

Fundamental Solutions to the Process of Labour Restructuring in Svay Rieng Province, Cambodia

MARDY SEREY*

*Svay Rieng University, Svay Rieng Province, Cambodia
Email: sereymardy@gmail.com*

NGUYEN PHUC THO

Vietnam National University of Agriculture, Hanoi, Vietnam

Received 7 October 2013 Accepted 21 July 2014 (*Corresponding Author)

Abstract This paper explores the current labour restructuring in Svay Rieng province which is basic for proposing main solutions to stipulate the process of labour restructuring of the study area. Results show that labour is the decisive factor in the organization and effective use of sources of capital, natural resources and technologies. If it is not based on the high development of physical labor, level of education, technical knowhow and management experience, it can lead to a waste of money or depletion and destruction of other resources. The province of Svay Rieng has the advantage of an abundant and young workforce. However, in recent years the use and promotion of the workforce for economic development has not really proved effective. One of the factors leading to this situation is that the province's labour restructuring is not identical with the provincial economic restructuring; therefore, Svay Rieng province should take measures to take actions that impacts on the processes of labour restructuring, marking contributions to the effective use of this workforce and the improvement of the province's socio-economic development.

Keywords labour restructuring, economic restructuring, human resources, socio-economic development, effective use of labour

INTRODUCTION

Svay Rieng province is located on Cambodia's south-eastern border with Vietnam. It's 125 km from Phnom Penh. In recent years, Svay Rieng province has made great achievements in its socio-economic development. The province's GDP has continuously increased over the past few years. In 2012, its GDP was valued at 5.080 billion riel, nearly 1.57% higher than in 2007, an average increase of 8.6% per year (Svay Rieng Administration, 2012). However, compared with the whole country, Svay Rieng remains a poor province as its GDP per capita is still low. This indicates that the use of existing resources including the labour force in the province is not really effective. At the present, Svay Rieng province has an abundant young workforce. In 2012, there were approximately 585,571 labourers throughout the whole province. Nevertheless, its current labour restructuring is still irrelevant in comparison with the economic restructuring, and this has caused negative effects to the processes of socio-economic development in recent years.

OBJECTIVES

The objectives of research are: 1) to identify the situation of labour restructuring in Svay Rieng province in recent years; 2) to determine the basic solutions to promote labour restructuring in Svay Rieng province.

METHODOLOGY

The research was done by using both all available secondary data from Provincial Department of Planning and Provincial Department of Agriculture and its related information with direct observation in the research area. This was in order to understand overall situation and propose fundamental solutions to the process of labour restructuring in Svay Rieng province.

RESULT AND DISCUSSION

Situation of Labour Restructuring in Svay Rieng Province in Recent Years

Economic restructuring is always associated with the processes of Labour restructuring. There is a young and abundant workforce in Svay Rieng province. In recent years, although the structure of labour has transformed more appropriately than before, the speed of labour restructuring has not kept pace with economic restructuring; and high efficiency in the process of economic development has not been achieved (comparing between Fig.1 and Fig.2).

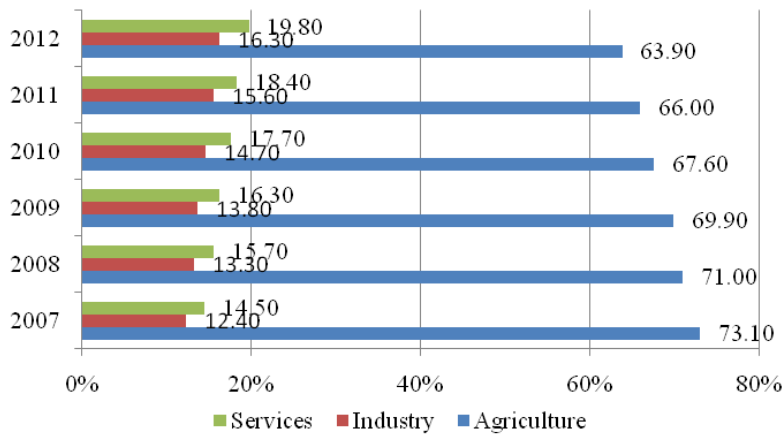


Fig. 1 Labor restructuring distributed in terms of sectors over the past years

Labour restructuring has shifted with an increase in the number of works employed in the sectors of service and industry. In 2012, by the economic growth rate, the service sector accounted for 19.8%, an average increase of 0.64% or 3,747 labourers per year, the sector of industry accounted for 16.3%, an average increase of 0.56% or 3,279 labourers per year, and the sector of agriculture accounted for 63.9%, an average decrease of 0.27% or 1,581 labourers per year (Svay Rieng Province, 2007-2012).



Fig. 2 Restructuring in economic sectors over the past years

Economic restructuring has shifted with an increase in the proportion of services and industry. In 2012, services accounted for 40% by the economic growth rate, an average decrease of 0.06% per year, industry accounted for 38.5%, an average increase of 0.23% per year and agriculture accounted for 21.5% an average decrease of 0.43% per year. It can be seen that the economic restructuring and labour restructuring of the province have shifted, with an increase in the scale and proportion, towards industry and services. However, the labour restructuring and economic restructuring is not identical; i.e, the structure of labour is ranged as follows: Agriculture - Services - Industry, but the economic structure is Industry - Services - Agriculture. In 2012, agriculture productivity in Svay Rieng was valued at 6,080 million riel (at the comparative price and this was also the sector that had the lowest productivity); however; 61.2% of the workers were employed in this sector and its scale increased due to the effects of population size. This resulted in a shortage of workforce in industry and services, but a surplus of labour in agriculture. In this way, disproportionate factors between labour restructuring and economic restructuring have affected the socio-economic development of Svay Rieng province over the past few years. The main reason for this disproportion is that:

- The majority of Svay Rieng's labourers live in the countryside so that they are influenced by rural ways of living and working with agriculture styles; hence, their adaptability and working manners in new environment is restricted. The province's labourers have low educational and professional levels, so they face difficulties in production when employed in the industrial sectors that require high professional and technological levels.

- The use of labour in economic sectors is not really effective. Even though industry and services have created more jobs and attracted more workers than before, the labourers employed in these sectors are largely in the form of unskilled workers, and small traders. Consequently, there is low labour productivity. Svay Rieng's agriculture is still in rural practices and it has a large number of labourers. For this reason, there are still excessive labourers and low efficiency in production.

Basic Solutions to the Promotion of Labour Restructuring in Svay Rieng Province

The Public Investment Program, 3-year-rolling 2013-2015, of Svay Rieng province has brought towards the target for 2015, labour restructuring will consist of more than 48% industry and services and less than 20% agriculture (Provincial Department of Agriculture, 2012). To implement that goal, the sectors of industry and services must improve, attract and use more workforce than ever before, accelerating industrialization and modernization. For this reason, agricultural productivity can be improved and the number of labourers can be reduced in this rural area.

Efficient Use and Attraction of Labour in Industry and Services

Rapid development of industries leading to job creation and efficient use of labour: Most of the industrial production in Svay Rieng province is currently focusing on product processing, which is considered to be a low-value sector. While the materials and inputs generate, the greatest value are mainly imported from abroad. In recent years, those factors have been undergone large fluctuations; therefore, Svay Rieng's Industries have low value and stability. This significantly influences the labourer income and productivity in this economic sector. In the future, Svay Rieng province should focus on:

- Developing additional key industries and create more jobs for workers; the current key industries in the province include automobile assembling and manufacturing of windshield glass but these industries have not met the requirements of the development of industrial production in Svay Rieng province. The province should use investment capital for key projects in proportion to the developmental trends of an industrial province. The concrete manufacturing sectors includes textile industry, manufacturing of machinery for agriculture, industry and services and production of high-quality tiles and construction materials. These projects can generate "kernels" to attract investment as they will create advantages for investors to invest in the projects that province inputs for the "kernel" projects or the projects that use the outputs of those project. As a result, investment