

Poverty in Cambodia

KC & THE BOYS (3)

Wanan Chaisuresri 5904640157

Photmaetha Jamfah 5904641825

Apimuk Chanpiriyaporn 5904641320

Christy Tak 6104930422

Katelynn Yates 6104930430

Pat Pattaraprapanan 6004640493



Research Question

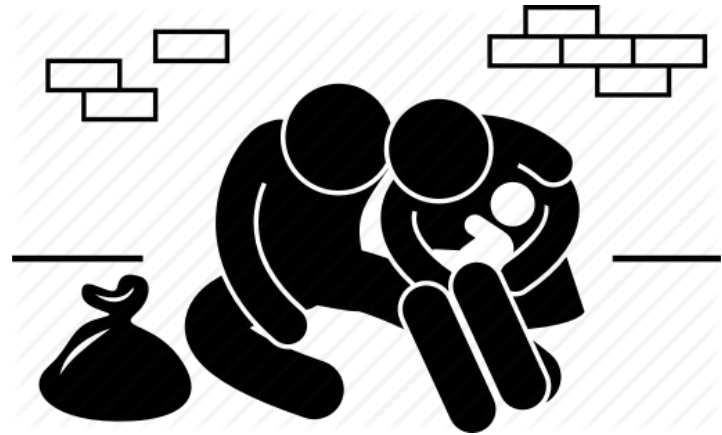
WHAT IS THE CURRENT
POVERTY SITUATION IN
CAMBODIA ?

WHAT ARE THE BEST WAYS TO
IMPROVE THE SITUATION?



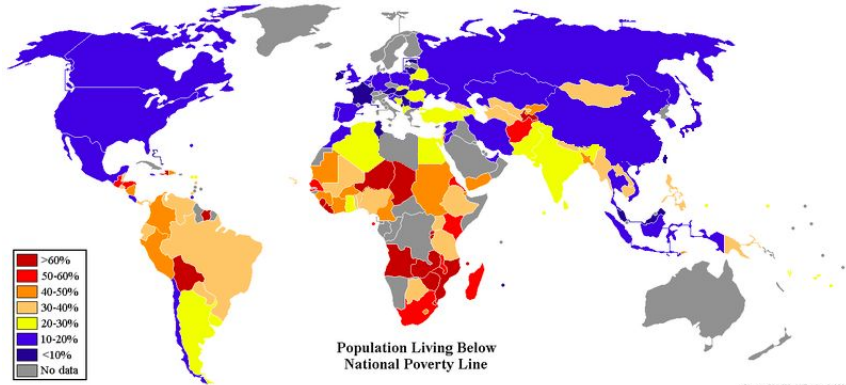
Defining Poverty

- Poverty is multidimensional
- When measuring and evaluating poverty levels, there are two kinds of poverty that can be taken into account
 - Absolute Poverty
 - Relative Poverty



ABSOLUTE POVERTY

“Survival”



A fixed, global standard that represents when household incomes are below a certain level, which make it impossible for a person or family to meet the basic necessities of life. This standard is set by the World Bank at \$1.90 USD.

RELATIVE POVERTY

“Exclusion”

A changeable kind of poverty that depends on the country's income and economic growth. It is in regards to when households receive ~50% less than average household incomes and are able to afford the necessities, but are excluded from society when it comes to a decent standard of living.

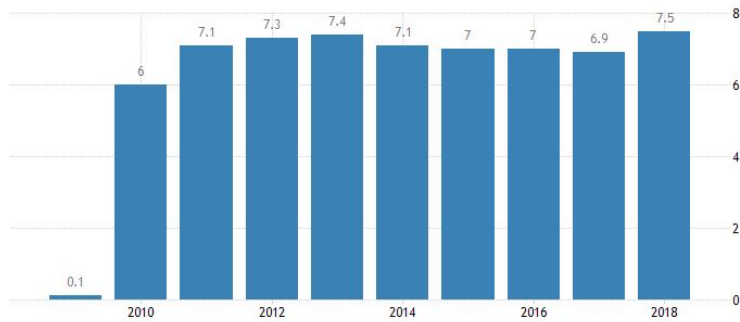
Why Did We Choose Poverty ?

- Poverty is still major concern in Cambodia.
- Issues like hunger, illness and thirst are both causes and effects of poverty.
- Poverty is constraint that prevent the country from development in many aspects such as, poor education, no access to job, and lack of reserve.



Then, Why Did We Choose Cambodia?

- Consistent high growth rate, yet still one of the poorest countries in the world
- Ranked 85/113 countries in global food security index
 - 2nd worst out of ASEAN countries
- Riel is the 10th weakest currency



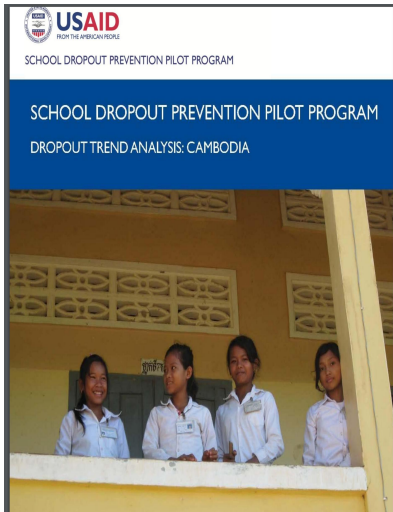
SOURCE: TRADINGECONOMICS.COM | NATIONAL INSTITUTE OF STATISTICS OF CAMBODIA

GLOBAL FOOD SECURITY INDEX 2018					
THE RANKINGS OF SOUTHEAST ASIAN COUNTRIES					
Global Rank	Regional Rank	Country	Overall Score	Affordability	Quality & Safety
1	1	Singapore	85.9	94.3	78.1
40	6	Malaysia	68.1	71.4	70.5
54	8	Thailand	58.9	64.5	56.6
62	11	Vietnam	56	58.9	54.2
65	12	Indonesia	54.8	55.2	44.5
70	14	Philippines	51.5	46.3	52.9
82	20	Myanmar	45.7	37	51.7
85	21	Cambodia	42.3	39.4	34.5
95	23	Laos	38.3	32.9	33.1

Source: The Economist Intelligence Unit



Literature Review: What Research Has Been Done?



World Academy of Science, Engineering and Technology
International Journal of Humanities and Social Sciences
Vol:7, No:8, 2013

Poverty: Its Causes and Solutions

Alex Hou Hong Ng, Abdul Ghani Farinda, Fock Kui Kan, Ai Ling Lim, Teo Ming Ting

Abstract—Poverty is a multi-facet phenomenon in today's globalised world. It is rooted in various causes and there are also multiple ways to do away with it. This paper begins with a review on the definitions and measurement of poverty and followed by discussing the various causes of poverty. This paper specifically identifies corruption, education, political instability, geographical characteristics, ineffective local governance and government policies as the causes of poverty. It then suggests possible solutions or recommendations to eradicate poverty based on the causes discussed earlier. Some of the suggestions include strengthening democratic transparency and government budget transparency, public awareness, creation of a framework for economic growth and transformation, and ways to increase the ability of the poor to raise their income.

Keywords—Economic Policy, Government Policy, Poverty Eradication, Sustainable Development.

find it more difficult to reduce poverty.

In the year 2000, 189 nations made a pledge to reduce extreme or absolute poverty and also to lessen the various deprivations that poor people face every day [3]. The Millennium Development Goals (MDGs) was set up by the UN based on this pledge. The goal is to free people from extreme poverty situations by 2015. In 2010, UN once again reaffirm itself to make fast progress towards the goals. The first MDG goal is to eradicate extreme poverty and hunger [4]. The three main targets of MDG1 refer to the population between the year 1990 to 2015. Its targets are to halve the proportion of people whose income is less than \$1 a day, to achieve full and productive employment and decent work for all, inclusive of women and young people and to halve the proportion of people who suffer from hunger [4], [5].

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY: CAMBODIA

Country:	Cambodia	Project Title:	Greater Mekong Subregion Health Security Project
Lending/Financing Modality:	Project	Department/Division:	Southeast Asia Department Human and Social Development Division

I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

Poverty targeting; targeted poverty intervention – SDG 3

A. Links to the National Poverty Reduction and Inclusive Growth Strategy and Country Partnership Strategy
The Rectangular Strategy for Growth, Employment, Equity and Efficiency: Phase III of the Government of Cambodia, implemented during the fifth legislature, 2013–2018, reaffirms the government's strong commitment to sustainable development and poverty reduction.¹ The RSIII aims to promote economic growth, create jobs, distribute the fruits of growth equally, and ensure effective public institutions and resource management. The government's earlier focus on agriculture, infrastructure, private sector development, and employment is shifting towards human resource development. The government will implement the RSIII through the National Strategic Development Plan 2014–2018, with a national target of reducing poverty by 1% per year.² While there is no explicit poverty reduction strategy, two multisector strategies have poverty reduction at their core: the 2011 National Social Protection Strategy for the Poor and Vulnerable, and the 2014 National Strategy for Food Security and Nutrition.³ ADB's country partnership strategy, 2014–2018 for Cambodia aims to support the government's RSIII to reduce poverty and vulnerability based on three strategic areas and five sectors.⁴ The project activities align with national strategies and country partnership strategy and are expected to contribute to poverty reduction goals. The project aims to (i) improve regional cooperation and communicable disease control in border areas, (ii) strengthen national disease surveillance and outbreak response systems, and (iii) improve laboratory services and hospital infection prevention and control. These outputs especially target vulnerable migrant populations as well as the poor.

DOES ECONOMIC GROWTH REDUCE POVERTY?

ABSTRACT

The study examines the question of whether economic growth tends to reduce poverty, where poverty is measured by the incomes of the poorest 20% and 40% of a population. Using the most recent data available, the paper shows that an increase in the rate of GDP growth translates into a direct one-for-one increase in the rate of growth of average incomes of the poorest 40%. **GDP growth of ten percent per year is associated with income growth of ten percent for the poorest 40% of the population. For the poorest 20% the elasticity of response is 0.921; GDP growth of 10% is associated with income growth of 9.21%.** These results give strong support to the proposition that growth in per capita GDP can be and usually is a powerful force in reducing poverty.

In addition, the paper indicates that sound macroeconomic policies and openness to the world economy may be important in reducing poverty. These policies operate mainly through the effect on economic growth: countries with better macroeconomic policies grow faster, and this growth alleviates poverty.

METHODOLOGY

- Research about the current poverty situation in Cambodia
 - What policies are already set in place to help reduce poverty?
- Absolute poverty
 - Indicators: headcount index (2003-2012), food security, access to clean water, access to shelter
- Relative poverty
 - Indicators: education, cost of living, health (infant mortality rate, life expectancy, maternal healthcare, vaccinations)
- We will look at these factors from recent years and analyze the trends (increasing, decreasing?)
- Then we will propose possible solutions based on the data we find

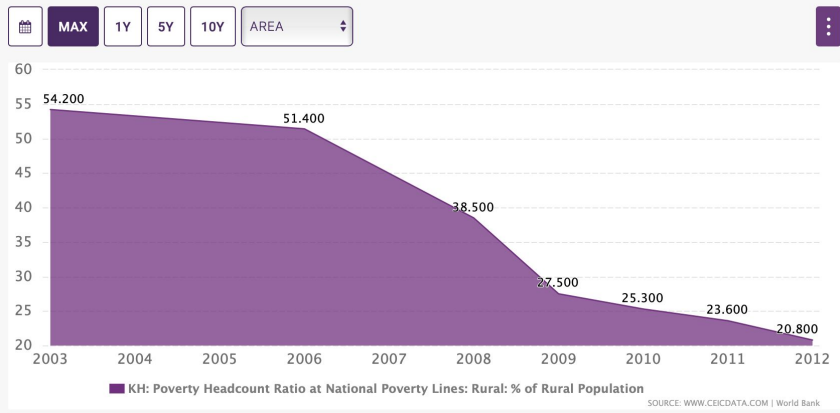
Indicators of Absolute Poverty

Headcount Index

What was Cambodia's KH: Poverty Headcount Ratio at National Poverty Lines: Rural: % of Rural Population in 2012?

Last	Previous	Min	Max	Unit	Frequency	Range
▼ 20.800 2012	▼ 23.600 2011	20.800 2012	54.200 2003	%	Yearly	2003 - 2012 Updated on 19 Apr 2018

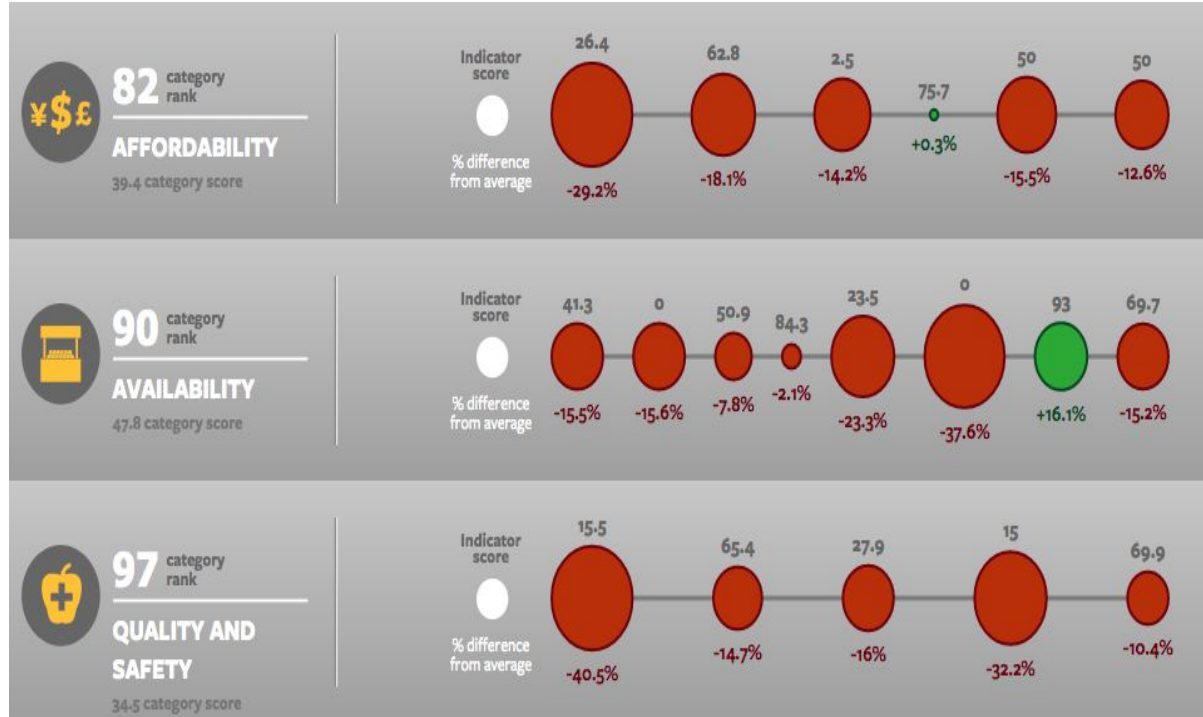
View Cambodia's KH: Poverty Headcount Ratio at National Poverty Lines: Rural: % of Rural Population from 2003 to 2012 in the chart:



It calculated by taking the total number of people in a country who fall below a predetermined income level and dividing this figure by the total population. In other words, It is simply the percentage of the population that falls below the official poverty line. Poverty Headcount Ratio at National Poverty Lines: Rural: % of Rural Population data was reported at 20.800 % in Dec 2012. This records a decrease from the previous number of 23.600 % for Dec 2011.

Food Security

- Global food security index created by The Economist Intelligence Unit
- Included 113 countries
- Three categories:
 - Affordability
 - Availability
 - Quality and safety
- As of October 2018, rank 85 globally, 9th in ASEAN



Access To Clean Water



4 M

people lack access to safe water

6 M

people lack access to improved sanitation



Bad sanitation, for example, makes it easier to spread around a diseases, lack of clean water make people more vulnerable to the diseases

Approximately 4 million people out of the total population in Cambodia lack access to safe water, and 6 million lack access to improved sanitation. With approximately 80 percent of Cambodians living in rural areas, poor access to safe water and sanitation disproportionately affects its rural communities.

Shelter



- **Habitat for humanity**
 - Many Cambodian families are hovering just above the poverty line of the US \$1.25 a day.
 - $\frac{3}{4}$ of the population still live on less than US \$3 a days
- **Housing needs**
 - The estimated at least 10 million of cambodians are in need of decent housing.

Indicators of Relative Poverty

Multidimensional Poverty Index

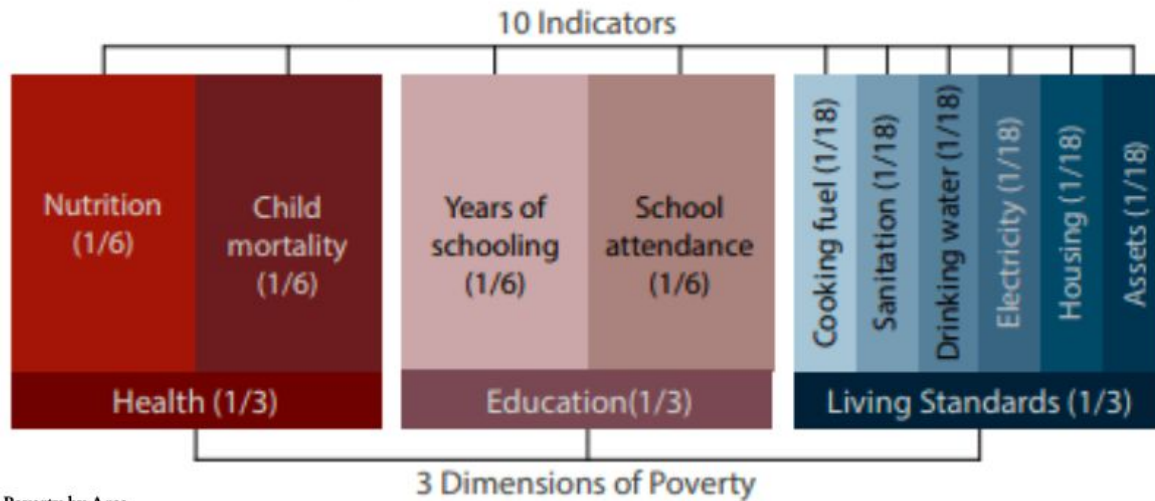
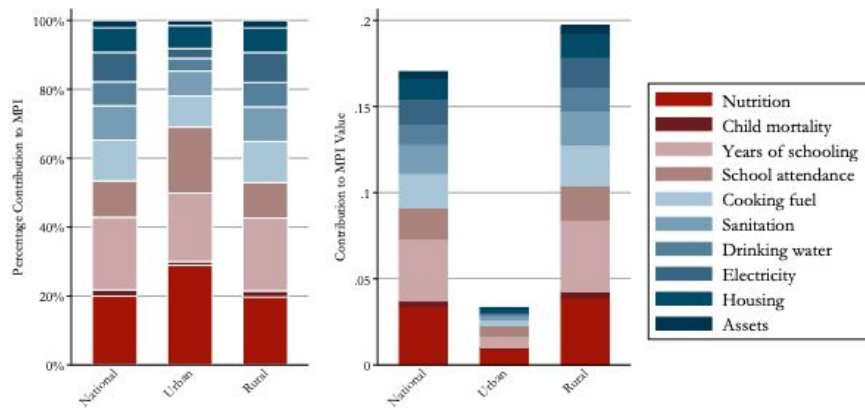
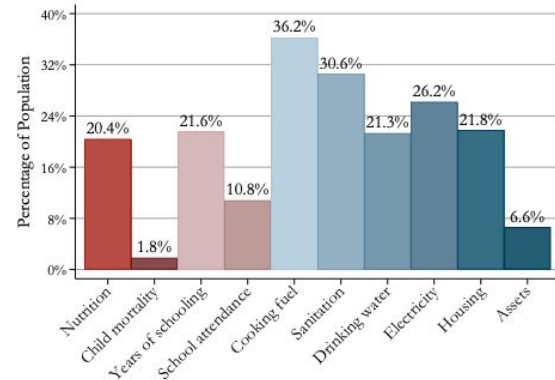


Figure 8. Indicator Contribution to Overall Poverty by Area



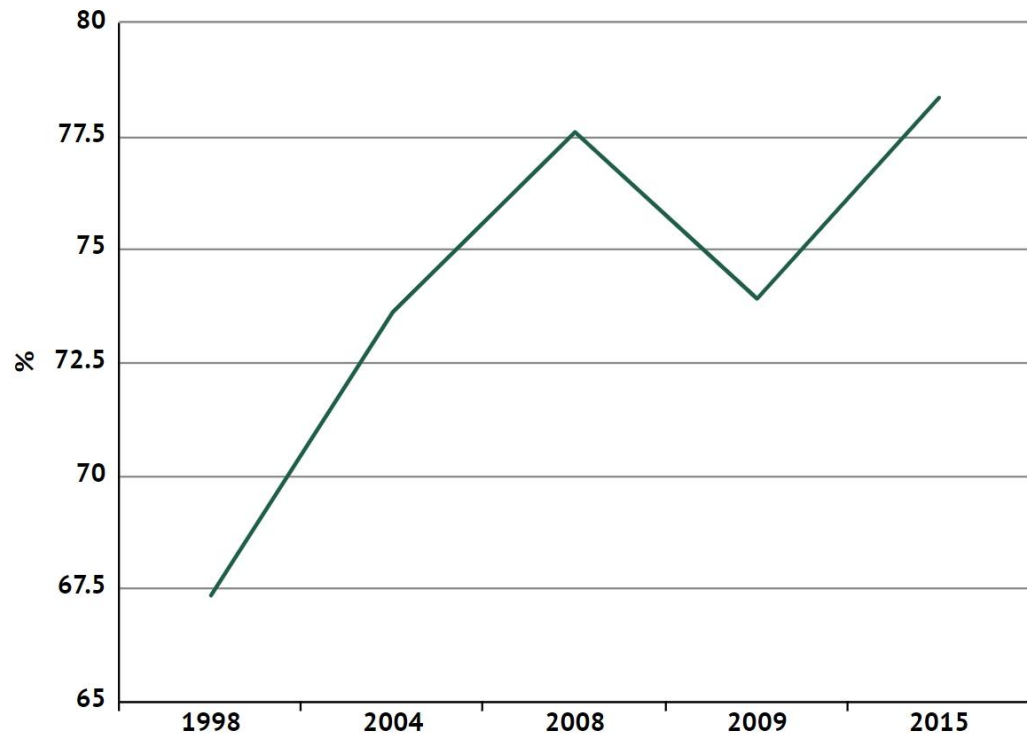
Notes: Source: DHS year 2014, own calculations.

Figure 6. Censored Headcount Ratios



Source: Oxford Poverty & Human Development Initiative (OPHI)

Education : Literacy Rate



Source: [Education Statistics](#)

DATE	VALUE	CHANGE, %
2015	78.3	6.02 %
2009	73.9	-4.75 %
2008	77.6	5.40 %
2004	73.6	9.32 %
1998	67.3	

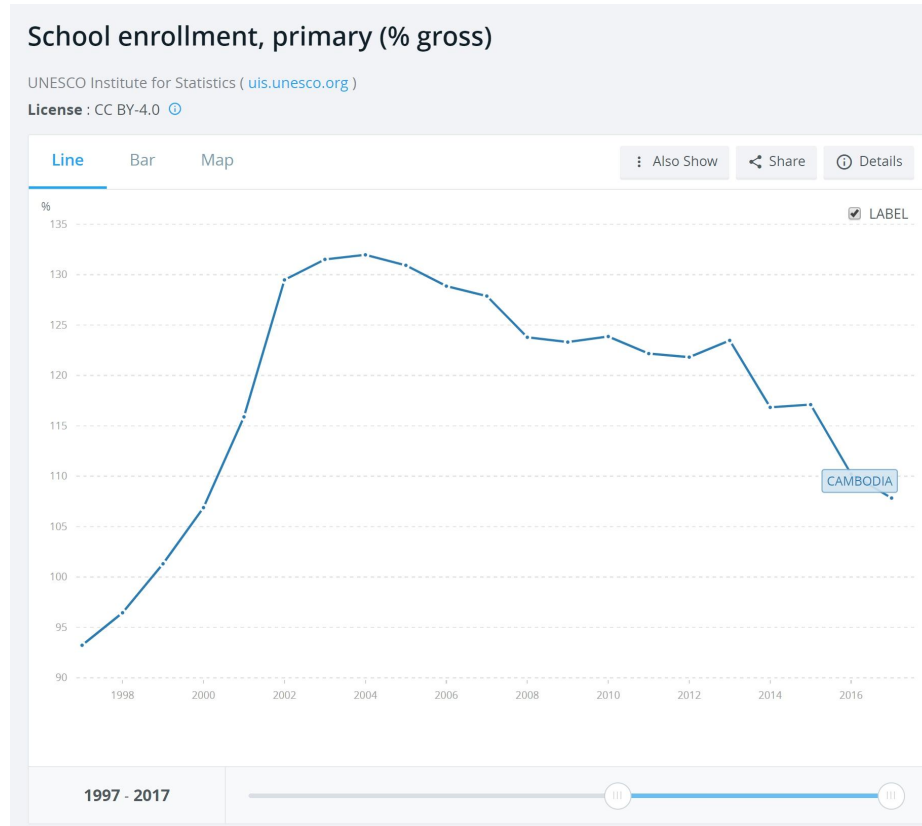
78.3

(%)

in 2015

Of the population

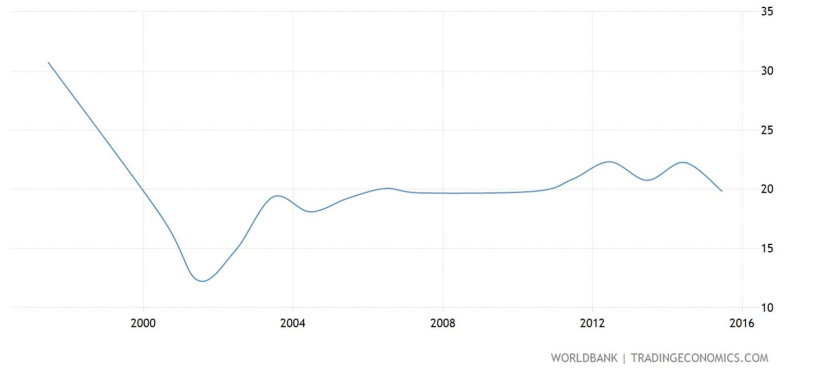
Education : Enrollment Rate % of eligible children



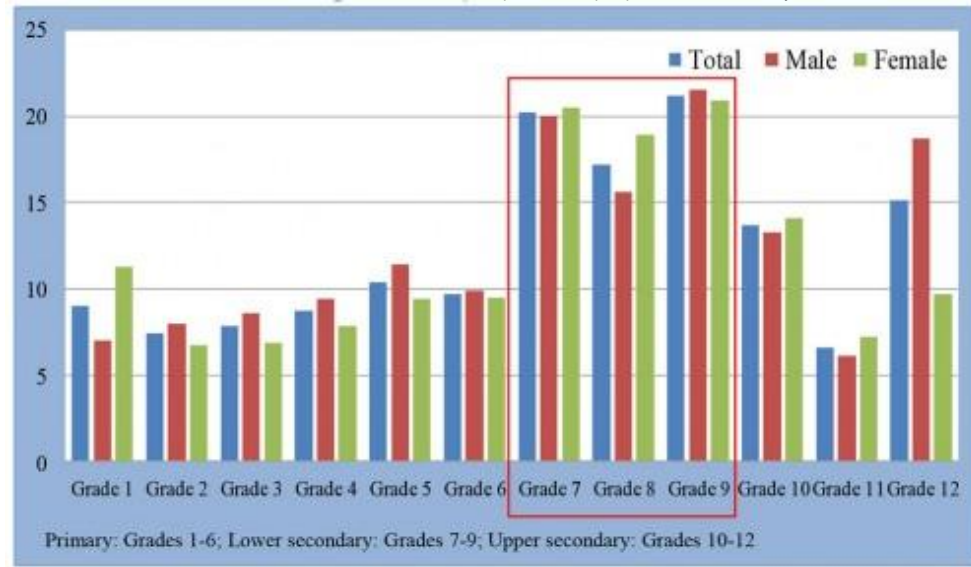
<https://data.worldbank.org/indicator/SE.PRM.ENRR?end=2017&locations=KH&start=1997>

Drop-out rate from Grade 1 of lower secondary general education

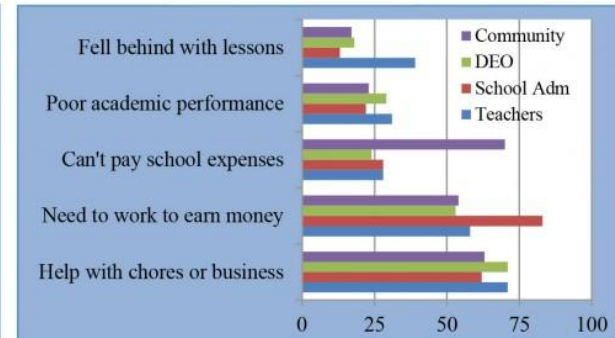
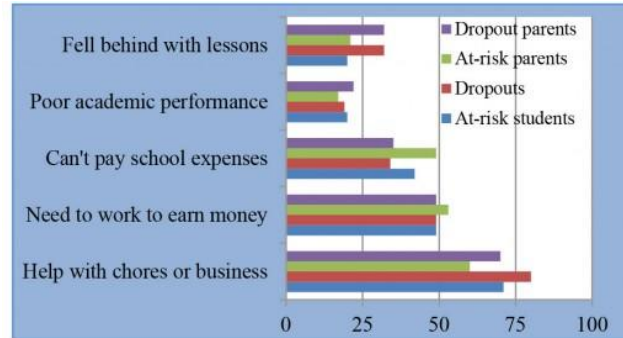
Historical Data API



<http://schooldropoutprevention.com/country-data-activities/cambodia/>

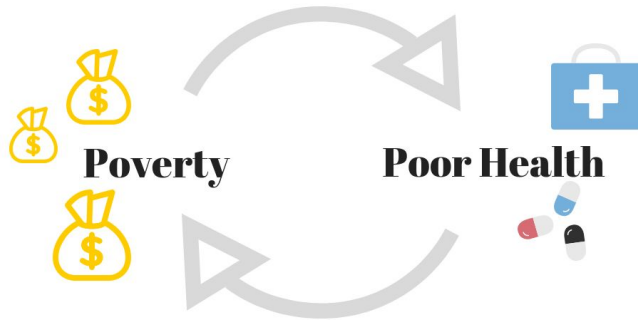


Dropout Rate by Grade: 2009/10 in %



Education : Drop-Out Rate

Health: Care & Well-Being

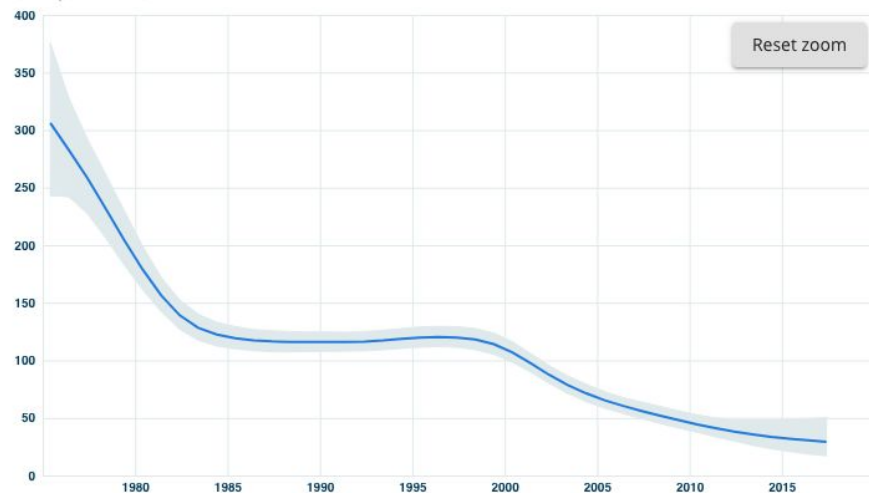


- Poverty and poor health are inextricably linked.
- Poverty is a major cause of poor health and a barrier to accessing health care when needed, while poor health is also a major cause of poverty.

UNDER-5 MORTALITY RATE - TOTAL

CHART ESTIMATES SOURCE DATA

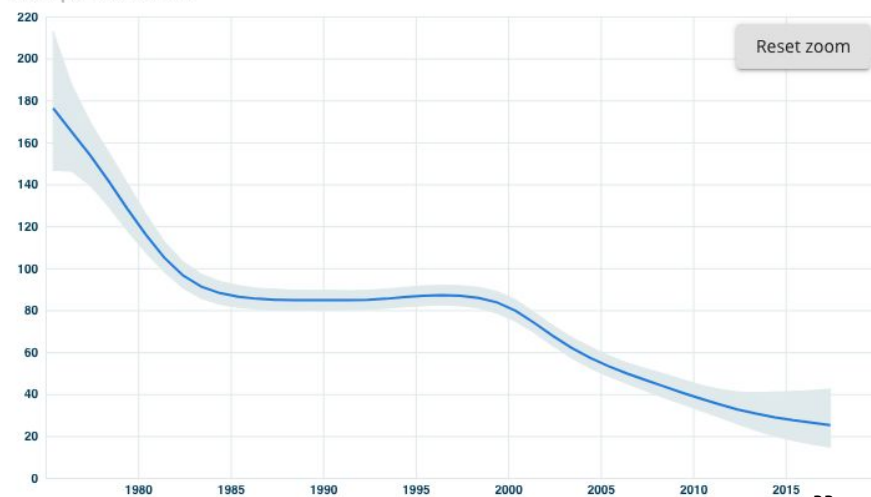
Deaths per 1000 live births



INFANT MORTALITY RATE - TOTAL

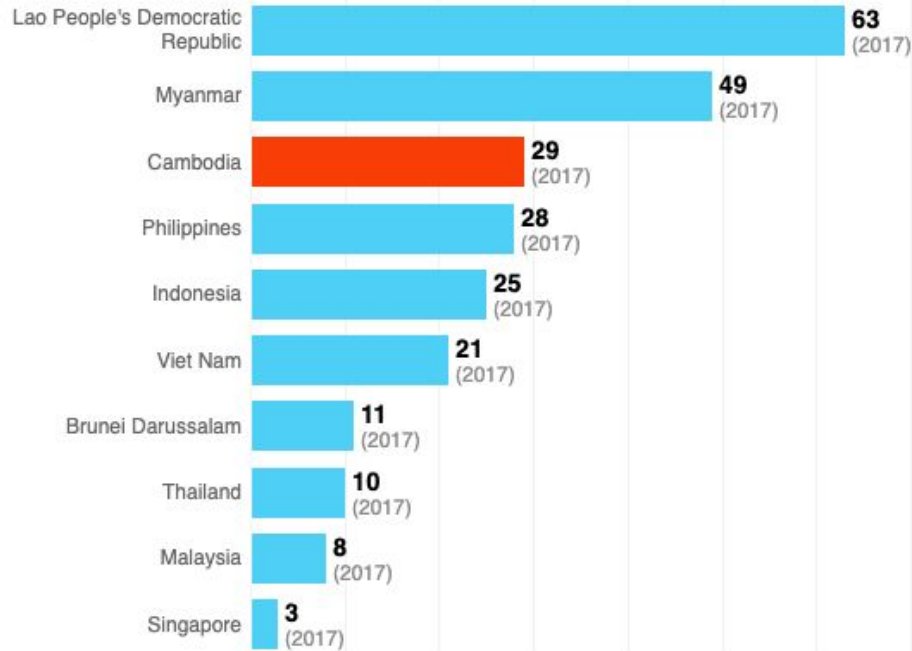
CHART ESTIMATES SOURCE DATA

Deaths per 1000 live births



Mortality Rates

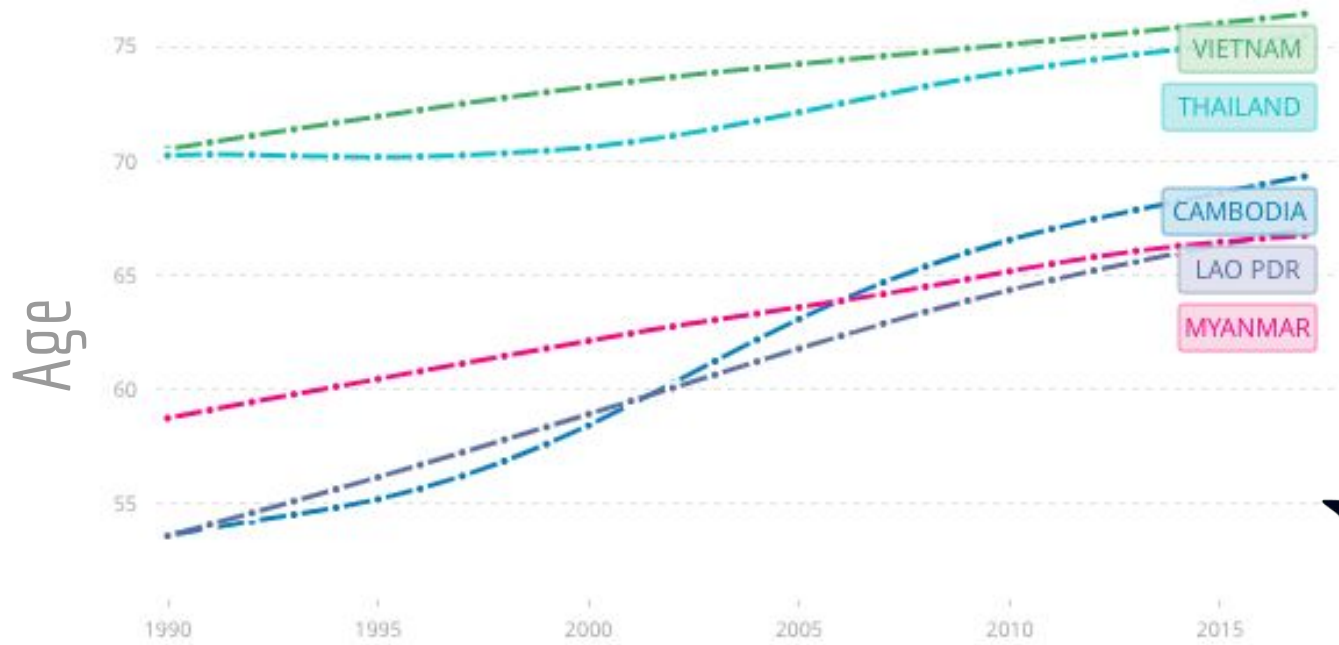
Under-5 Mortality Rate (deaths per 1,000 live births)



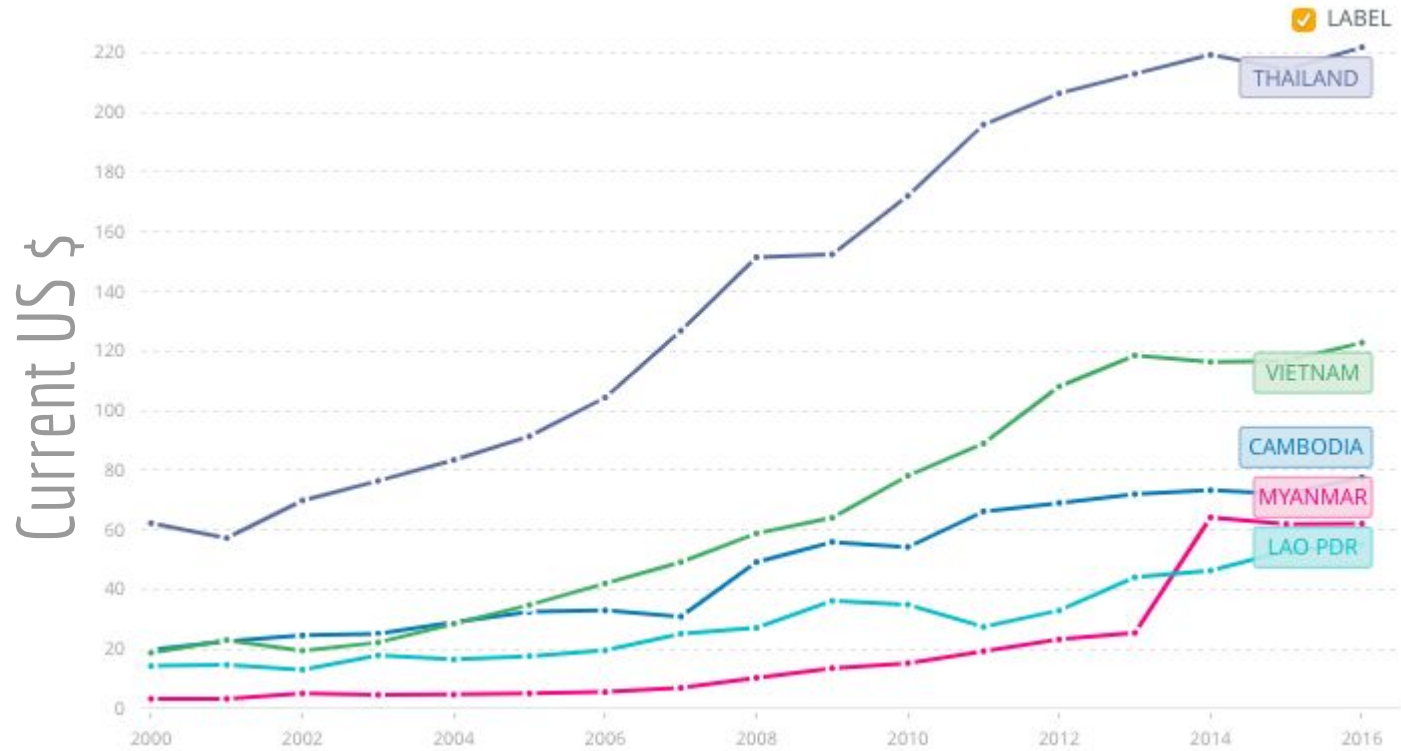
Source: Asian Development Bank. *Basic Statistics 2019*



For Reference...



Life Expectancy at Birth, total (years)



Current Health Expenditure Per Capita

Cost of Living



Quality of Life Index

Purchasing Power Index	11.87	Very Low
Safety Index	48.20	Moderate
Health Care Index	48.07	Moderate
Climate Index	59.43	Moderate
Cost of Living Index	47.92	Low
Property Price to Income Ratio	45.69	Very High
Traffic Commute Time Index	28.42	Low
Pollution Index	80.51	Very High

f Quality of Life Index: 49.52 **Very Low**

Minimum contributors for an underlying section: 16

Maximum contributors for an underlying section: 172

Last update: July 2019

Our data for each country are based on all entries from all cities in that country.

Search:

Rank	Country	Cost of Living Index	Rent Index	Cost of Living Plus Rent Index	Groceries Index	Restaurant Price Index	Local Purchasing Power Index
1	Singapore	80.23	61.99	71.51	68.28	55.41	88.84
2	Thailand	49.86	17.13	34.21	50.08	24.83	39.87
3	Myanmar	48.06	22.96	36.06	52.60	22.19	12.68
4	Cambodia	47.82	15.13	32.19	43.90	25.43	11.79
5	Brunei	44.33	23.29	34.27	37.70	35.08	94.26
6	Malaysia	39.46	10.65	25.68	38.60	22.97	70.35
7	Vietnam	38.17	13.34	26.30	36.97	19.98	30.22
8	Philippines	36.97	8.66	23.44	33.22	20.86	27.21
9	Indonesia	36.86	9.01	23.54	37.48	18.18	31.01

Showing 1 to 9 of 9 entries

Purchasing Power Index

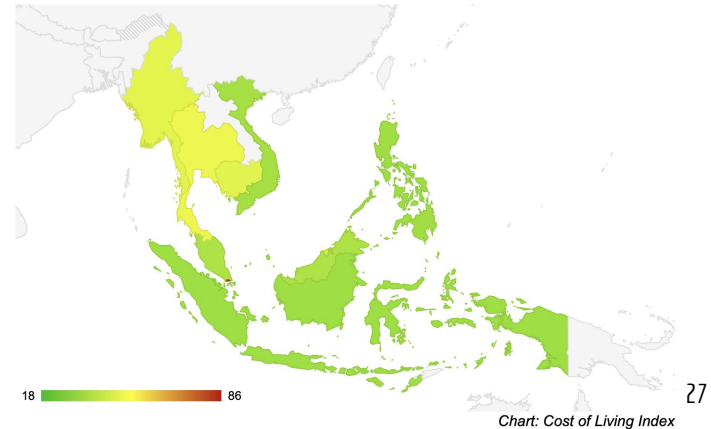


Chart: Cost of Living Index

Restaurants	[Edit]	Range
Meal, Inexpensive Restaurant	3.50 \$	2.00 5.00
Meal for 2 People, Mid-range Restaurant, Three-course	20.00 \$	15.00 32.00
McMeal at McDonalds (or Equivalent Combo Meal)	5.00 \$	4.00 7.00
Domestic Beer (0.5 liter draught)	1.00 \$	0.50 1.00
Imported Beer (0.33 liter bottle)	2.00 \$	1.25 2.50
Cappuccino (regular)	2.02 \$	1.25 3.00
Coke/Pepsi (0.33 liter bottle)	0.75 \$	0.50 1.00
Water (0.33 liter bottle)	0.45 \$	0.25 1.00

Markets	[Edit]	Range
Milk (regular), (1 liter)	2.13 \$	1.50 2.50
Loaf of Fresh White Bread (500g)	1.39 \$	0.78 2.00
Rice (white), (1kg)	0.92 \$	0.60 2.00
Eggs (regular) (12)	1.55 \$	1.25 2.00
Local Cheese (1kg)	15.80 \$	12.00 20.00
Chicken Breasts (Boneless, Skinless), (1kg)	3.87 \$	2.50 5.00
Beef Round (1kg) (or Equivalent Back Leg Red Meat)	8.31 \$	5.00 10.00
Apples (1kg)	3.31 \$	2.00 5.50
Banana (1kg)	1.24 \$	0.50 2.00
Oranges (1kg)	2.35 \$	2.00 4.00
Tomato (1kg)	1.31 \$	1.00 2.00
Potato (1kg)	1.08 \$	1.00 1.50
Onion (1kg)	0.96 \$	0.50 1.65
Lettuce (1 head)	1.18 \$	0.50 2.00
Water (1.5 liter bottle)	0.61 \$	0.50 1.00
Bottle of Wine (Mid-Range)	10.00 \$	8.00 12.00
Domestic Beer (0.5 liter bottle)	0.69 \$	0.33 1.00
Imported Beer (0.33 liter bottle)	1.55 \$	1.00 2.00
Cigarettes 20 Pack (Marlboro)	1.38 \$	1.00 1.50

Transportation	[Edit]	Range
One-way Ticket (Local Transport)	2.00 \$	1.00 2.00
Monthly Pass (Regular Price)	27.50 \$	22.50 50.00
Taxi Start (Normal Tariff)	1.00 \$	0.75 1.00
Taxi 1km (Normal Tariff)	0.75 \$	0.50 1.25
Taxi 1hour Waiting (Normal Tariff)	3.00 \$	1.25 5.00
Gasoline (1 liter)	0.98 \$	0.85 1.02
Volkswagen Golf 1.4 90 KW Trendline (Or Equivalent New Car)	50,000.00 \$	48,000.00 55,000.00
Toyota Corolla 1.6i 97kW Comfort (Or Equivalent New Car)	41,800.00 \$	25,000.00 58,000.00

Utilities (Monthly)	[Edit]	Range
Basic (Electricity, Heating, Cooling, Water, Garbage) for 85m2 Apartment	86.41 \$	50.00 130.00
1 min. of Prepaid Mobile Tariff Local (No Discounts or Plans)	0.06 \$	0.03 0.10
Internet (60 Mbps or More, Unlimited Data, Cable/ADSL)	31.93 \$	15.00 50.00

Sports And Leisure	[Edit]	Range
Fitness Club, Monthly Fee for 1 Adult	45.21 \$	25.00 70.00
Tennis Court Rent (1 Hour on Weekend)	9.17 \$	0.00 20.00
Cinema, International Release, 1 Seat	5.00 \$	3.50 7.00

Childcare	[Edit]	Range
Preschool (or Kindergarten), Full Day, Private, Monthly for 1 Child	289.36 \$	100.00 500.00
International Primary School, Yearly for 1 Child	11,023.08 \$	3,360.00 20,000.00

Clothing And Shoes	[Edit]	Range
1 Pair of Jeans (Levis 501 Or Similar)	25.83 \$	10.00 40.00
1 Summer Dress in a Chain Store (Zara, H&M, ...)	24.52 \$	12.00 40.00
1 Pair of Nike Running Shoes (Mid-Range)	60.61 \$	40.00 130.00
1 Pair of Men Leather Business Shoes	41.78 \$	25.00 60.00

Rent Per Month	[Edit]	Range
Apartment (1 bedroom) in City Centre	405.40 \$	250.00 650.00
Apartment (1 bedroom) Outside of Centre	263.75 \$	150.00 448.21
Apartment (3 bedrooms) in City Centre	973.05 \$	500.00 2,000.00
Apartment (3 bedrooms) Outside of Centre	608.33 \$	350.00 1,200.00

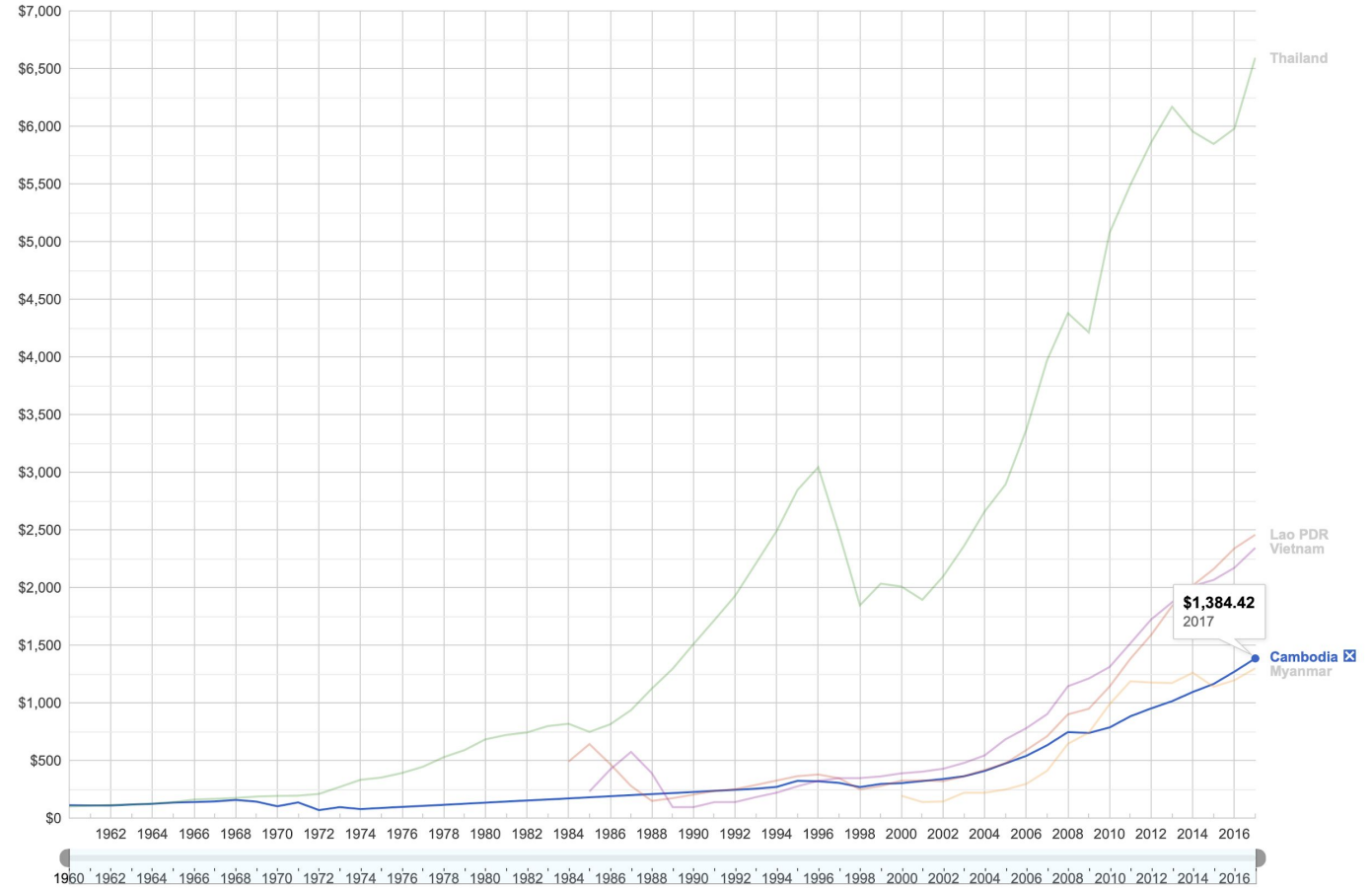
Buy Apartment Price	[Edit]	Range
Price per Square Meter to Buy Apartment in City Centre	2,170.00 \$	1,200.00 3,000.00
Price per Square Meter to Buy Apartment Outside of Centre	1,121.11 \$	800.00 1,800.00

Salaries And Financing	[Edit]	Range
Average Monthly Net Salary (After Tax)	180.08 \$	
Mortgage Interest Rate in Percentages (%), Yearly, for 20 Years Fixed-Rate	9.75	7.00 12.00

Prices in Cambodia
 These data are based on 1742 entries in the past 18 months from 172 different contributors.
 Last update: July 2019
 Our data for each country are based on all entries from all cities in that country.

Economic Growth of Cambodia

GDP per capita (current US\$) ?



Data from World Bank Last updated: Jul 6, 2018

GDP per
Capita (PPP)

What Are Our Next Steps?

- We will look at the data for each indicator individually and see general trends
 - For example: has the headcount index been decreasing or increasing within the past 10 years?
- Then we will look at the policies already set in place to combat poverty in Cambodia (both nationally and internationally)
- Look at other countries that have worked through the similar issues that Cambodia is facing
- Propose policies/reforms to alleviate poverty

Thank You

Any questions?