the case of migrant workers in the sense that the wage differential between rural areas and urban areas in Cambodia is considerably smaller than the wage differential among Cambodia and other destination countries. For instance, in 2004, a worker in the manufacturing and fishing industries was able to earn \$10 per day in Thailand compared

to \$3.46 per day in Cambodia. For developed countries like South Korea, it was more; an informant expected to have at least \$1,000 to send back home.

Similar to the migrant workers, the manufacturing jobs had various impacts on these immigrant workers. The workers who had an opportunity to work in South Korea were able to find manufacturing jobs after they returned home and thought the local jobs to be low paid. The manufacturing jobs did not provide them enough income to support their families. In contrast, the workers who were able to travel to only nearby countries such as Thailand stated that the manufacturing jobs offered them a new hope due to a steady income and low risk. Importantly, the manufacturing jobs offered opportunities to the workers, who were excluded from the migration networks to work abroad.

Nevertheless, what makes the distinction between the migrant and immigrant workers? Migration networks play a major role in deciding who stays within the country and who leaves for work overseas. Due to the lack of migration infrastructure, especially authorized recruitment agencies and specialized financial institutions for migrant workers, low-income Cambodian workers have no other options but to depend on their relatives and friends to have better access to migration opportunities both locally and internationally. Given that migration networks often work to reduce migration costs and risks, and help the migrant workers better adapt to new environments, those who do not have a network internationally would find it extremely hard to gain access to higher-paying jobs overseas.

Finally, to improve the socio-economic conditions for these workers, the Cambodian government has an essential role. For the migrant workers, there were several key challenges, such as low wage, psychological issues, strict policies, and unfavorable

recruitment processes of factories outside large SEZs. In order to provide a more protective work environment, the government should increase the minimum wage while continuing to provide potential investors with diverse incentives. Furthermore, the government should diversify job opportunities for rural workers by improving the irrigation infrastructure. Finally, the current administration should improve the migration networks to be more inclusive for other excluded workers in rural Cambodia.

With regard to the immigrant workers, they encountered difficulties, such as the lack of official measures to protect the migrants working overseas from physical abuse, arbitrary wage cuts, passport seizures, high entry barrier cost, and exploitative recruitment agencies. In order to provide needed assistance and support to Cambodian migrant workers in foreign countries, the government should expand the number of the Cambodian consulates in the primary destinations of Cambodian workers. Furthermore, there should be a regulatory framework on private recruitment agencies that drive up the cost of international migration. Lastly, it is time for the Cambodian government to design and implement programs tailored toward those who return from international migration.

In conclusion, this thesis provided two significant findings. First, it projected a case study in Cambodia that contradicts the conventional thinking of how rural workers are attracted to manufacturing jobs in urban areas due to a higher wage. This thesis discovered that Cambodian migrants migrated to urban areas for industrial jobs because they had to, not because they wanted to. The wage differential between farming and a manufacturing job is small. Moreover, for these migrant workers, the push factors, including unfavorable weather condition and unreliable irrigation system, play major

roles in encouraging their migrations by leaving them with no choice besides seeking an industrial work, which does not require a high-educated labor force.

Second, Cambodia follows the same pattern as the other post-socialist countries which have been moving toward an industrial-based economy. What distinguishes Cambodia from most of those countries is that Cambodia is struggling with the cost of an economic transition from an agricultural-based economy. Cambodia sacrificed the agricultural sector to obtain a more industrial-oriented economy by transferring its labor force from the fields to the factories. The labor force is relatively low-educated and is disproportionate to the number of the available manufacturing jobs. Without strong support from the government, those workers are exposed to exploitation and vulnerable to a threat of being unemployed if the investors decide to move their factories to other countries with a cheaper labor force.



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## APPENDIX A: IRB APPROVAL LETTER



Project Number	16-X-107
Project Status	APPROVED
Committee:	Social/Behavioral IRB
Compliance Contact:	Rebecca Cale ( <a href="mailto:cale@ohio.edu">cale@ohio.edu</a> )
Primary Investigator:	Senghuo Loem
Project Title:	Migration and Labor Mobility in Post-Socialist Industrializing Cambodia
Level of Review:	EXPEDITED

The Social/Behavioral IRB reviewed and approved by expedited review the above referenced research. The Board was able to provide expedited approval under 45 CFR 46.110(b)(1) because the research meets the applicability criteria and one or more categories of research eligible for expedited review, as indicated below.

IRB Approved:	05/05/2016 08:28:14 AM
Expiration:	05/05/2017
Review Category:	7

**Waivers: None**

If applicable, informed consent (and HIPAA research authorization) must be obtained from subjects or their legally authorized representatives and documented prior to research involvement. In addition, FERPA, PPRA, and other authorizations must be obtained, if needed. The IRB-approved consent form and process must be used. Any changes in the research (e.g., recruitment procedures, advertisements, enrollment numbers, etc.) or informed consent process must be approved by the IRB before they are implemented (except where necessary to eliminate apparent immediate hazards to subjects).

The approval will no longer be in effect on the date listed above as the IRB expiration date. A Periodic Review application must be approved within this interval to avoid expiration of the IRB approval and cessation of all research activities. All records relating to the research (including signed consent forms) must be retained and available for audit for at least three (3) years after the research has ended.

It is the responsibility of all investigators and research staff to promptly report to the Office of Research Compliance / IRB any serious, unexpected and related adverse and potential unanticipated problems involving risks to subjects or others.

This approval is issued under the Ohio University OHRP Federalwide Assurance #00000095. Please feel free to contact the Office of Research Compliance staff contact listed above with any questions or concerns.

## APPENDIX B: INTERVIEW QUESTIONS

My name is Senghuo LOEM. I am a graduate student at Ohio University pursuing the Master of Arts in International Studies, focusing in Southeast Asia. I am doing a thesis research on the topic “Migration and Labor Mobility in Post-Socialist Industrializing Cambodia”. Pertaining to my research methodology, interviews is the integral technique in gathering data and information related to the topic. Your participations are central to this research study in providing insightful detailed information to complement the macro-level data issued by the government and other related institutions. To abide by the research ethic, I hereby guarantee that all the information from the interviews will be kept confidentially and utilized for anything other than academic purpose. Your personal information and your companies will never be disclosed.

**I. Interview Questions for Sample 1 (Migrant workers with manufacturing jobs)**

1. Are you a local? If not, which province are you from?
2. What company are you working for? What kind of products does your company produce? How do you know about this job?
3. What is your position? How much is your salary and how much do you send home if you do?
4. Do you get any benefits besides the basic salary? Are you satisfied with the way the company treat you?
5. What are the challenges in your employment?
6. If you are a migrant, why do you choose to migrate to this province?
7. Besides moving here for job, what are the other reasons, if any?

8. Between working here and go abroad, where do you think you would get paid higher? (if the answer is abroad, question 9 will be asked, and skipped if the answer is local)
9. If cross-border jobs have higher wages, why do you not go abroad?
10. Do you know of any government policies or any private agencies that help Cambodian workers go abroad or? If yes, how do you know about them?
11. Are you going to stick with this job in the future or you have other plan?
12. Let's assume you have the opportunity to go abroad, will you accept it? And which country would you like to go to and why?

**II. Interview Questions for Sample 2 (Immigrant workers preparing to leave the country)**

1. Which province do you come from?
2. What is/was your previous occupation?
3. Which country are you applying for/going to work?
4. Why do you choose that country?
5. How much do you expect to earn there and do you think you can send home?
6. How do you know about this cross-border job information?
7. Does the government or private agency do anything to help you in facilitating your traveling document and getting this job? If yes, how?
8. What are the challenges you have so far for this cross-border job and you expect to have in the future?
9. Why do you not work here in Cambodia, and decide to go to foreign country?
10. Are you going to stick with this cross-border job? What is your future career plan?



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