

Gender Wage Gap in the Agriculture Sector in Cambodia

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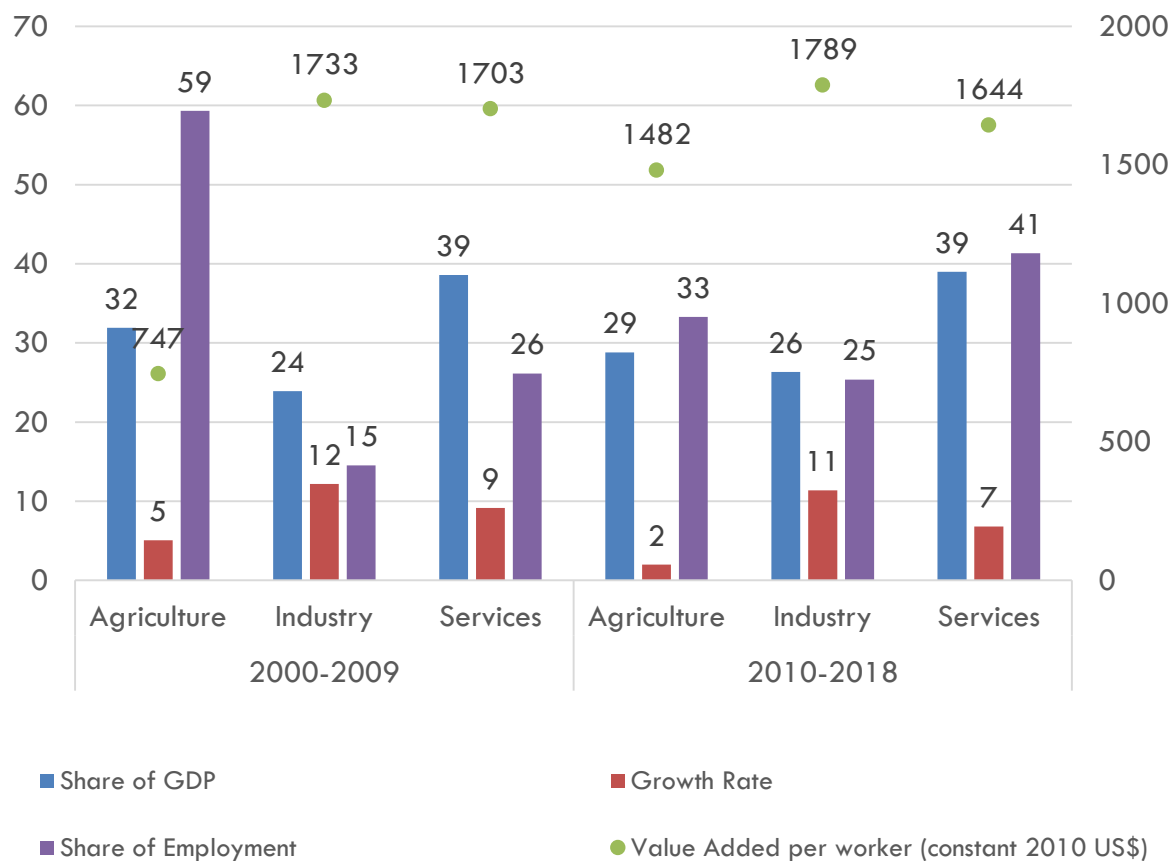
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Contents

1. Structural Changes of the Cambodia's Economy
2. Employment and Wage
3. Gender Wage Gap in Agriculture
4. Conclusion

1. Economic Structure of Cambodia, 2000-2018 (%)

3



- Declining share and growth of agriculture sector
- High growth of industry and services
- Huge employment movements from agriculture to industry and services sectors
- Large productivity improvement in agriculture – mechanization

Source: World Bank's World Development Indicators (2019)

Agriculture Sector, 2000-2018 (%)

4

	Share of GDP		Growth	
	2000-2009	2010-2018	2000-2009	2010-2018
Crops	14.5	12.4	8.7	2.5
Livestock & Poultry	4.9	3.2	3.5	0.6
Fisheries	8.4	5.9	3.4	2.5
Forestry & Logging	2.5	1.3	-1.8	-1.3

Source: National Institute of Statistics (2019)

2. Employment in Cambodia

5

Percentage of Employment of Wage Workers in 2014 and 2017

	2014		2017	
	men	women	men	women
Agriculture	15.3	17	12.6	14.2
Manufacturing	43.8	52.8	43.3	49.2
Services	41	30.3	44.1	36.6

Source: Cambodia's Socioeconomic Surveys (CSES)

- Number of wage workers are very low in agriculture, more self-employed and unpaid family workers
- Workers in agriculture appear to be less protected and could be very vulnerable

Average Headline Wage and Gender Wage Ratio in 2014 and 2017

6

	2014			2017		
	(1)	(2)	(2)/(1)	(3)	(4)	(4)/(3)
	men	women	ratio	men	women	ratio
Agriculture	487,317	368,734	0.76	618,561	541,058	0.87
Manufacturing	661,924	572,779	0.87	872,439	792,119	0.91
Services	758,167	648,226	0.85	982,981	851,494	0.87

- Average wages in agriculture were the lowest for both men and women
- The wage gaps between men and women were narrowed across sectors but still the widest in agriculture

Source: Cambodia's Socioeconomic Surveys (CSES)

3. Gender Wage Gap in Agriculture

- Using Oaxaca-Blinder decomposition (OB) (Blinder, 1973) to identify factors that contribute to the wage gap between groups.

$$w_m - w_f = (X_m - X_f)\beta_m + X_f(\beta_m - \beta_f) + (\vartheta_m - \vartheta_f) \quad (1)$$

where

$i=m$ refers to men and $i=f$ refers to women, w_i is the natural logarithm of monthly wage, and X_i denotes matrix of individual characteristics

- The first term $(X_m - X_f)\beta_m$ on the right-hand side of equation (1) captures differences in observed characteristics of male and female workers that affect the wage gap such as education and experience.
- The second term $X_f(\beta_m - \beta_f)$ on the right-hand side explains the wage difference although male and female workers have the same characteristics. This term is named as unexplained parts (unobserved, residual). Originally it is interpreted as discrimination between the groups
- The third term $(\vartheta_m - \vartheta_f)$ is the error term.

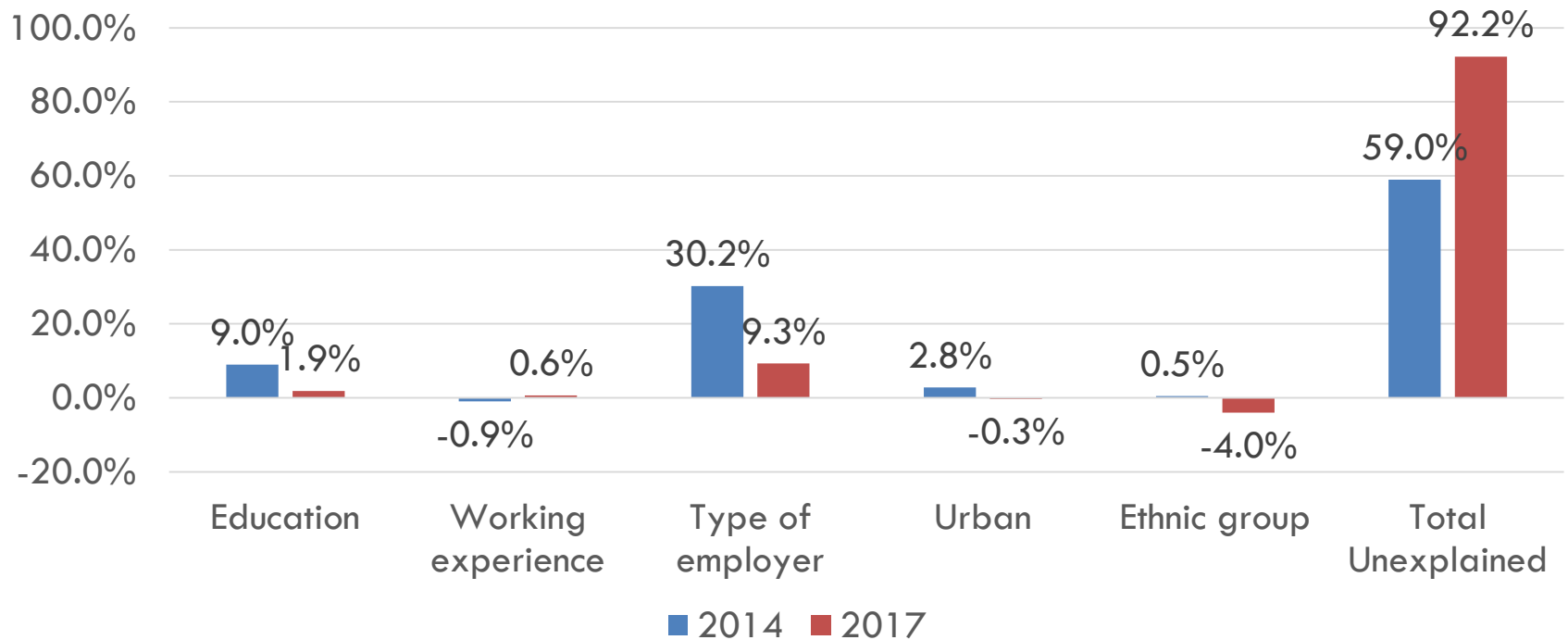
Gender Wage Gap in Agriculture

8

Oaxaca -Blinder Decomposition of Gender Wage Gap		
	2014	2017
	Inwage	Inwage
Wage Differentials		
Estimated Average wage for men	12.842	12.91
Estimated Average wage for women	12.533	12.75
Difference in estimated average wage	0.308	0.16
Adjusted for selection bias	0.212	0.322
Difference in observable endowment		
Total Explained (Difference in observable factors)	0.088	0.025
Total Unexplained (Difference in unobservable factors)	0.125	0.297
Sample Size	12,225	3,004

Gender Wage Gap in Agriculture

Oaxaca -Blinder Decomposition of Gender Wage Gap in Agriculture



Concluding Remarks

- Declining share and growth of agriculture sector
- Large productivity improvement in agriculture – mechanization
- Number of wage workers are very low in agriculture, more self-employed and unpaid family workers
- Workers in agriculture appear less protected and could be very vulnerable
- Average wages in agriculture were the lowest for both men and women
- The wage gaps between men and women were narrow across sectors but still the widest in agriculture sector
- The lower wage for women than men that can not be accounted for differences in workers' characteristics may suggest some bias against women. If it is the case, there should be policy measures to ensure fair and equal pay rights.

Thank you for your attention