



## Snapshot: Changes in Voters' Socio-Economic Status May 2017

**Introduction:** This snapshot provides an overview of socio-economic changes in Cambodia that may be affecting voting habits. It is specifically focused on changes in employment and consumption patterns and uses socio-economic changes as indicators of social change. To conclude, the snapshot makes the argument that politicians should embrace the reality of this social change and start addressing real political issues that correspond to the need of people.

**Changes in the Socio-Economic Status:** Cambodia's rapid economic growth over the past few years,<sup>i</sup> driven primarily by significant development in the construction, garment and service sectors,<sup>ii</sup> has also seen a significant move of employment from the agricultural sector into the industrial and service sectors. This mobility is best reflected in a shrinking percentage of employment in agriculture, from 57.8% of the total employed population in 2009 to 41.5% in 2015, while the industrial sector has experienced an increase in share of employment, from about 16% of the total employed population in 2009 to 25% in 2015, and the service sector an increase from 26% of total employed population to 33% over the same time period.<sup>iii</sup>

Moreover, these significant changes in employment patterns are likely to have had causal effects on household disposable income. By 2015, household disposable income had increased by about 85% from 2011, and the main source of household income was salary and wage income.<sup>iv</sup>

Furthermore, there has been a noticeable trend of an increasing number of material goods owned by households, such as mobile phones, televisions and motorcycles. For instance, in 2009, only 44% of total households owned a cellphone, while in 2015 that percentage had increased to 77%. Similarly, in 2009, 49% of total households claimed to own a motorcycle, while in 2015 that percentage had risen to 71%.<sup>v</sup> This increasing number of owned material goods might reflect the difference in the impact of income on people's consumption patterns between the past and the present. For instance, in 1990, people would give priority to basic needs and made sure they would have enough food for their families, while current purchase patterns seem to reflect an increasing wealth in the country, as reflected by the increase in ownership of material goods.<sup>vi</sup>

The changing consumption behaviors illustrated above may also be connected to behavioral change in the ways people borrow money. Traditionally, the main source of loans taken was the extended family. Now, people are shifting away from their traditional ways of relying on loans from relatives towards formal lending systems: in 2009, 20.8% of the loans taken came from

relatives, with that number decreasing to 10.9% in 2014. People now increasingly turning to borrowing from banks or microfinance institutions: over the same period of time, loans from banks increased from 20.8% of total loans to 48.8%.<sup>vii</sup>

**Reforms and voters' expectation:** The result of the 2013 national elections was a wake-up call for the ruling party, the Cambodian People's Party (CPP), which lost 22 seats in the 5th legislature of the National Assembly.<sup>viii</sup> Though a small number of potential reformers have been placed into some government bodies, seemingly in order to win the trust and support of voters,<sup>ix</sup> it seems that expectations on the part of the electorate for more tangible reforms and for better performance by the government, for instance related to public service delivery, have continued to increase. This demand has been identified through a public survey conducted in 2015 that looked at how people made the choice to vote for the incumbent party in the commune and national elections; the survey revealed that people chose a political party based on factors including the achievements of the party on strengthening the economy and improving the infrastructure and rule of law in Cambodia society.<sup>x</sup>

In addition, given the three major trends identified above – first, the workforce shifting from the agricultural sector to paid employment within the industrial and service sectors; second, household incomes increasing; and third, Cambodians increasingly relying on formal lending systems, such as microfinance institutions, instead of relying on their family – people are now increasingly relating their needs to the political program, which is evident by a willingness to vote for parties that prioritize economics and infrastructure in their communities.<sup>xi</sup>

**Conclusion:** Cambodian society is changing and people are, now more than ever, aspiring to live a material life, and one strategy for doing this is reflected in this new reliance on formal banking institutions. We believe that these trends will eventually lead to an increased interest in the policies of political parties<sup>xii</sup>, especially if political programs are perceived to affect the private economy. For instance, recent research has indicated that the tradition of gift-giving, perceived as a way to buy votes, seems to be counter-productive,<sup>xiii</sup> because people nowadays evaluate a political party based on their families' current economic status.<sup>xiv</sup> Therefore, it is important for politicians to take into consideration these social changes and to design genuine political programs and policies that reflect the needs of citizens, such as, for example, by taking into consideration the changes in economic activities adopted by the electorate.

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<sup>i</sup> Asian Development Bank (ADB), "Cambodia: Economy". Accessed on 19 February 2017, <http://bit.ly/2mIYAKy>.

<sup>ii</sup> World Bank Group. 2016. "Enhancing Export Competitiveness: The Key to Cambodia's Future Economic Success", Cambodia Economic Update.

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<sup>iii</sup> Please note that this Snapshot uses data from both the 2014 and 2015 reports of the Cambodia Socio-Economic Survey (CES) of the National Institute of Statistics (NIS) because the data on employed population in 2009 is not covered in the CES 2015 report. The CES 2014 is available at <http://bit.ly/2mmx1q9> and the CES 2015 is not yet available online.

<sup>iv</sup> National Institute of Statistics (2016), “Cambodia Socio-Economic Survey 2015,” p.70.

<sup>v</sup> Ibid p.84

<sup>vi</sup> Sullivan Michael, “Cambodia Votes: Democracy, Authority and International Support for Election 1993-2013” (NIAS Press, Denmark, 2016), p.270.

<sup>vii</sup> National Institute of Statistics (2015), “Cambodia Socio-Economic Survey 2014,” p.99, <http://bit.ly/2mmx1q9>.

<sup>viii</sup> Ponniah Kevin, “Election a ‘wake-up call’ for CPP,” *The Phnom Penh Post*, 24 June 2014, <http://bit.ly/2nqF4m3>.

<sup>ix</sup> Future Forum, “An Overview and Analysis of the Current Political Situation in Cambodia in 2016,” (2017), <http://bit.ly/2hWTdce>.

<sup>x</sup> Babović Marija and Vuković Danilo. 2016. “A Survey of Livelihood Strategies and Expectations for the Future.” (*The Asia Foundation*), <http://bit.ly/2ncjmpV>.

<sup>xi</sup> Ibid

<sup>xii</sup> Brown Christopher Ryan. (2009), “Issue Brief: Voting Behavior based On Socioeconomic Status”.

<sup>xiii</sup> Eickelman, Dale F. (2017), “Social Economic and Political Studies of Middle East and Asia,”p.85, <http://bit.ly/2nCJr1g>.

<sup>xiv</sup> Babović Marija and Vuković Danilo (2016), “A Survey of Livelihood Strategies and Expectations for the Future” (*The Asia Foundation*), p.51, <http://bit.ly/2ncjmpV>.