Developing Cambodia's Digital Economy: Youth's Perspective

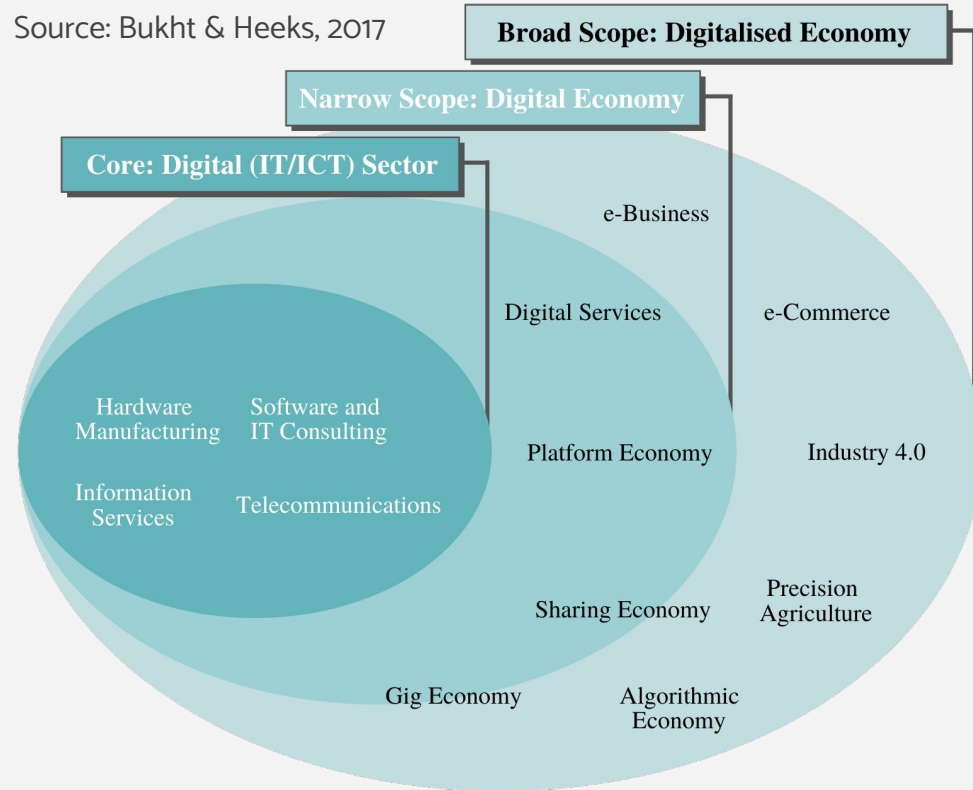By: Ms. Nay Darlin, Mr. Chan Pirun, and Mr. Chhem Siriwat

29th December 2020

Next!

"**95%** of youths believe it is beneficial for Cambodia to transform its economy into a digital economy and **85%** said that they will use more digital platforms, goods, and services in the future."

Start now!

What is Digital Economy?

Source: Bukht & Heeks, 2017

Broad Scope: Digitalised Economy

Narrow Scope: Digital Economy

Core: Digital (IT/ICT) Sector

Hardware Manufacturing

Software and IT Consulting

Information Services

Telecommunications

e-Business

Digital Services

e-Commerce

Platform Economy

Industry 4.0

Sharing Economy

Precision Agriculture

Gig Economy

Algorithmic Economy

"**the use of digital technologies by the private sector to drive economic growth, innovation, and the economy as a whole**, allowing the digital economy to cover various sectors including digital entrepreneurship, e-commerce, FinTech, ICT sector, and the digital transformation of industries."

- World Bank, 2019

Why Digital Economy?

Goal of becoming an Upper-Middle-Income Country by 2030 and High-Income Country by 2050
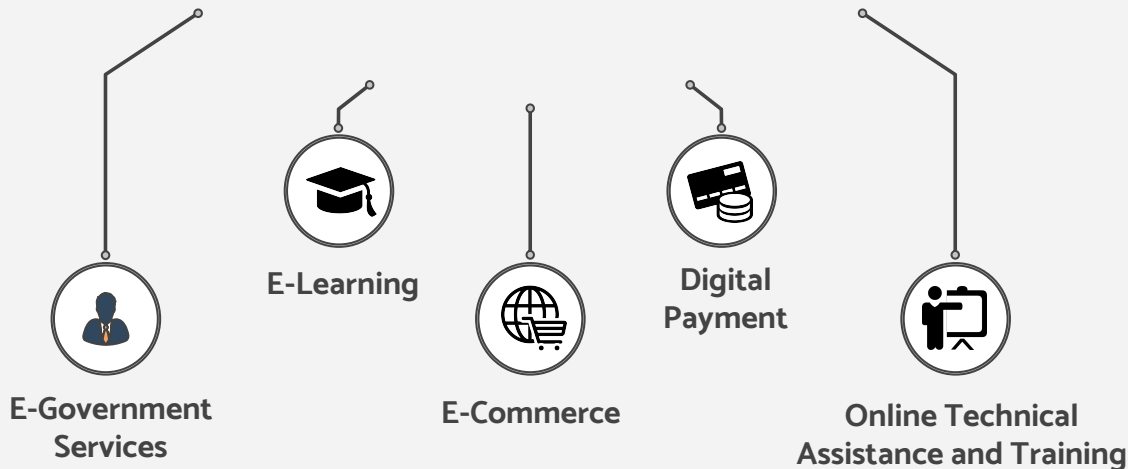
Pressure to diversify the economy

Why Digital Economy?

"In the midst of every crisis, lies great opportunity."
- Albert Einstein.

Evidence of digitalization in Cambodia after the outbreak of COVID-19

E-Learning

Digital Payment

E-Government Services

E-Commerce

Online Technical Assistance and Training

Research Objectives:

O1 — Explore the current **extent of usage** of digital platforms, goods and services among Cambodian youths;

O2 — Understand the **factors influencing the usage** of digital platforms, goods and services among Cambodian youths;

O3 — Understand the **challenges and concerns** that Cambodian youths face when using those digital platforms, goods and services;

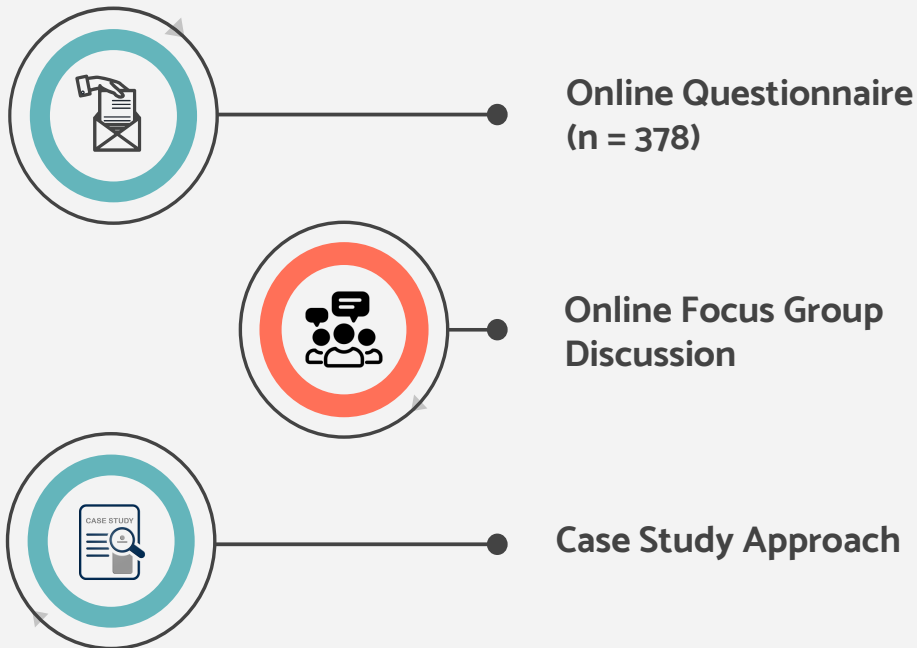**O4** — Explore the current **understanding of digital economy** among Cambodian youths;

O5 — Understand **what Cambodian youths look for** in Cambodia's digital economy in the future.

Methodology

A mixed-method approach:

Online Questionnaire (n = 378)

Online Focus Group Discussion

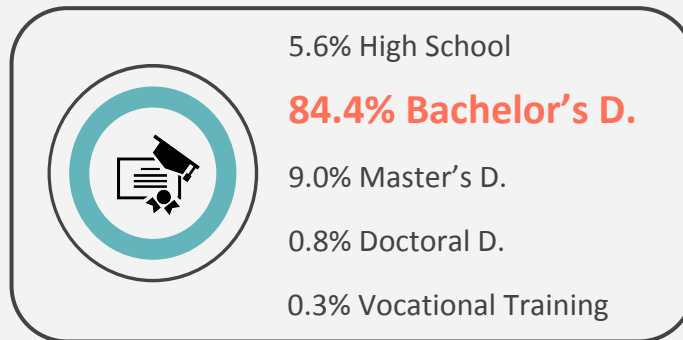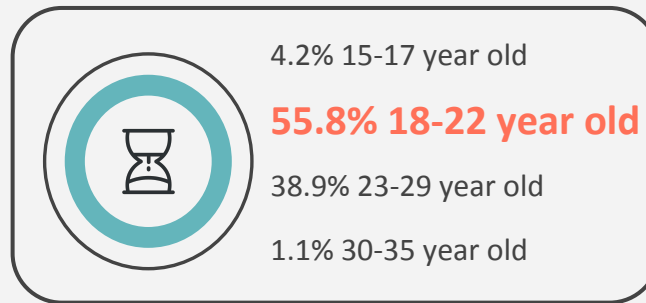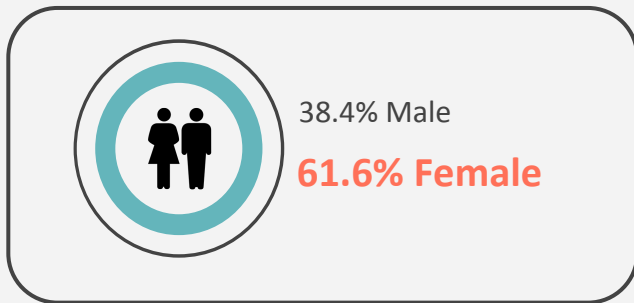**Case Study Approach**

Scope and Limitations:

- Consumer goods and services
  - Digital Payment/Money Transfer
  - Food Delivery
  - Entertainment
  - Ride-Sharing
  - Buying Goods through Social Media
  - E-learning
  - Online Booking
  - Retails Platform...
- Youths (15-35 years old)
- In Phnom Penh

Sample Characteristics:

Our sample are mainly **undergraduates** who are between the age of **18-29 year old**; **61.6% are female**.
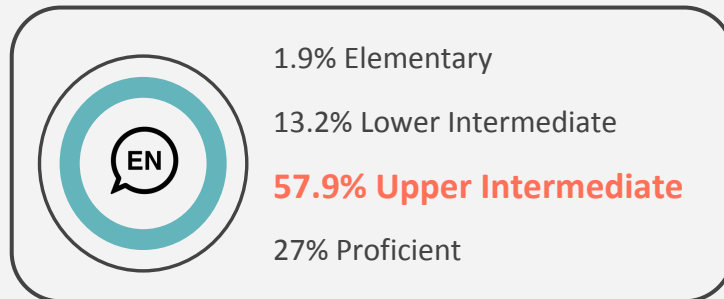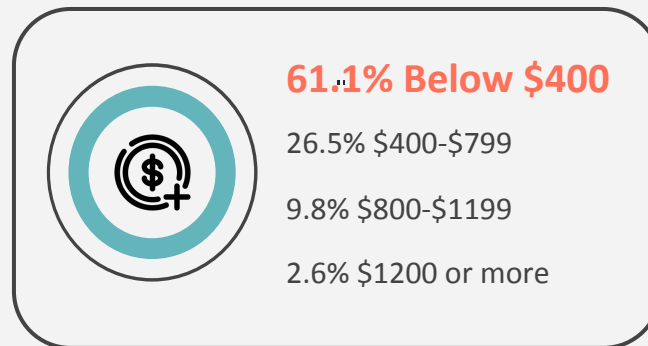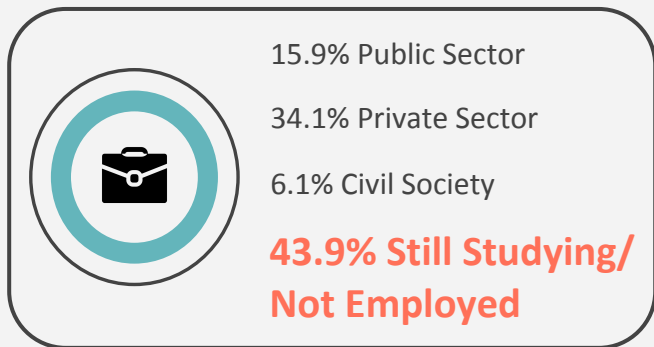
38.4% Male

61.6% Female

4.2% 15-17 year old

55.8% 18-22 year old

38.9% 23-29 year old

1.1% 30-35 year old

5.6% High School

84.4% Bachelor's D.

9.0% Master's D.

0.8% Doctoral D.

0.3% Vocational Training

Sample Characteristics:

Our sample are a mixture of **students and workers** who have income or allowance **below $400 per month**, and have a **good understanding of English**.

15.9% Public Sector

34.1% Private Sector

6.1% Civil Society

43.9% Still Studying/ Not Employed

61.1% Below $400

26.5% $400-$799

9.8% $800-$1199

2.6% $1200 or more

1.9% Elementary

13.2% Lower Intermediate
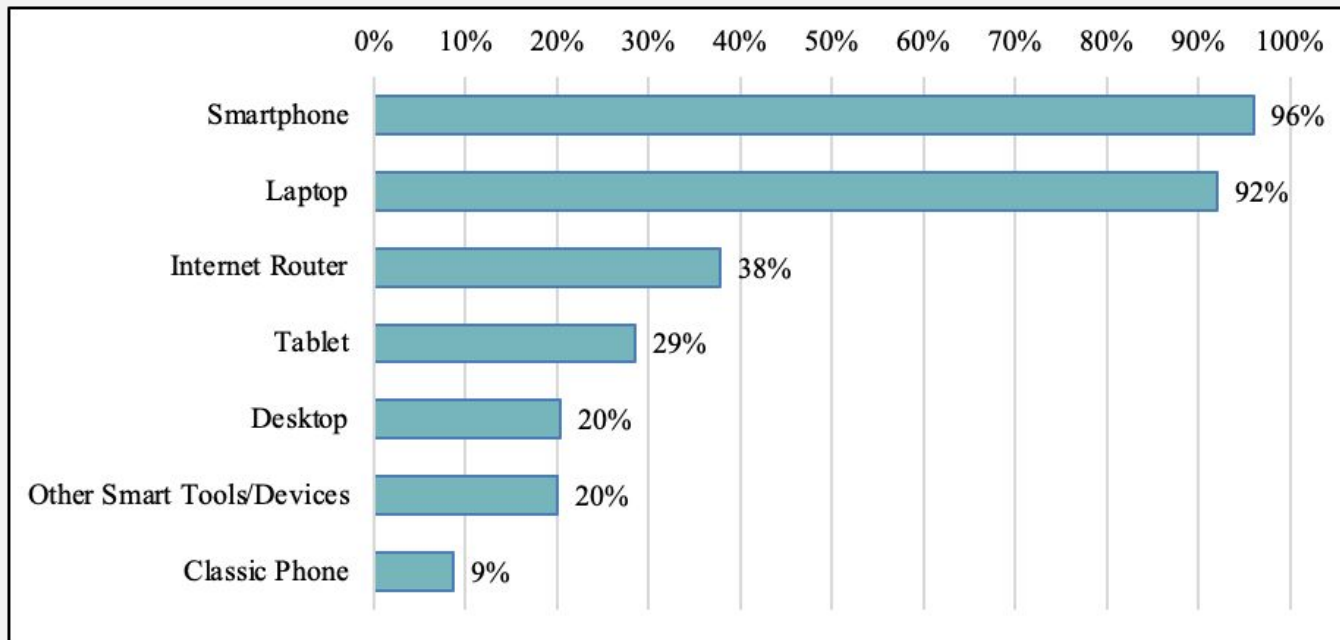
57.9% Upper Intermediate

27% Proficient

Sample Characteristics:

Despite more than half having income/allowance below $400, our sample **mainly come from middle class family** who can afford technology.

"Which of the following digital device(s) are in your possession?"

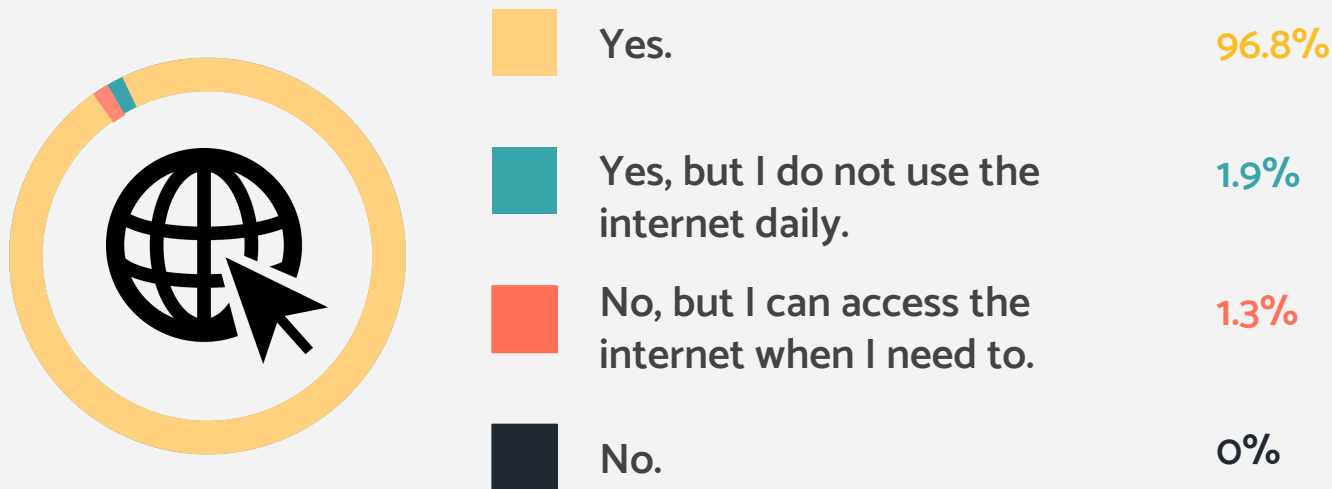| Device	Percentage
Smartphone	96%
Laptop	92%
Internet Router	38%
Tablet	29%
Desktop	20%
Other Smart Tools/Devices	20%
Classic Phone	9%

Sample Characteristics:

To a great extent, they have **integrated technology in their lifestyle**, specifically ICT devices and the Internet.

"Do you have access to the internet on a daily basis?"

Yes.   **96.8%**

Yes, but I do not use the internet daily.   **1.9%**

No, but I can access the internet when I need to.   **1.3%**
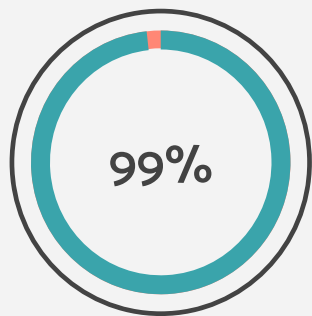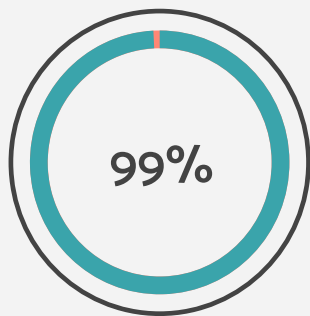
No.   **0%**

Sample Characteristics:

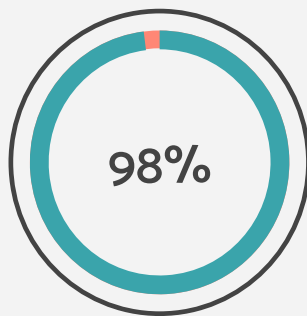And, they have **basic digital literacy (self-claimed)**.

Sample Basic Digital Literacy Characteristics

99%
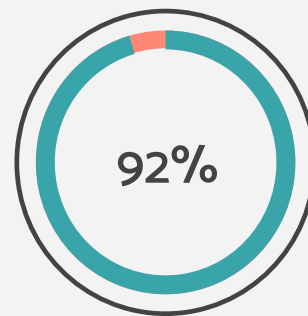Knows how to use search engines to look for information online.

99%
Knows how to send a message to someone using email and/or online messaging service.

98%
Knows how to buy and install apps on a device such as a phone, laptop or tablet.

92%
Knows how to search for help online when experiencing problems.
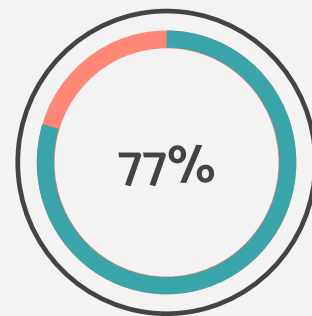
77%
Knows how to create something new from existing images, music, or video.

Findings: Usage / Adoption

Relevant to the increasing number of digital platforms, consumer goods and services, **youths have been using different digital platforms, goods and services**.

"Of the following digital platforms, goods, and services, please select the one(s) that you have used before."
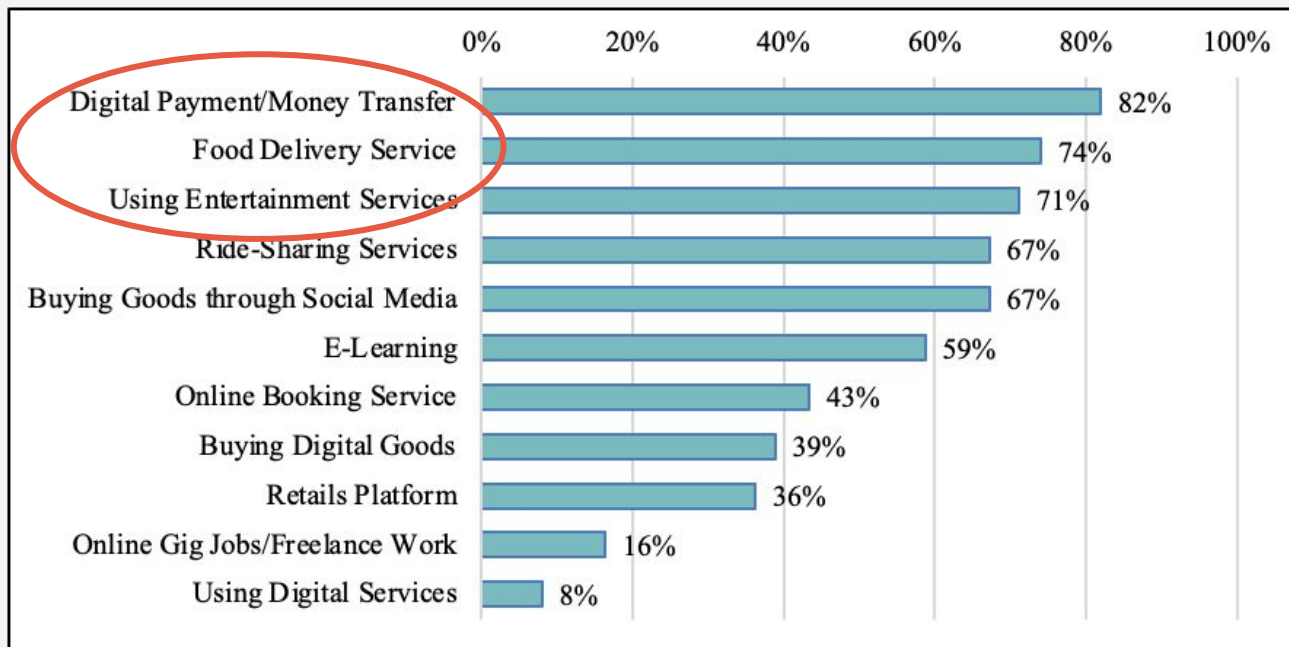
Findings: Usage / Adoption

Nonetheless, only **digital payment/money transfer** and **entertainment services** have been **used the most frequent** compared to others.

"How often do you use the following digital platforms, goods, and services?"
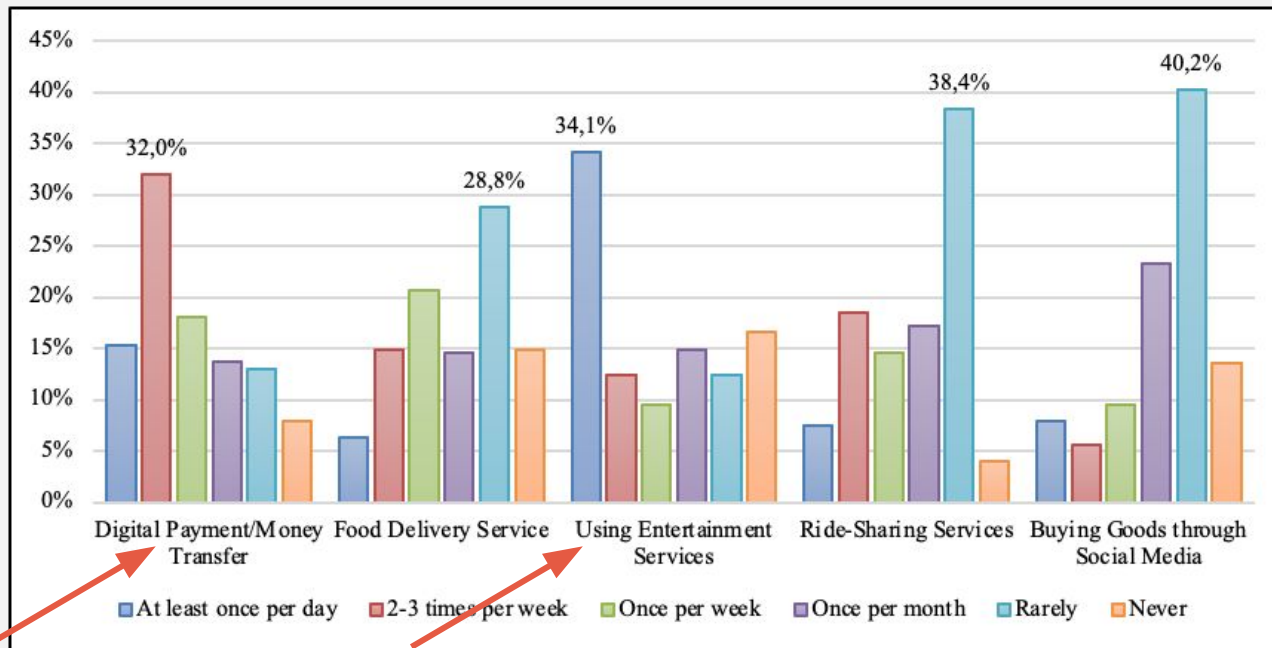
Findings: Usage / Adoption

Noticeably, **buying goods through social media** are **rare** among youths, possibly reflecting their income/allowance.

"How often do you use the following digital platforms, goods, and services?"
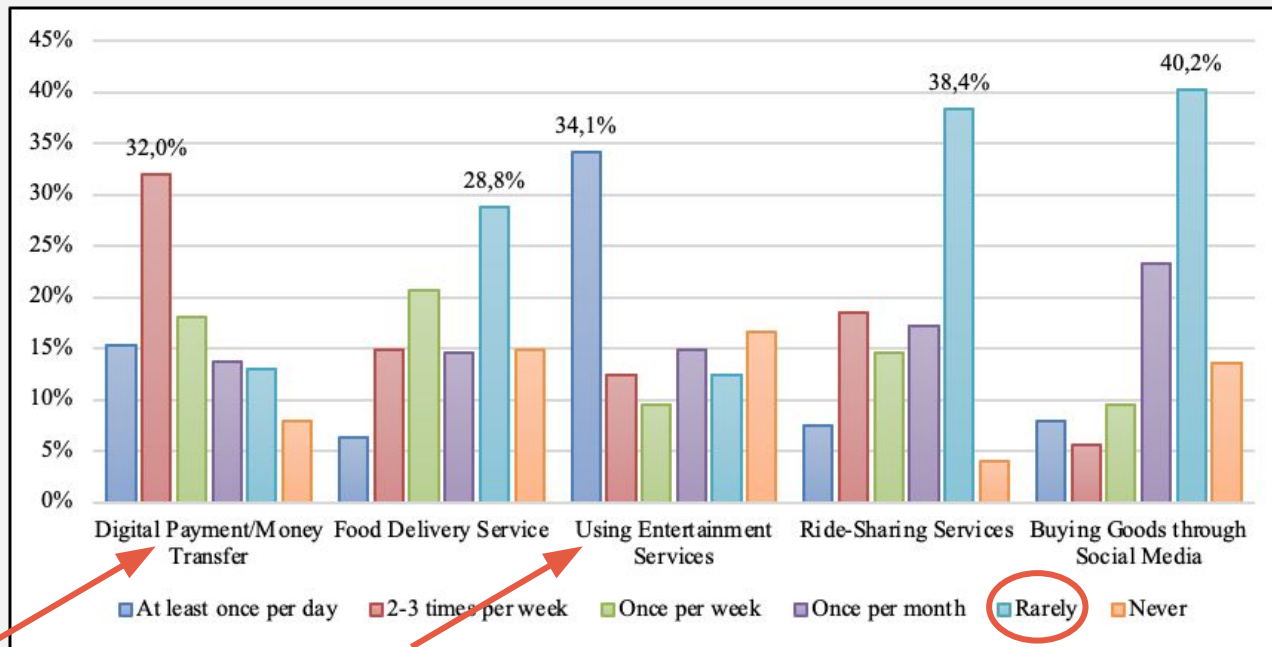
Findings: Usage / Adoption

Moreover, most of digital platforms, goods and services are **rarely/never used** by youths.

"How often do you use the following digital platforms, goods, and services?"
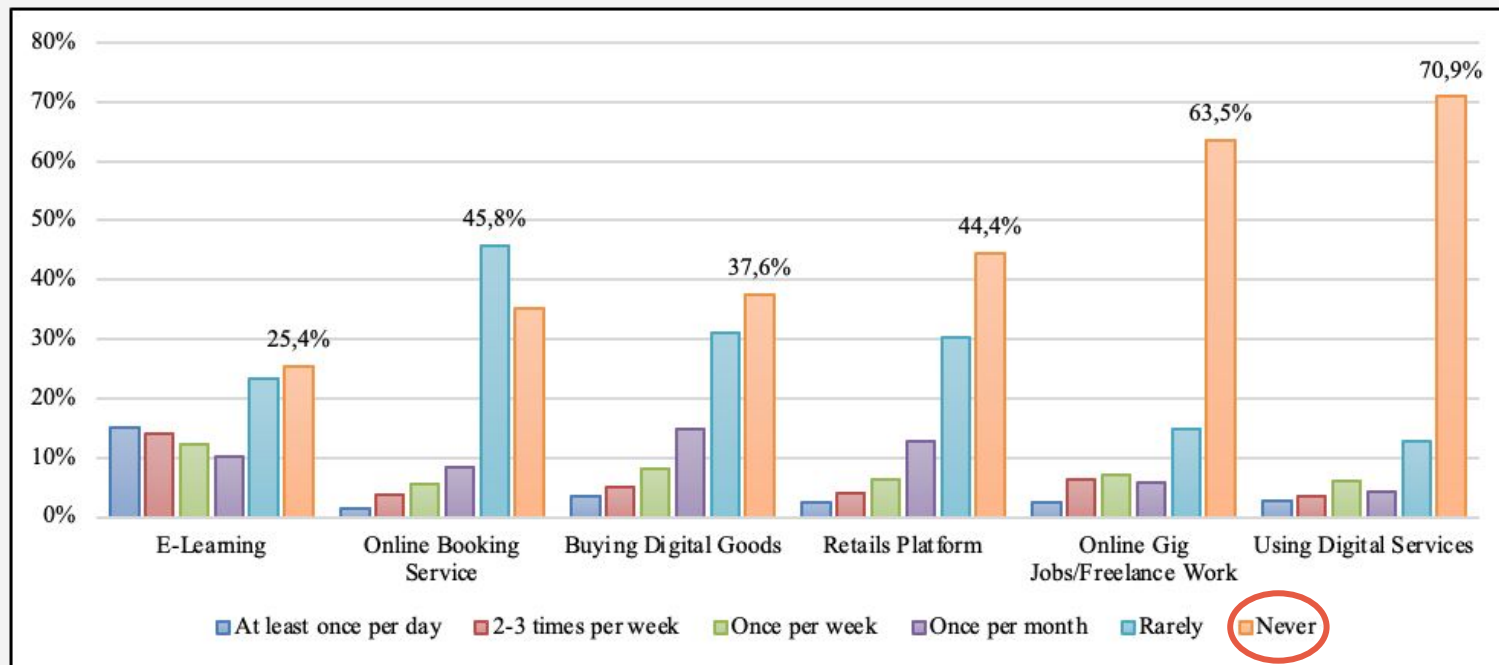
Findings: Usage / Adoption

E-learning has gained more attraction due to the new normal.

"How often do you use the following digital platforms, goods, and services?"
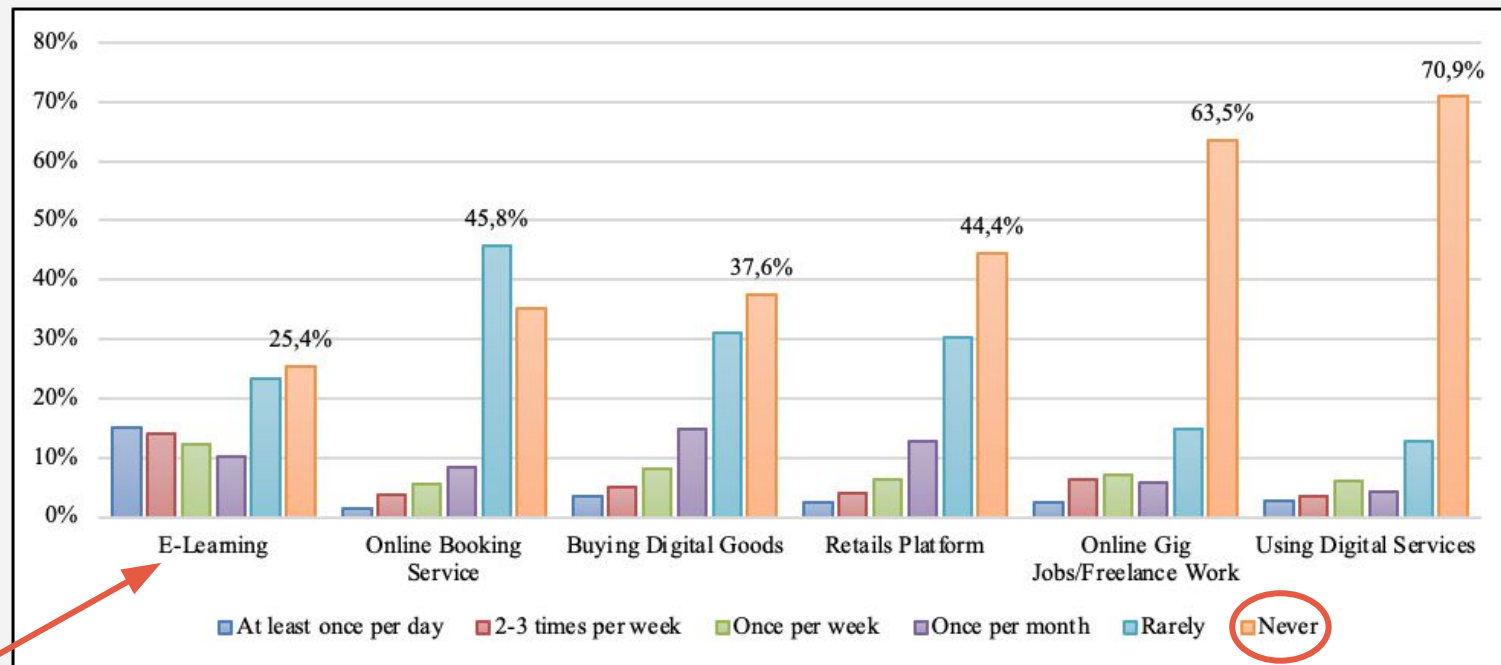
Findings:
Usage / Adoption

Motivating factors derived from **individual and product level** influenced youths to use digital platforms, goods and services more than external factors derived from firms, friends, or family.

"To what extent do the following motivating factors influence you to use digital platforms, goods, and services?"
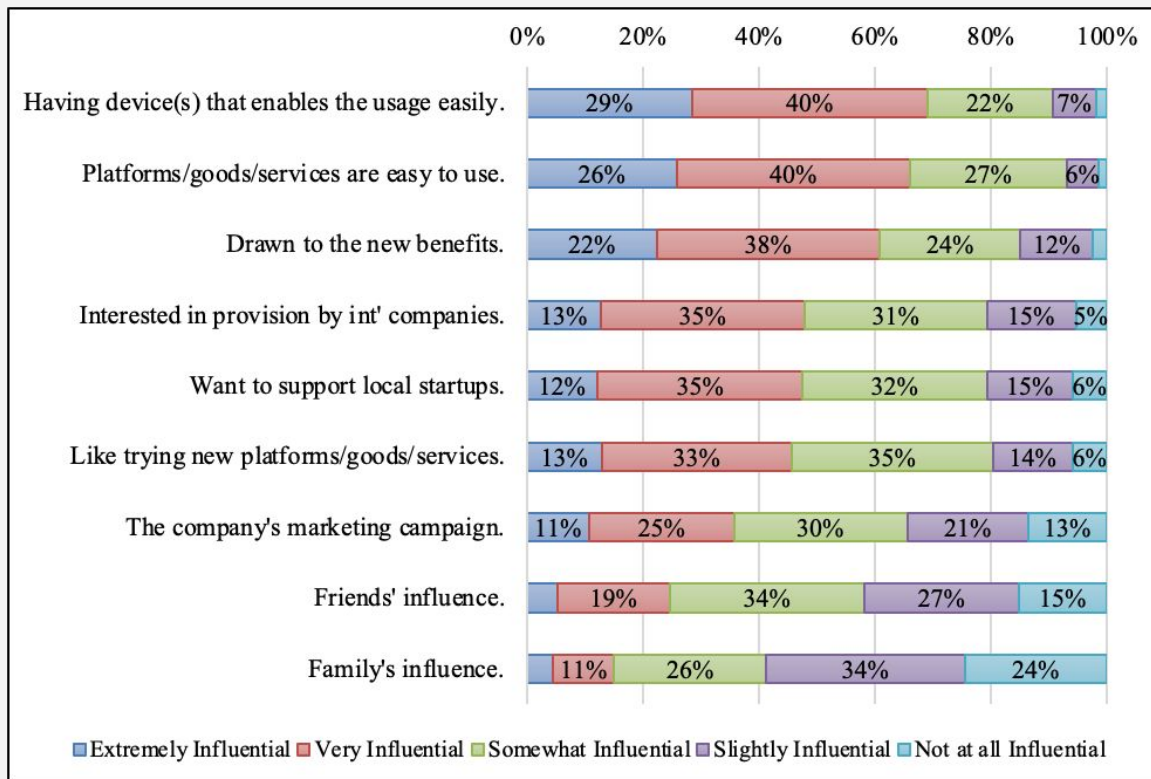
Findings: Usage / Adoption

The two main **new benefits** perceived by youths are **(1) saving time and energy** and **(2) providing a lot of choices**.

"To what extent do you agree with the following benefits that you can obtain from using digital platforms, goods, and services?"

Statement	Strongly Agree	Agree	Somewhat Agree	Somewhat Disagree
They save my time and energy.	35%	47%	14%	
They provide a lot of choices.	28%	51%	18%	
They are easy to use.	28%	47%	21%	
They offer discounts and rewards.	21%	34%	33%	8%
They provide cheaper goods and services.	12%	28%	36%	18%
They provide better customer's service.	11%	34%	47%	7%
They provide higher quality.	10%	23%	39%	21%

Legend: ■ Strongly Agree ■ Agree ■ Somewhat Agree ■ Somewhat Disagree ■ Disagree ■ Strongly Disagree

Findings: Usage / Adoption

Youths pay attention on **quality, complexity, and data privacy** relevant to using certain digital platforms, goods and services.

"Which of the following factors influenced you NOT to use certain digital platforms, goods, and services?"

Findings: Concerns and Challenges

Cybersecurity and data privacy are very concerning issues among youths using digital platforms, goods and services.

These concerns are followed by the **lack of government regulation**.

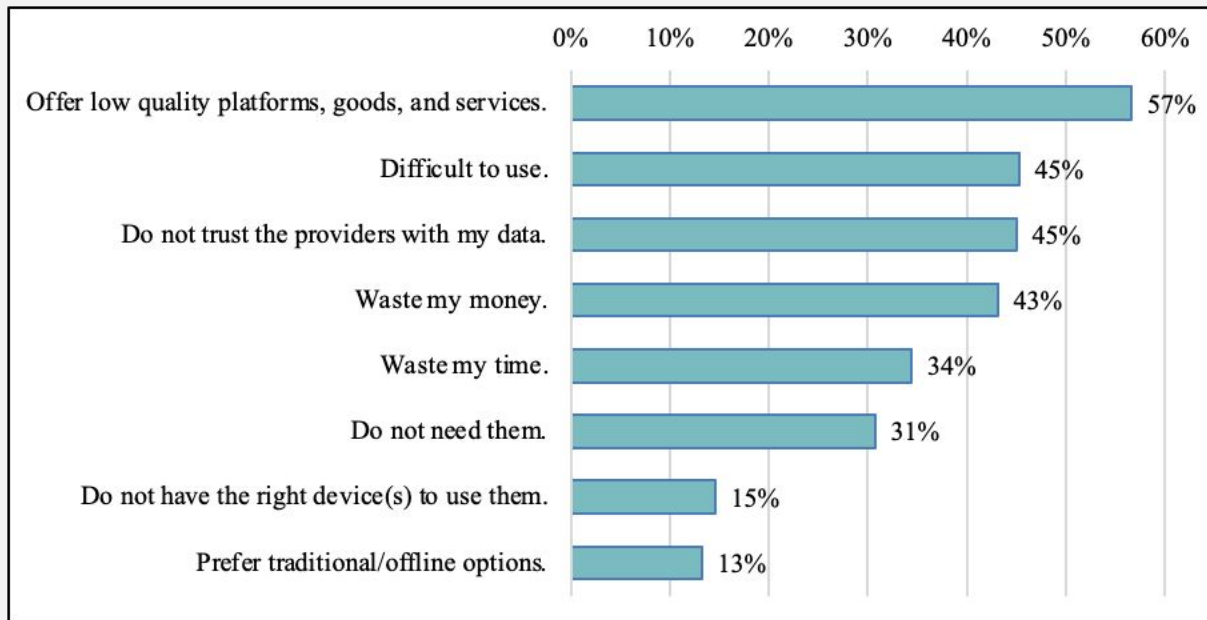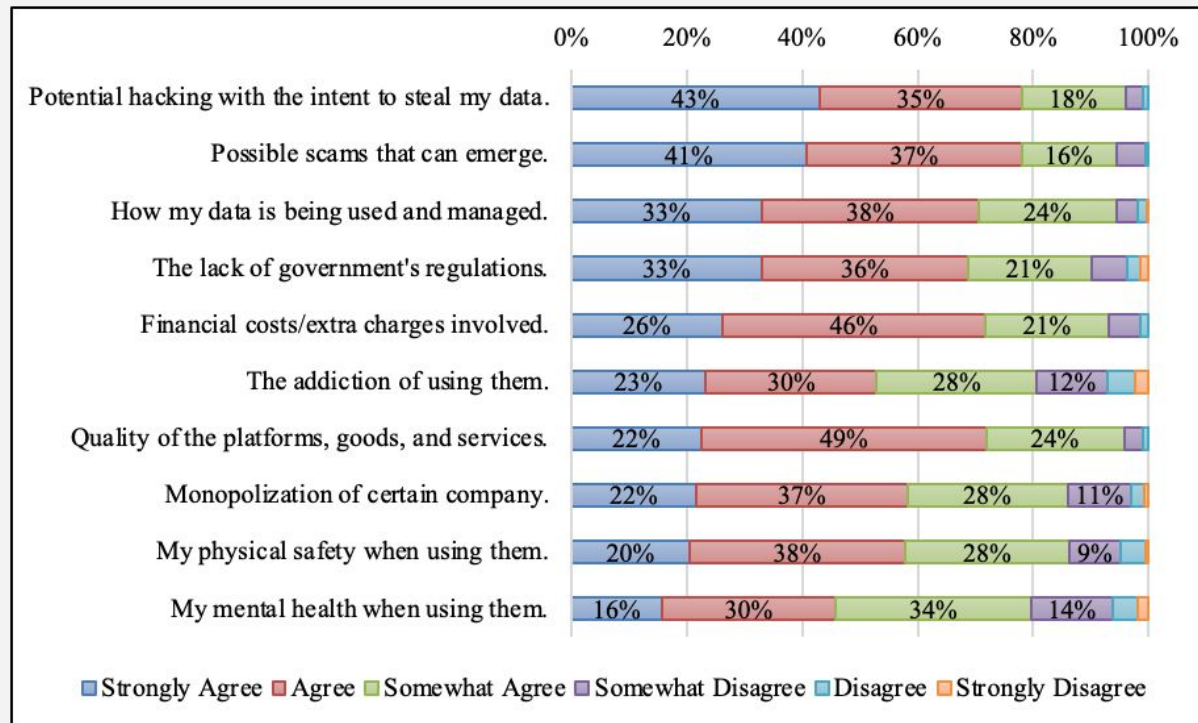"To what extent do you agree to the following concerns while using digital platforms, goods, and services?"

|	Strongly Agree	Agree	Somewhat Agree	Somewhat Disagree	Disagree	Strongly Disagree
Potential hacking with the intent to steal my data.	43%	35%	18%			
Possible scams that can emerge.	41%	37%	16%			
How my data is being used and managed.	33%	38%	24%			
The lack of government's regulations.	33%	36%	21%			
Financial costs/extra charges involved.	26%	46%	21%			
The addiction of using them.	23%	30%	28%	12%		
Quality of the platforms, goods, and services.	22%	49%	24%			
Monopolization of certain company.	22%	37%	28%	11%		
My physical safety when using them.	20%	38%	28%	9%		
My mental health when using them.	16%	30%	34%	14%		

Findings: Concerns and Challenges

Unsurprisingly, **poor and/or slow internet connection** is a key challenge perceived by youths.

What surprising is youths perceive **high internet price** in Cambodia as one of the challenge.

"To what extent do you agree with the following challenges that you face when using digital platforms, goods, and services?"
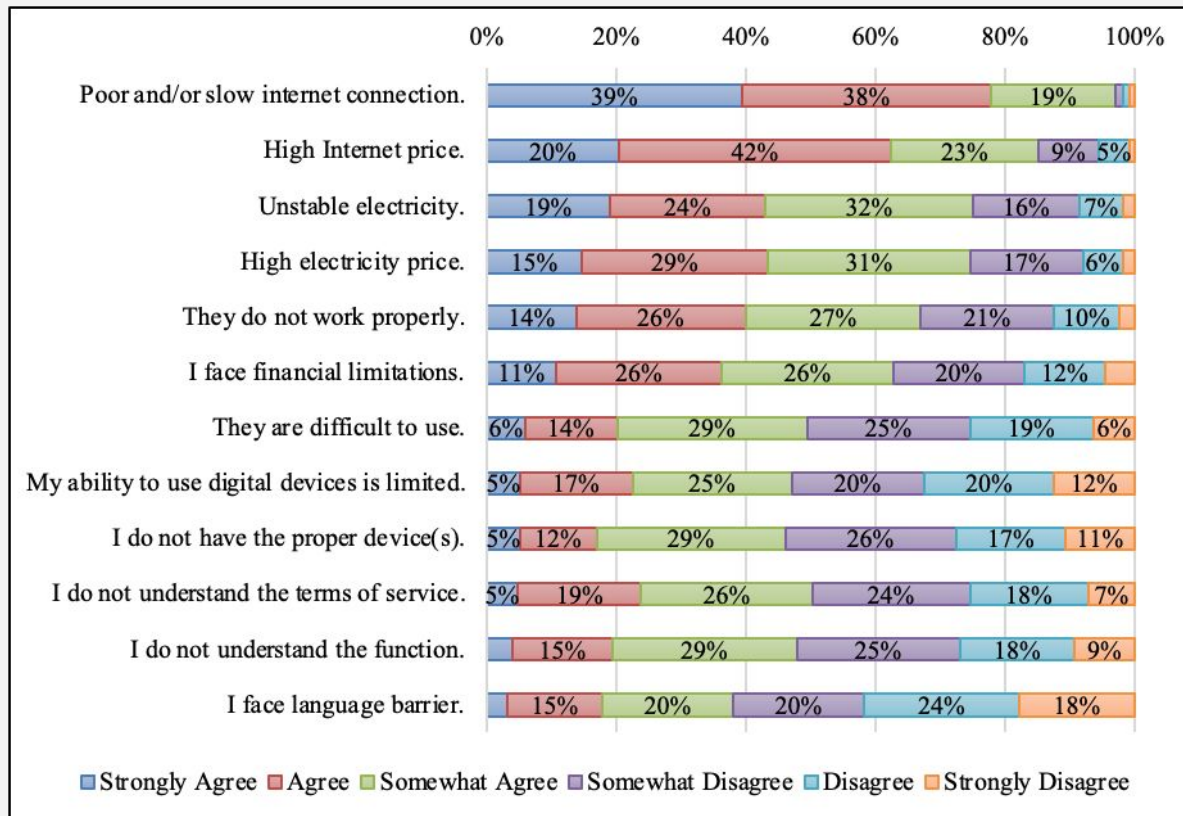
Findings: Perception on Digital Economy

Youths' experience with digital platforms, goods and services shapes their understanding of digital economy - business and innovation through the use of digital technology/Internet.

Do you know what Digital Economy is?

45.5% Yes
18.5% No
36% Maybe

How much do you know about Digital Economy in Cambodia?

2.4% Extremely Aware
31.7% Moderately Aware
37.3% Somewhat Aware
19.8% Slightly Aware
8.7% Not At All Aware

Findings: Perception on Digital Economy

Despite perceiving that Cambodia will benefit from digital economy, there are still **mix opinions regarding Cambodia's readiness for digital transformation**.

Do you think it is beneficial for Cambodia to transform into a digital economy?

45.0% Definitely Yes

50.5% Somewhat Yes

4.0% Somewhat No

0.5% Definitely No

Do you think Cambodia is ready for the digital transformation?

14.0% Definitely Yes

51.1% Somewhat Yes

31.2% Somewhat No

3.7% Definitely No

Do you think you are ready for digital transformation?

48.4% Definitely Yes

45.0% Somewhat Yes
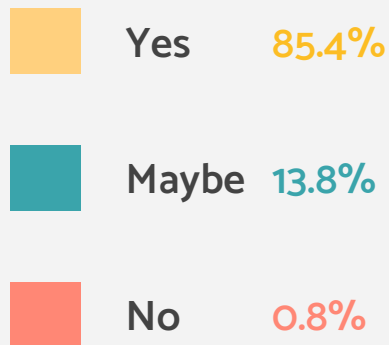
5.3% Somewhat No

1.3% Definitely No

Findings: Perception on Digital Economy

Nonetheless, **youths will continue to integrate technology into their lifestyle** - potential driving force for digital transformation.

Do you see yourself using more digital platforms, goods, and services in the future?

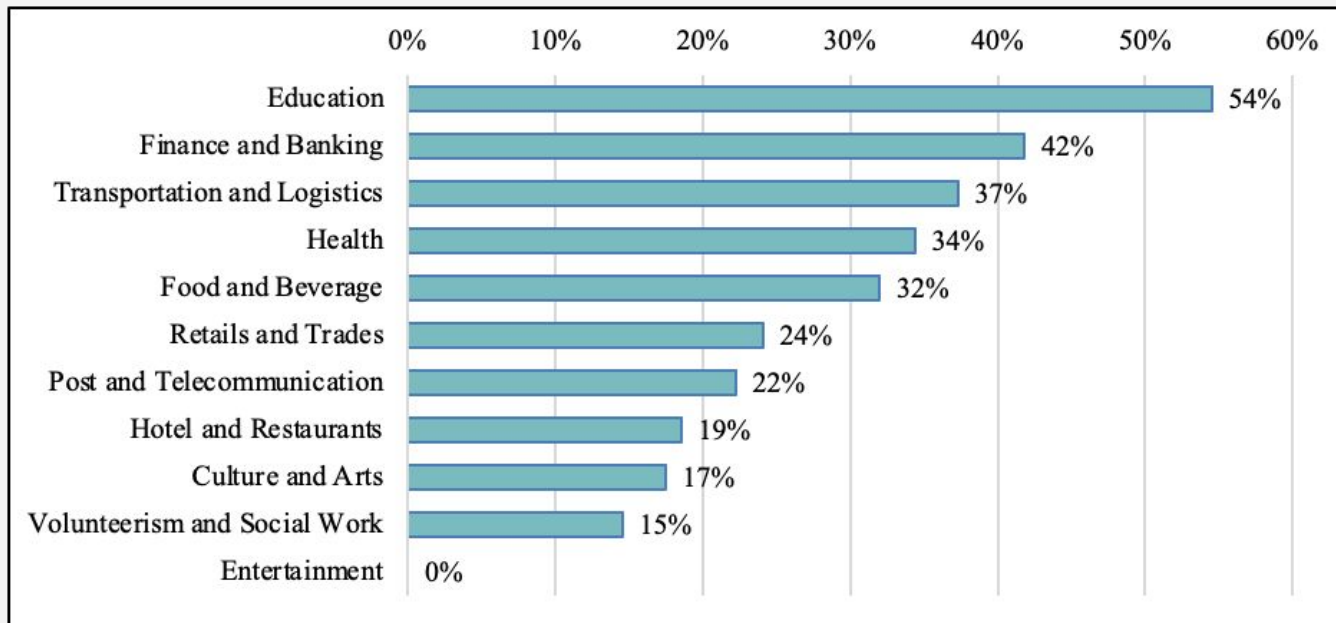|		
🟨	Yes	85.4%
🟩	Maybe	13.8%
🟥	No	0.8%

Findings: Perception on Digital Economy

COVID-19 caught education by surprise; **Finance and banking has a leading role in building consumer confidence in cybersecurity and data privacy**.

"Which sectors do you want to see further digital transformation in the future?"

Sector	Percentage
Education	54%
Finance and Banking	42%
Transportation and Logistics	37%
Health	34%
Food and Beverage	32%
Retails and Trades	24%
Post and Telecommunication	22%
Hotel and Restaurants	19%
Culture and Arts	17%
Volunteerism and Social Work	15%
Entertainment	0%

Summary

1

To various degree, youths are **considerably exposed** to different digital platforms, goods and services.

Motivating Factors: ownership of ICT devices, convenience (easy to use), and the benefits of saving time & energy and having choices.

2

Top Challenges:
Poor and/or slow internet connection;
High internet price;
Unstable electricity.

3

Top Concerns:
Cybersecurity;
Data Privacy;
Lack of Government Regulations.

4

Youths believe **it is beneficial for Cambodia to transform its economy into a digital economy**.

Youths want to see further digital transformation in **education sector**, followed by **finance and banking sector**.

Policy Discussion

Infrastructure, Having the ICT Devices, and Literacy Matters

Give More Attention to Security Risks and Data Privacy

Leverage on Youths' Interests by Focusing on Experience

Thank you for your attention!
Do you have any questions?