



INVESTING IN THE FUTURE OF CHILDREN



From 2004 to 2008, Cambodia's economy grew by an average of 10 percent. In 2009, the global economic slowdown reduced GDP growth. But by 2011, it had climbed back to 6.9 percent. Cambodia still has one of the lowest GDP per capita in the world at \$900.

Cambodia's recent economic boom is due to the expansion of its garment, construction, agriculture and tourism sectors. The garments industry provides jobs for more than 300,000 people – roughly 5 percent of the population – and generates 70 percent of Cambodia's exports. In 2011, rubber exports grew in response to growing demand for raw rubber from China, Malaysia and Vietnam. Since 2007, more than 2 million tourists have arrived annually.

Despite the impressive rate of development in urban sectors, in the countryside, many people lack the skills, education and basic infrastructure to be productive citizens. With more than 50% of its population less than 25 years old, Cambodia's labor potential is severely untapped. Approximately 58% of the labor force is involved in agriculture even though Cambodia's economy is shifting toward the industry and service sectors.

A significant proportion of people in Cambodia's poorest households still rely on agriculture for their livelihoods or remain unskilled and earn a living from irregular and uncertain employment which can lead to the increased vulnerability of children.

In 2011, World Vision's economic and agriculture development interventions focused on how they could directly impact and benefit children. Income would no longer be seen as an end in itself, but a means to achieve child well being.



THE FACTS

- GDP: **\$12.8 billion** (World Bank)
- GDP per capita: **\$900** (World Bank)
- GDP growth: **6.9%** (World Bank)
- Exports of goods and services: **54% of GDP** (World Bank)
- Percent of population below the poverty line: **35%** (Global Breakthrough)
- Rural population: **10,914,733** (World Bank)
- **80%** of the population consists of poor agricultural workers (ILO)
- Net official development assistance and official aid received: **\$736,700,000** (World Bank)

- The World Bank (2012)
- U.S. Department of State (2012)
- Voice of America (2012)

WORLD VISION'S RESPONSE

World Vision employs a market-based approach to economic growth that seeks to move individuals, families, and communities beyond chronic food insecurity, and above the national poverty line.

World Vision provides financial services that help poor families develop the skills and habits, such as saving, that qualify them for microfinance. By the end of 2011, there were over 41,000 savers in World Vision programme areas with nearly USD\$2000,000 in accumulated savings. As one of the largest microfinance institutions in Cambodia, VisionFund remains committed to serving low-income, underserved clients by continuing to provide small business loans averaging less than USD\$290 Dollars (the industry average is above USD\$500 dollars).

Through our Local Economic Development Model, we facilitate agricultural business ventures by helping families and communities assess local economic opportunities. We develop local agriculture cooperatives for crops and

livestock that enable farmers to share information, bargain collectively, and develop their skills. We also train agricultural producers in business analysis, goal setting, planning and facilitating access to needed inputs.

World Vision then links agricultural producers to value chains involving private and public sector actors and traders who have access to broader markets for community products. In this way, rural communities can boost their income, send their children to school and have better living standards.

IRRIGATING LIFE BACK INTO A COMMUNITY



The people of Leuk Daek commune in Kandal province used to scrape a living from subsistence farming. In the dry season, there was not enough water for their corn, sesame, rice and bean fields. Youth from the poorest households lent their services to other farmers or migrated into the cities in search of jobs. Children could not go to school regularly and many dropped out. This was before World Vision, through our sponsorship fund, restored a 2,507-meter long irrigation channel last year.

Today, the irrigation system has pumped life back into the community and benefits over 120 families. Ny Mom, a mother of four boys, doubled her corn and rice yields from 2010 to 2011 from four tons to eight tons per hectare. She and her husband are able to plant crops land three times a year. They recently rented another hectare of land to grow more rice and corn. "We dare to do work on more land because we have plenty of water even during the dry season," Mom says.

With their increased income, Mom can send her children to school. "The sponsorship programme," she says, "helps parents get better income and we are able to support our children's education." Mom believes that if her crop yields remain high, she will be able to send her children to university. World Vision sponsors her two youngest children, Ponlork, 10, and Phyneat, 7. Ponlork wants one day to become a policeman while Phyneat wants to become a doctor.

Mom is able to give her children the education and resources she never had. When she was 12, Mom dropped out of school and began working. "I sold rice and fish in order to earn money to support my

older brothers in school," she says. "I don't want to see my children become illiterate like me." Not only do her children go to school, they have plenty to eat. "We are able to buy more meat and big fish and more vegetables now," Mom says.

Mom is grateful for the help her family and community have received from World Vision. Her children have access to education, a better standard of living and have improved their behavior. "Through the sponsorship programmed," she says, "children, especially those involved in children's clubs, have learnt what is good or bad behavior."

Pe Thorng, the 69-year-old village chief, praises the positive changes brought by the new irrigation system. During the dry season, he says, "we rented motors to pump water from the river which was very far away from our farms. We paid at least 90 litres of petroleum and 300 kilograms of rice per hectare of land for each season. We could not get interest from farming because we spent too much. But today, we don't spend too much because water resources are very near to the farmland." He adds, "I am very happy to see my villagers living better." ■