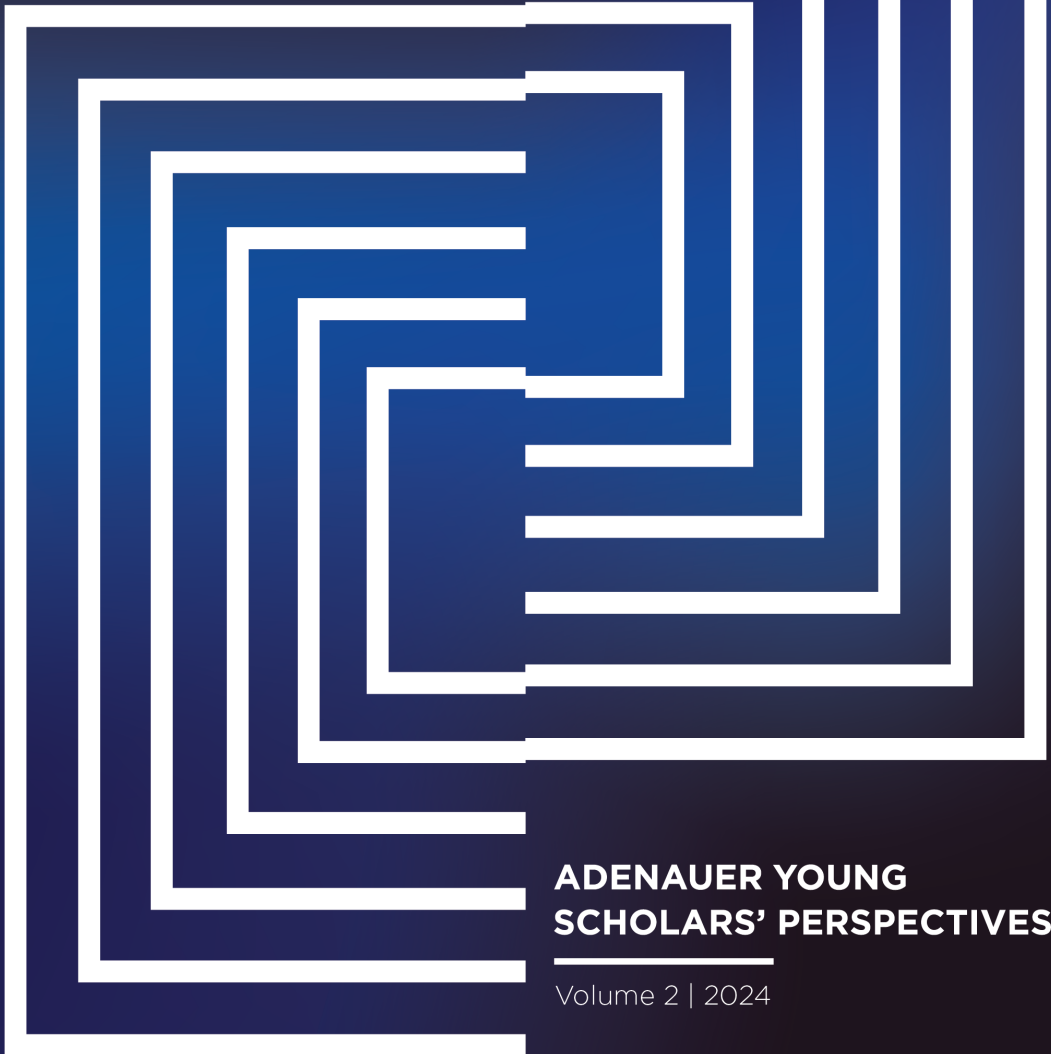




**IISPP**  
INSTITUTE FOR INTERNATIONAL  
STUDIES AND PUBLIC POLICY

**KONRAD  
ADENAUER  
STIFTUNG**

# **DIGITAL TRANSFORMATION IN CAMBODIA**



**ADENAUER YOUNG  
SCHOLARS' PERSPECTIVES**

Volume 2 | 2024





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## **Adenauer Young Scholars for Excellence Program**

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### **Adenauer Young Scholars' Perspectives**

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The Royal University of Phnom Penh (RUPP) has been a bastion of Cambodian intellectual training and talents cultivation for the past thirty-two years since its reopening in 1980. Particularly, it has significantly contributed to the building of human and institutional capitals, and practical knowledge in Cambodia's development. While the country is playing an increasingly important role in the regional and global economic, political and cultural dynamics, the past thirty-two years of integration into the international political, capital and cultural flows have brought about challenges and opportunities specific to Cambodia but highly relevant in various ways to countries in both the region and of the world. This Cambodian development experience – of negotiating cultural (knowledge) exchange and identity, confronting the (new) order of international capitalism, western ideologies and dominant knowledge, and engaging in various forms of regionalism and internationalism – and the Cambodian development perspectives of the increasingly connected world remain inadequately understood and under-theorized. Knowledge production on Cambodia in the globalizing world remains undertaken largely by non-Cambodians, and there remain few locally based institutions engaging in studying Cambodia and its regional dynamics. Therefore, it is a high time that RUPP, in the name of Cambodia, established an indigenous knowledge application and production base for furthering the country development and promotion to the world.

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**The Adenauer Young Scholars for Excellence (AYSE)** is a public policy training program of the Konrad-Adenauer-Stiftung Cambodia and the Institute for International Studies and Public Policy of the Royal University of Phnom Penh. The program equips young scholars with foundational knowledge of public policy and understanding of important public policy issues in Cambodia.

The program equips the fellows with better understanding of key roles of public and private organizations in contributing to policy formulation, making, implementation, monitoring, and evaluation. Additionally, the program offers insight into what impacts of public policy are on social, political, and economic spheres, and what those policy impacts are measured and evaluated. Furthermore, the program develops students' leadership, research, analytical, and critical-thinking skills to propose practical policy recommendations and contribute to addressing common policy-related challenges in Cambodia. This program, indeed, also enables the fellows to expand their networks instrumental in shaping their career goals.

The AYSE provides a wide range of activities including policy camp in selected provinces, in-class lectures by qualified guest lecturers, interactive training sessions, seminars, and conferences with field experts, writing workshops and publications, and networking opportunities. Each AYSE cohort produces two publications, such as Adenauer Young Scholars' Perspectives and Policy Brief.

ADENAUER YOUNG  
SCHOLARS' PROGRAM

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ERSPECTIVES

**DIGITAL**

**TRANSFORMATION**

**IN CAMBODIA**

# CONTENT

## Foreword

**Dr. Neak Chandarith,**

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## Editorial Notes

**Lak Chansok,**

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**Soth Chhayheng,**

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**12 Digital Readiness: A Key to Achieving Cambodia Vision 2050**  
Pen Somavattay

**15 Advancing Internet Infrastructure:  
A Key to Realizing Digitalization in Cambodia**  
Sothy Pichseth

**18 Enhancing TVET Through Digitalization:  
Why Is It Essential for Cambodia?**  
Kov Phanna and Sar Puthirith

**22 From Traditional to Digital Diplomacy:  
Cambodia's Efforts for Globalizing Cambodian Cuisine**  
Mey Minith

**27 Embracing Digitalization to Reinvigorate the Post-Covid  
Tourism Sector in Cambodia**  
Hout Sereyboth

- 30** **Is Digital Transformation a Requisite for Empowering Cambodia's SMEs Toward Sustainable Growth?**  
Pork Pagnapich
- 34** **Digital Paddy Fields: How E-Commerce Empowers Cambodian Farmers and Unlocks Opportunities for Local Agricultural Products?**  
Dong Sakmay
- 37** **Digital Transaction in Cambodia's Economy: How Can We Mitigate Cybercrimes in the Financial Realm?**  
Chiev Rakmey
- 40** **From Cash to Digital: Cambodia's Progress Towards an Inclusive Digital Finance Service Through Fintech**  
Im Ponghavoatey and Kosal Bopha
- 43** **Land Registry Digitalization in Cambodia: Potential Challenges and Practical Recommendations**  
Tip Oussa
- 46** **How to Improve the E-Library System for Higher Education in Cambodia?**  
Hean Sinal
- 50** **Calls for Enhanced Digital Transformation in Public Service Delivery**  
Khorn Sokcheata

# Foreword

With great pride, we present the second publication of the Adenauer Young Scholars for Excellence Program, a distinguished initiative jointly managed by the Institute for International Studies and Public Policy (IISPP) and the Konrad-Adenauer-Stiftung (KAS). This publication serves not only as a compendium of scholarly essays but also as a significant milestone in our ongoing commitment to fostering intellectual development among Cambodia's emerging leaders in public policy.

The Adenauer Young Scholars for Excellence Program is designed as a comprehensive talent cultivation platform, aimed at nurturing young scholars' analytical and leadership capabilities. By engaging with complex public policy issues and participating in rigorous training, these scholars acquire the necessary knowledge and skills to navigate Cambodia's multifaceted challenges. This initiative is instrumental in shaping a cadre of informed and capable leaders who are prepared to contribute to the nation's socio-economic advancement.

This publication exemplifies our dedication to cultivating a new generation of thinkers and decision-makers who will play vital roles in shaping Cambodia's future. It aligns seamlessly with the foundational rationale behind the establishment of the IISPP as a base for the application and production of knowledge pertinent to Cambodia's development. Our objective is to create an environment conducive to the flourishing of innovative ideas and to facilitate the intersection of research and policy-making, thereby driving sustainable development.

As we invite readers to engage with the insights and recommendations contained within this volume, we encourage a recognition of the potential embodied by these young scholars. They represent not only the aspirations of a nation poised to embrace the challenges and opportunities of the digital age but also the promise of a more informed, inclusive, and resilient future for Cambodia.

We extend our gratitude to all contributors and stakeholders who have supported this initiative, reinforcing our collective commitment to the advancement of knowledge and public policy in Cambodia.

**Assoc. Prof. Dr. Neak Chandarith**

Director

Institute for International Studies and Public Policy (IISPP)

Royal University of Phnom Penh

# Editorial Note

As Cambodia has undergone a rapid transformative development, a pressing question arises: How can young Cambodian scholars best contribute to this effort? This question guided the establishment of the “Adenauer Young Scholars for Excellence (AYSE)” in 2022, the first collaboration between the Konrad-Adenauer-Stiftung Cambodia and the Institute for International Studies and Public Policy at the Royal University of Cambodia.

Cambodia is a great nation with a promising future, with its greatest strength lying in the resilience and kindness of its people. One of the most critical challenges the country has been facing is how to unlock the potential from within, especially among talented and energetic young Cambodians, to ensure a bright future for the Kingdom.

While our project is relatively small, we believe that each step taken with the right narrative and mindset lays the groundwork for broader expansion. Although our outreach remains limited in the short term, our vision for progress is driven by upbeat hope and commitment to an achievable ideal for Cambodia’s development.

We are firm believers in the role of young Cambodians as agents of change and prosperity. Through AYSE program, we aim to nurture their knowledge, skills, talents, and mindset, encouraging active participation in scientific research to develop evidence-based perspectives to address existing and potential challenges facing our society.

This year, as Cambodia advances toward a digitalized economy and society—a key pillar of the Pentagonal Strategy Phase I—we have sought the insights of young scholars on pertinent issues in this transformation. In response, our young fellows have contributed their views through twelve commentaries compiled in this second edited volume: Adenauer Young Scholars Perspective on Digital Transformation in Cambodia. This volume is, indeed, thought-provoking, insightful, timely, and crucial to the better understanding of digital transformation in Cambodia.

As the AYSE program coordinators and mentors, we have been inspired by our young fellows’ curiosity, commitment to learning, and aspiration of realizing their vision of an ideal Cambodia. These articles mark their first steps on a long journey of continuous learning and active engagement. We hope you enjoy the volume and look forward to your constructive feedback.

**Lak Chansok**  
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Konrad-Adenauer-Stiftung Cambodia



## **Digital Readiness: A Key to Achieve Cambodia Vision 2050**

Pen Somavattay

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Digital transformation is marked as a key to fostering sustainable economic growth and inclusivity. By embracing digitalization, Cambodia is expected to yield a range of positive impacts, including bolstering national competitiveness, enhancing productivity, fostering diversification across industries, and elevating the quality of work.



The Royal Government of Cambodia (RGC) has set the vision to obtain the status of a high-income country by 2050. In the context of the fourth Industrial Revolution, digital readiness is one of the government's key objectives to become a middle-income by 2030 and a high-income country by 2050, according to the Rectangular Strategy Phase IV in September 2018<sup>1</sup>. The government has actively promoted readiness for digitalization, including the launch of "Digital Skills Development Roadmap 2024-2035" by the Ministry of Post and Telecommunications<sup>2</sup>. This roadmap is aimed at building digital human capital that can respond to the needs of the government and support the digital transformation process<sup>3</sup>.

## Digital Education in Cambodia

According to the Ministry of Education, Youth and Sports, more than 60 % of 200,000 students pursued degrees in social science, business, and law from 2021 to 2022. 42% of them chose accounting, finance, banking, and management. Merely 10% chose digital-related majors, indicating the low interest of those Cambodian students in pursuing digital-related majors. The question is why the majority of students are reluctant to choose digital-related majors?

In Cambodia, many students might not have consistent access to digital technology or the internet, which could limit their exposure to digital-related fields and their ability to develop relevant skills. Furthermore, the educational system in Cambodia might not prioritize or adequately support the development of digital skills. If the curriculum does not include robust training in digital technologies or if there is a shortage of qualified instructors in these areas, students may not feel prepared or motivated to pursue digital-related majors.

According to the Digital Skills Development Roadmap 2024-2035, the curriculum offered by the institutions in digital-related majors remains at a basic level. 25% of the coursework covers general subjects such as English, mathematics, statistics, and Khmer culture. Subjects related to IT total around 43% of the training, with programming accounting for 17% of the curriculum, system, and software making 14%, and network 12%<sup>4</sup>.

## Human Capital Development in Cambodia

Human capital becomes a means of efficiency and growth, especially through the premise of digitalization. Human capital is the key to sustainable development because, without it, physical capital, information technology, and other factors of production may not function. Human capital is important because poverty is not just a lack of money; it is more about not having the capability to realize one's potential as a human being<sup>5</sup>. The role of human capital is necessary, especially for this Industry Revolution 4.0—an unstoppable digital revolution.

At the same time, the RGC has adopted two main policies: The Cambodia Digital Economy and Society Policy Framework 2021-2035 and Cambodia Digital Government Policy 2022-2035. Based on these two policies, the RGC has put utmost efforts to build and enhance human capital in digital areas. The policies include strengthening the competency of educational institutions in Cambodia by offering a new curriculum to improve the quality of teaching and learning in alignment with 21st-century skills. The policies also focus on encouraging high school students to choose digital-related majors in their higher education and enhancing the digital skills capacity of the workforce in companies and other institutions<sup>6</sup>.

1 Oum, Chan Mono. "E-Government in Cambodia: Challenges and Practical Paths to Achieve a Functional E-Government ". *Cambodia Development Center* 3, no. 2 (March 2021).

2 Ministry of Post and Telecommunications, *Digital Skills Development Roadmap 2024-2035*.

3 *ibid.*

4 *ibid.*

5 Qureshi, Sajda. "Digital transformation for development: a human capital key or system of oppression?." *Information Technology for Development* 29, no. 4 (2023): 423-434.

6 *ibid.*

Following the global trend of the Industrial Revolution 4.0, Cambodia has been striving to transform its economy into a technology-driven and knowledge-based economy. To reach this vision, the emphasis on Science, Technology, Engineering, and Mathematics (STEM) education in promoting the national economy and developing human resources is one of the top priorities as stipulated in the National Strategic Development Plan (NSDP) 2019-2023<sup>7</sup>. The strategic value of innovation and knowledge in the STEM fields is significant for enhancing society and sustaining economic growth in the long term. Therefore, the strategic goals of the RGC are to develop a “quality, equitable, and inclusive education system” by focusing primarily on science and technology, labor market orientation, and physical education to support the country’s socio-economic development<sup>8</sup>.

empower its workforce, drive innovation, and propel itself toward a sustainable, knowledge-based economy. This skilled workforce will be the backbone of Cambodia’s vision of achieving high-income status.

With a long-term vision of becoming a high-income nation by 2050, Cambodia has prioritized strengthening and improving the STEM education curriculum in its education system. Pushing students to pursue STEM-related majors in their higher education is the another step among others for Cambodia to materialize sustainable development as well as knowledge-based and digital economy and society<sup>9</sup>.

Cambodia’s digital transformation begins with building a strong foundation in human capital development. The government has recognized this need and gradually launched many initiatives including the Digital Skills Development Roadmap to enhance the capacity building of human capital to meet the demand for professionals in the digital economy. By nurturing a generation well-versed in STEM education, Cambodia can

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7 Sokunrith Pov et al., “Factors Influencing Science and Social Science Stream Choices at Upper Secondary Education in Cambodia” *MoEYS*, (2022)

8 Ministry of Planning, National Strategy Development Plan 2019-2023

9 Puthsereymony, Vann. “STEM Education in Cambodia: Progress and Challenges” *Cambodia Education Forum*, September 18, 2023



## **Advancing Internet Infrastructure: A Key to Realizing Digitalization in Cambodia**

Sothy Pichseth

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One of the most instrumental aspects of digitalization is internet speed. If Cambodia continues to struggle with internet speed, it will hinder its ambition of realizing a digitized economy and society. Thus, the Royal Government of Cambodia (RGC) should prioritize addressing the existing issues of internet speed. This commentary examines Cambodia's internet speed challenges, and it suggests that the government take this matter seriously if it aims to achieve digitalization.



## Internet Speed in Cambodia

Firstly, the slow speed of the internet can be traced back to infrastructure-related issues such as limited or outdated internet infrastructure and inefficient broadband networks. Although Cambodia is already served by five mobile internet service providers (ISPs) and 35 fixed ISPs. Approximately 82% of Cambodian people have access to the 4G network, while nearly 20% of the population still use slow internet speeds – both 2G and 3G networks<sup>1</sup>. The most common challenges of the slow internet speed are frequent internet disruption and unreliable connection. These challenges impede individuals' ability to access online resources and hinder businesses from fully leveraging digital technologies for growth and innovation.

Secondly, regulatory and policy-related challenges are the causes of slow internet speed and connectivity. A recent issue is that there have been monopolistic practices in the country's telecommunications sector, including allegations of anti-competitive behavior and market manipulation by dominant ISPs. In August 2022, the former Cambodian Prime Minister Hun Sen addressed this concern directly, reiterating the termination of all exclusive contracts between ISPs and Borey owners in order to promote fair competition and ensure that all residents are able to access cellular networks and internet services<sup>2</sup>. Another issue is that the telecommunications market in Cambodia has been dominated by a few major players, resulting in limited competition and reduced incentives for ISPs to improve service quality and invest in infrastructure upgrades. Today, only five operators remain functional, among whom the big three – CamGSM Co., Ltd. (Cellcard), Smart Axiata, and Viettel Metfone – have 90% of the total mobile subscribers in

Cambodia<sup>3</sup>. Hence, encouraging competition via regulatory reforms and promoting the entry of new market players can stimulate innovation and drive improvements in the internet speed.

## Government's Strategies

The RGC has recognized the pivotal role of the internet speed in its development agenda as outlined in the Cambodia Digital Economy and Society Policy Framework 2021-2035<sup>4</sup>. Among the five main goals, the development of infrastructure focusing on expanding the high-speed internet network is the top priority. It includes building reliability and confidence in digital systems, building digital citizens and digital government, and enabling digital businesses.

To address infrastructure-related challenges, the government proposes a comprehensive set of measures aimed at accelerating the development of high-speed broadband networks and infrastructure. This includes achieving widespread coverage of the population with affordable, high-quality broadband connectivity and investing in the necessary physical infrastructure, such as internet backbone networks, submarine cable networks, and fixed and mobile broadband infrastructure. The government encourages public-private partnerships (PPP) for investment in digital infrastructure to bridge the gap in investment needs and leverage resources from both sectors effectively.

Simultaneously, the policy framework also addresses solutions to the regulatory and policy-related issues. The framework includes amending laws and regulations related to the management of digital infrastructure to enhance competitiveness and promoting infrastructure sharing among telecommunications operators

1 Vanyuth Chea, "Internet users surge to 17.5M as gov't moves to digital economy", *Khmer Times*, March 2 2022, <https://www.khmertimeskh.com/501033903/internet-users-surge-to-17-5m-as-govt-moves-to-digital-economy/>

2 Fresh News, "Exclusive Internet Contract in Borey Breaches Fair Competition, Says PM Hun Sen", *Fresh News*, August 17, 2022, <https://en.freshnewsasia.com/index.php/en/localnews/31282-2022-08-17-04-08-35.html>

3 Aquarii, "Expert Insights: The development of the Cambodian telecoms sector and how innovation is paramount in 2023", *Aquarii*, n.d., <https://aquariibd.com/publications/expert-insights-the-development-of-the-cambodian-telecoms-sector-and-how-innovation-is-paramount-in-2023/>

4 Royal Government Cambodia, "CAMBODIA DIGITAL ECONOMY AND SOCIETY POLICY FRAMEWORK 2021 – 2035"

to improve efficiency and reduce costs. Additionally, the government suggests formulating a framework to monitor and evaluate the efficiency of the spending on digital infrastructure development. These regulatory and policy measures are essential for creating an enabling environment that stimulates investment and practice to enhance high-speed internet in Cambodia.

## Successful Precedence

South Korea consistently stands out as one of the countries with the fastest internet speed worldwide. Through the South Korean government's substantial investments in broadband infrastructure and the encouragement of competition among internet service providers, the government has successfully facilitated lightning-fast connections for its citizens. Boasting an average download speed surpassing 100 Mbps, the government leads globally in internet connectivity. With a tech-savvy population and widespread access to high-speed internet, the nation has become a trailblazer in digital innovation and a driver of economic growth<sup>5</sup>.

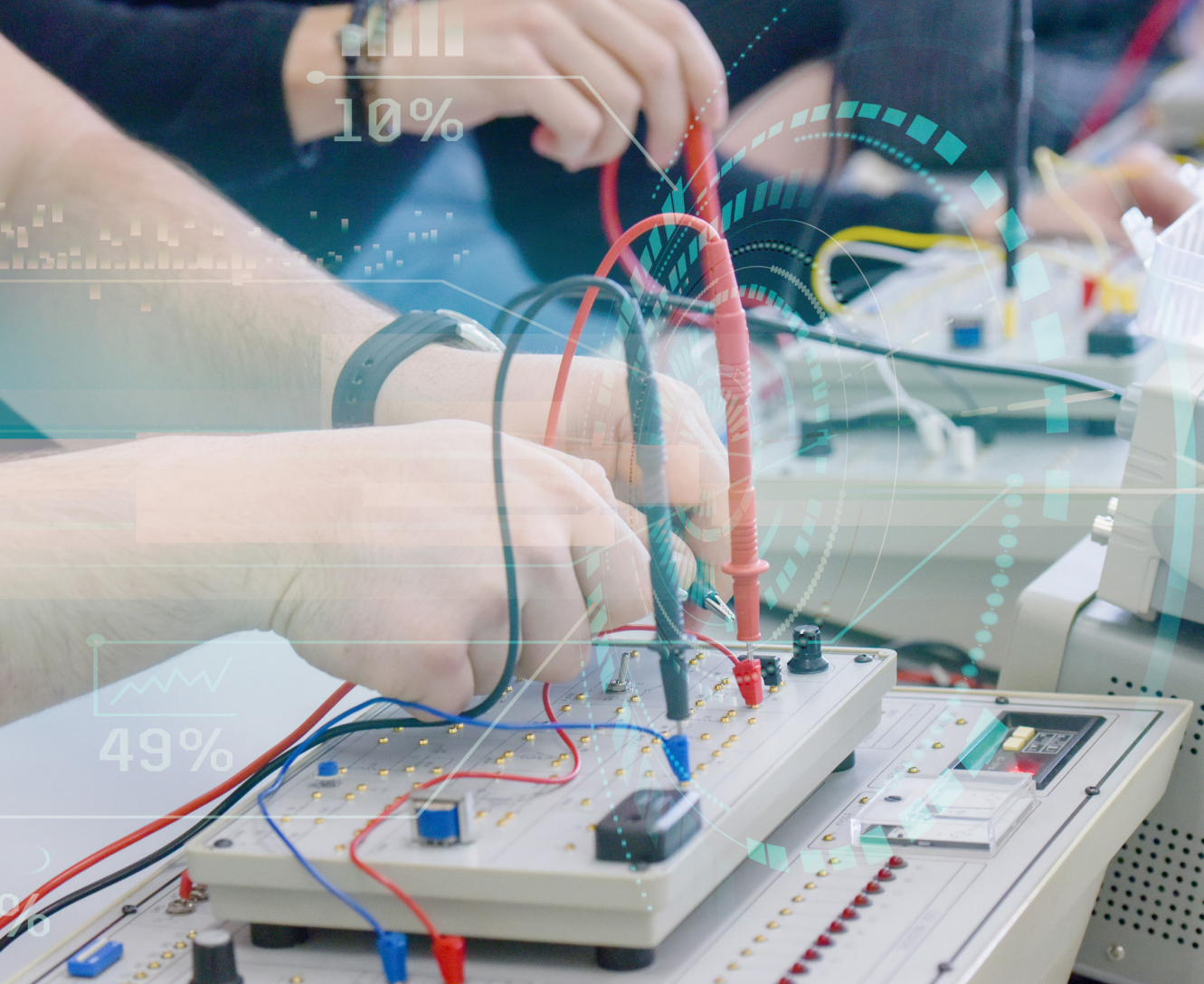
South Korea's exceptional level of connectivity is the outcome of nearly two decades of concerted efforts. In the 1990s, the South Korean government initiated a significant push towards the broadband industry. It liberalized the telecommunications sector, established a robust national infrastructure for high-speed internet, and implemented regulations to ensure competitiveness in the broadband market. This initiative led to a six-fold increase in the number of Korean internet hosts between 1996 and 2001. South Korea also holds the top position globally in broadband adoption, with a staggering rate of 78%<sup>6</sup>.

Hence, South Korea's remarkable success in achieving the world's fastest internet speed is the consequence of its strategic investment in broadband infrastructure, vigorous promotion of competition among internet service providers, and forward-thinking public policies.

Cambodia's journey towards realizing digitalization hinges crucially on the improvement of its internet speed. Hindered by infrastructure-related challenges and regulatory constraints, the nation faces hurdles in providing its citizens with efficient and reliable connectivity. However, the RGC has recognized the importance of internet speed in its development agenda, as evidenced by the initiatives outlined in the Cambodia Digital Economy and Society Policy Framework 2021-2035. Drawing inspiration from South Korea's successful story, Cambodia needs to further foster a conducive environment for digital innovation and economic growth. By tackling both infrastructure-related and regulatory challenges, Cambodia could invigorate its digitalization as a key to promoting the digital economy and becoming a digital society.

5 Bharti Naidu, "5 Top countries with the Fastest Internet Speeds", *The Daily Guardian*, October 13, 2023, <https://theguardian.com/5-top-countries-with-the-fastest-internet-speeds/#:~:text=South%20Korea&text=The%20government%20has%20invested%20heavily,global%20leader%20in%20internet%20connectivity>.

6 Ananya Bhattacharya, "The countries with the fastest internet, charted", *Quartz*, December 19, 2016, <https://qz.com/866998/the-countries-with-the-fastest-internet-charted>



## Enhancing TVET Through Digitalization: Why is it Essential for Cambodia?

Kov Phanna and Sar Puthirith

The quality of Cambodia's labor force has long posed challenges to its economic growth and diversification. This challenge is underscored by the fact that 85% of the workforce did not complete upper secondary education<sup>1</sup>. This raises concerns about the future workforce's capabilities in the country, particularly in light of rapid advancement in digital technologies.

<sup>1</sup> Sopheak Song, Saokeo Khantey You, and Sothy Khieng, "Rethinking Talent Development for Industry 4.0" in *Cambodian Post-Secondary Education and Training in the Global Knowledge Societies*, ed, Eam et al. (Phnom Penh: CDRI, 2022), 194-208.

Recently, the Royal Government of Cambodia (RGC) has launched the Pentagonal Strategy - Phase I, of which one of the key priorities focuses on strengthening technical and vocational education and training (TVET) through digitalization. This highlights the government's recognition of the vital role of digitalization of TVET in developing a skilled workforce capable of responding to the labor market demand and contributing to national socio-economic progress.

However, the question comes down to what the digitalization of TVET means. The digitalization of TVET signifies the integration of digital technologies to improve the sector's operation and performance while leaving its technical and vocational characteristics unchanged<sup>2</sup>. Based on this definition; therefore, this article will shed light on the promising opportunities of TVET digitalization and its pivotal landscape in the Cambodian context.

## Addressing Skills Gap and Mismatching

The digitalization of TVET will play a crucial role in bridging the skills gap and addressing the mismatch between skills possessed by the workforce and those demanded by employers. According to the Asian Development Bank in 2022, Cambodia faced a critical skills gap as skills training provided by TVET institutions appears to inadequately address the workforce demanded by the industries<sup>3</sup>. This resulted from an absence of a skills matching system and collaborative partnerships among relevant stakeholders regarding information sharing on skills demand and industrial expertise with TVET training institutions. Utilization of data collection tools, including KoboToolBox, SurveyMonkey, and Google Forms shall be practiced by stakeholders

including, but not limited to, technical training institutes (TTIs), private sectors, etc.

In this process, the private sector should provide information about jobs and skills they need or workers' changing skills composition. Collected data will be analyzed to explore the insight behind employment and skill trends, identify skills gaps, and tailor learning and career consultation. The results of data analysis should be subsequently turned into a visualization dashboard using software like Microsoft PowerBI, Tableau, and Oracle Analytics. These softwares have been developed for data analysis and are driven by descriptive statistical analysis. Despite the subscription fee, these softwares provide efficient functions for graphic visualization, and rich insight. Important decisions shall be driven by provided graphics. TVET training institutions can use this data analysis to develop training courses in response to industry needs. Nevertheless, users shall be able to secure a financial package for either annual or monthly plans.

## Deconstructing Old Perceptions and Opportunities for Youth

Another noteworthy point is that TVET has been misperceived and underappreciated. Research from CDRI, titled Cambodia Education 2015: Employment and Empowerment, suggests that TVET has not been well-known among Cambodian youths and their guardians. This technical education has been thought of as second choices compared to the normal academic pathway, unsuitable for women, laborious, and dirty. Most importantly, TVET was categorized as unsmart, with low grades and school abandonment<sup>4</sup>. Hence, the TVET digitalization auspiciously deconstructs these misperceptions. Digital learning materials, interactive modules, and student portals promisingly advance coherence and productive vocational education. The TVET digitalization can change and equip trainers with innovative

2 Bun Phoury, "The Digitalization Sphere: Where does TVET in the North-Eastern Cambodia Stand?," *Cambodia Development Review* 25, no. 3 (2021): 8. [https://cdri.org.kh/storage/pdf/CDR%2021-3e%20-%20Article%202%20\(2\)\\_1645508821.pdf](https://cdri.org.kh/storage/pdf/CDR%2021-3e%20-%20Article%202%20(2)_1645508821.pdf)

3 ADB, *Harnessing the potential of big data in post-pandemic southeast asia* (Malina: ADB, 2022), 15-16. <https://www.adb.org/sites/default/files/publication/793596/potential-big-data-post-pandemic-southeast-asia.pdf>

4 Sothy Khieng, Srinivasa Madhur and Rethy Chime, ed., *Cambodia Education 2015: Employment and Empowerment* (Phnom Penh: CDRI, 2015), 106.



pedagogical skills. Eventually, the trainers could widely transfer the technical skills, likewise soft skills, and digital practices to their students directly. In addition, with innovative, smart, and creative learning methods, adequate digital infrastructure, potentially transform and bolden the relevancy of TVET. It elevates its popularity and essentialness in economic development and ceases perceiving TVET as a second choice. Furthermore, this further consolidates and accredits TVET in the Cambodia Qualifications Framework (CQF).

The eventual beneficiaries are Cambodian youths. This is an opportunity to transform and equip digital literacy, at least the foundation. Presiding over the graduation ceremony of the Cambodian University for Specialties in early 2023, the former Prime Minister, Hun Sen, laid out the plan to provide and support vocational training to 1.5 million youths<sup>5</sup>. Six months under the seventh legislature administration, 30 thousand youths have enrolled in training.

This was highlighted during the press conference by the Government Spokesman Unit in February 2024. Hence, a successful digitalization of TVET will tremendously benefit youths, specifically the poor that potentially be granted in the 1.5 million program. Through the provision of costless training programs from the government, those young people could be qualified as skillful workers and, ultimately, digital citizens.

However, this process requires a strong commitment from all relevant stakeholders. A clear and huge financial support package needs to be secured for digitalization. Parallely, ensuring accountability and transparency in the process of digitization must be monitored. A few points should be seriously taken into account.

First, the MoLVT, especially the Directorate General of Technical Vocational Education Training (DGTNET), shall digitize their way of working. They should be the role model, and steer the entire process with other stakeholders. Through workshops and events, the ministry shall digest their successes, foremost practices, and benefits to the public. Subsequently, training providers are obliged to adapt those practices to their institutions. However, it must be underlined that encouragement is essential, and the adaptation of ICT takes time and effort.

Second, database management and informative portals should be thoroughly reviewed. The TVET Management Information System (TVETMIS) should be redesigned to be user-friendly, informative, and attractive. The chief information, including the trend of skills, popular jobs in the industry, and high-demand labor should easily be accessible and streamlined. In addition, the system should attach the link to recruitment agencies like the National Employment Agency, Bongthom, etc.

Third, in addition to the second point, hosting either a website or database on live requires high security. Technical and maintenance groups shall be established with high cyber security capability. Websites shall be updated regularly with the latest technology. Passwords should be secured and driven by strong policies, with expert administrators. While the database relies on physical server infrastructure, physical risks like fire, server case damage, hot storage room shall be bypassed.

Last but not least, DGTNET, specifically the Department of Standard Curriculum, NGOs, and private sectors jointly decide, develop, and approve the modules that require digitalization. Since it is costly, working groups should create a list of priorities and work on those modules accordingly. Subsequently, digital training materials packages shall be embedded in the current curriculum and widely used across all technical training institutes (TTIs).

5 Vibol, Torn, "Disadvantaged Youth to Benefit from Government's Initiative", Khmer Times, January 24, 2023, retrieved from <https://www.khmertimeskh.com/501224581/disadvantaged-youth-to-benefit-from-governments-initiative/#:~:text=The%20government%20has%20announced%20a,afford%20to%20pursue%20higher%20education>



## Promoting Economic Diversification and Foreign Direct Investment

Digitalization of TVET will promote economic diversification and attract foreign direct investment. The government recognizes the importance of economic diversification in reducing the heavy dependence on agriculture, garment manufacturing, and tourism, as well as creating new opportunities for economic growth. The digitalization of TVET is believed to play a pivotal role in this effort to equip Cambodian laborers with the skills necessary to thrive in emerging industries that are rapidly evolving towards digitalization. Providing training in high-demand industries, after matching skill and competency with the current and future labor market needs, will help create a more diverse, competitive, and resilient economy that is less susceptible to external shocks. This will potentially attract more foreign direct investors who look to capitalize on a hub of Cambodia's skilled workforce, technological innovation, and conducive business environment. Investment in the digitalization of TVET will help position Cambodia as an attractive destination for foreign direct investment, leading to job creation, technology transfer, and economic growth in the digital age.

### What does it mean for Cambodia?

Digitalization of TVET in Cambodia will represent transformative opportunities to shape how skills are taught and acquired and address the skills gaps and mismatches through a more collaborative partnership, creating a workforce that can thrive and succeed in the digital age. It also helps Cambodia position itself as a hub of talent and skilled workforce in the region, magnetizing foreign direct investment and economic diversification. This will drive the transformation of Cambodia into a skills-based economy and ensure economic development and competitiveness, ultimately realizing an upper middle-income country by 2030 and a high-income country by 2050.



*"The Taste of Angkor" won "Best Asian Cookbook" at the Gourmand World Cookbook Awards 2021."*  
Photo: MFAIC

## From Traditional to Digital Diplomacy: Cambodia's Efforts for Globalizing Cambodian Cuisine

Mey Minith

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The world is becoming "flat" through the web of interconnectedness. The rapid exchange of information and the promotion of cultural understanding are the byproducts of diplomacy to invigorate cultural tolerance and peaceful co-existence.

In Cambodia, economic diplomacy can be traced back to the 12<sup>th</sup> century when the kingdom's foreign relations became prominent. However, the current government of Cambodia started to embrace it as a foreign policy tool in the late 1990s<sup>1</sup>. The "Open Door" policy by the former Prime Minister Hun Sen has paved the way for Cambodia's integration into the region and the world as it later joined the Association of the Southeast Asian Nations in 1999 and the World Trade Organization in 2004. Diplomacy is crucial; however, what tool should be promoted in diplomacy and how?

Food and Digital Space is a great combination. In Cambodia, culture remains an integral aspect of society including many of its tangible and intangible cultural heritages. However, an overlooked part is the Cambodian "culinary identity." Food is an essential part of culture, which goes beyond the ingredients, but the connection, expression, and identity of a country. Cambodian food is little-known to the world, according to article "Most Underrated Cuisines Around the World<sup>2</sup>." Timeout also mentioned Kep as the most underrated food city according to chef<sup>3</sup>. Cambodian restaurants abroad are also limited and only accessible to countries with high volumes of Cambodian diasporas such as the United States, France and Australia, and they are popular only within the "Khmer" and Asian communities.

Although Cambodian Cuisine is largely underrepresented, digital spaces offer endless opportunities. Digital innovation, such as online education, remote work, e-cash, and so forth, are crucial to assist our daily lives after

the COVID-19 pandemic. Such innovation is becoming more relevant for years to come as it marks the importance of new technologies with safe and effective digital solutions for a more accessible and inclusive world<sup>4</sup>. Amidst technological advancement, rapid changes from the traditional to digital realm can enhance efficiency, inclusivity, and diversity across the globe. For instance, Taiwan is among the first countries to offer free Wi-Fi access for its population, allowing unlimited access to digital resources in order to advance education technology inside and outside the classroom<sup>5</sup>.

Globalizing Cambodian cuisine not only promotes the country's food tourism but also boosts Cambodia's global image and cultural influence. This means Cambodia needs to diversify its diplomatic approaches by moving toward digital space where it brings light to the diverse food culture and culinary art. From traditional handshakes from global leaders to digital food space combining all easy-to-make Cambodian food recipes.

## Traditional Diplomacy and Cambodian Cuisine

Cambodia's reputation as one of the world's "Friendliest Countries" by the Rough Guide was highlighted when it hosted at the 40<sup>th</sup> and 41<sup>st</sup> ASEAN Summits in 2022<sup>6</sup>. Welcoming foreign leaders to discuss the regional issues, the summit is also a reflection of Cambodian culture such as when the US President Joe Biden and former New Zealand Prime Minister Jacinda Ardern were seen wearing traditional Cambodian shirts made out of silk.

1 Chanborey Cheunboran, "AVI POLICY BRIEF ISSUE: 2019, No. 15 | Cambodia's Economic Diplomacy: An Imperative for Prosperity and Self-Determination," Asian Vision institute, November 28, 2019, <https://www.asianvision.org/archives/publications/avi-policy-brief-issue-2019-no-15>.

2 Max DeNike, "Most Underrated Cuisines around the World," [www.farandwide.com](http://www.farandwide.com), October 29, 2019, <https://www.farandwide.com/s/underrated-cuisines-world-8c951b1dd58e4fcf>.

3 Morgan Olsen, "18 of the World's Most Underrated Food Cities, according to Chefs," Time Out Worldwide, March 12, 2021, <https://www.timeout.com/food-and-drink/underrated-food-cities-around-the-world>.

4 European Union External Action, "Digital Diplomacy | EEAS Website," [www.eeas.europa.eu](http://www.eeas.europa.eu), June 29, 2023, [https://www.eeas.europa.eu/eeas/digital-diplomacy\\_en](https://www.eeas.europa.eu/eeas/digital-diplomacy_en).

5 Amy Woodbridge, "3 Countries Leading the Way in Classroom Technology | Teach Away," Teach Away, April 7, 2014, <https://www.teachaway.com/blog/3-countries-leading-way-classroom-technology>.

6 Mizpah Castro Maulit, "Cambodia Hailed as 'the World's Friendliest' in 2021," IPS Cambodia Real Estate, October 12, 2021, <https://ips-cambodia.com/cambodia-the-worlds-friendliest-country-2021/>.

The highlight of the summit was the dishes prepared by Toan Ek Sophie, founder of Kravanh (a Fine Dining Place). The delicate dishes were carefully chosen to serve to 35 world leaders. These include Meang Lao, , Nataing, Pomelo Salad, and Wild Mekong Lobster. Royal Dish such as Beef Saraman and Somlor Prohouer wrapped up the course. The dessert comprised Nom Sai Soy, Nom Akor, and Borbor Thnout<sup>7</sup>. This arrangement was well applauded by the foreign leaders, especially President Joe Biden<sup>8</sup>.

Khmer dishes can travel as far as France when the Royal Embassy of Cambodia participated in the International Gastronomy Village in 2022 in Paris. As part of the Economic Diplomacy Strategy, five Cambodian dishes were displayed including Num Banchok (traditional noodles), Amok, grilled beef, Num Kang, and Num Ansam<sup>9</sup>. Royal Embassy of Cambodia often participate in such events to promote cultural heritages, one of which is showcasing Khmer food and agricultural products such as Kampot peper, Kampong Speu palm sugar, and so forth.

## Cambodia's Gastrodiplomatic Efforts

Using food as national branding in concerted and sustained campaigns of public relations and investment by governments and states, often in collaboration with non-state actors is gastrodiplomacy. It builds on food as a common dimension of the lives and cultures of all people, usually falling under public diplomacy by striking an emotional connection<sup>10</sup>.

However, Cambodia's gastrodiplomacy is still understudied and scoped under the umbrella of cultural diplomacy. In May 2022, the Ministry of Foreign Affairs and International Cooperation launched the "Angkor Kitchen," an effort to provide insights into authentic Cambodian cuisine through detailed instructions and recipes and culinary diplomacy training for Cambodian diplomats and their spouses to improve the fundamental of Khmer food and promote Khmer dishes to attract investments. The program was an internal reform of Culinary Diplomacy stated in the Ministry's Economic Diplomacy Strategy 2021-2023<sup>11</sup>.

Another effort to send Cambodian dishes abroad is through a cookbook. "The Taste of Angkor," a 90-page book consisting of easy-to-follow recipes for diverse Cambodian dishes, was awarded the "Best Asian Cuisine Book" and the "Heads of State/Food" at the Gourmand World Cookbook Awards in Saudi Arabia in 2021 and 2022<sup>12</sup>. Moreover, the "Culinary Art of Cambodia," a cookbook by Princess Norodom Rasmi Sobhana of 300 culinary recipes and tips, also won the "Special Award of the Jury"<sup>13</sup>.

Despite its rich culinary traditions, Cambodia has yet fully exploited this crucial opportunity for nation branding until recently when food becomes one of the pillars of its cultural diplomacy<sup>14</sup>. And it remains quite exclusive to foreigners. Cambodia needs to further explore its culinary identity and create a unique campaign while being accessible to all. Hence,

7 Rinith Taing, "In the Heat Cooking for World Leaders - Khmer Times," Khmer Times, December 29, 2022, <https://www.khmertimeskh.com/501211096/in-the-heat-cooking-for-world-leaders/>.

8 "PM Praises President Biden's 'Friendly Attitude' – and Says the President Enjoyed Khmer Food - Khmer Times," Khmer Times, November 13, 2022, <https://www.khmertimeskh.com/501184520/pm-praises-president-bidens-friendly-attitude-and-says-the-president-enjoyed-khmer-food>.

9 "Cambodian Cuisine Appreciated at International Gastronomy Village in Paris - Khmer Times," Khmer Times, September 3, 2022, <https://www.khmertimeskh.com/501144342/cambodian-cuisine-appreciated-at-international-gastronomy-village-in-paris/>.

10 Paul S Rockower, "Recipes for Gastrodiplomacy," *Place Branding and Public Diplomacy* 8, no. 3 (August 2012): 235–46, <https://doi.org/10.1057/pb.2012.17>.

11 "The Inauguration Ceremony of the 'Angkor Kitchen' ( 03 May 2022 ) - Ministry of Foreign Affairs and International Cooperation," [www.mfaic.gov.kh](http://www.mfaic.gov.kh), May 3, 2022, <https://www.mfaic.gov.kh/posts/2022-05-03-News-The-Inauguration-Ceremony-of-the--Angkor-Kitchen----03-May-2022---12-28-20>.

12 Darshana Gauchan, "'The Taste of Angkor' Wins Two Gourmand World Cookbook Awards in 2022," EAC News, June 8, 2022, <https://eacnews.asia/home/details/13148>.

13 Peter Olszewski, "Princess' Cook Book Wins Swede Award - Khmer Times," Khmer Times, June 8, 2022, <https://www.khmertimeskh.com/501090784/princess-cook-book-wins-swede-award/>.

14 Rethy Chhem and Siriwa Chhem, "Food Diplomacy for Cambodia's Nation Branding - Khmer Times," Khmer Times, December 22, 2020, <https://www.khmertimeskh.com/50796317/food-diplomacy-for-cambodias-nation-branding/>.



transitioning toward the fast-evolving digital space would enhance the appeal and familiarize the world with her food.

## Why Transitioning to Digital Diplomacy?

Digital diplomacy is the use of technology, particularly the internet and other ICTs-based innovations, in the conduct of diplomacy, as a means for strengthening foreign relations<sup>15</sup>. Digital diplomacy is not a replacement but an enhancement of traditional diplomacy. It opens access to cultural contents and interaction with a global audience. It also keeps up to date on the issues in a more inclusive, efficient, and transparent manner.

Why digital diplomacy? First, it allows direct public interaction and involvement between officials and citizens informally. This includes information sharing, personal communication channels, opportunities, and a sense of community<sup>16</sup>. By using food as a bridge, it familiarizes the space between Cambodia and foreign audiences. Second, it is like a public relations scheme, which aims to promote Cambodian cuisine, and providing an authentic experience. When people see the food, they want to know, then to try, then to cook, and then want to visit the country. Cambodia can benefit enormously from this digital campaign.

In this digital age, social media platforms dominate the way people communicate, receive, and share information. Diplomats can simultaneously represent the country with food through social media platforms. It can promote, engage the international publics, media users, and pursue their foreign policy objectives at a relatively lower cost<sup>17</sup>. Examples like Kosovo demonstrate how small states can leverage digital platforms through the “Digital Kosovo”

to invigorate their international recognition, image, and influence, despite limited financial resources<sup>18</sup>.

In fact, Cambodia’s Foreign Affairs Ministry has urged diplomatic officials to enhance their digital skills and utilize the internet and social media platforms to disseminate information faster<sup>19</sup>. Moreover, as a part of the Pentagonal Strategy-Phase I, building a digital government is a vital activity for the country to improve the delivery of public services and beyond<sup>20</sup>.

A notable example is when eight Cambodian brands were selected as the most 50 popular Southeast Asian Food merchants on billboard in Time Square in New York city. This was a part of Grab as they were celebrating the community of driver, delivery, and merchant partners<sup>21</sup>. This means that digital diplomacy goes beyond the role of diplomats or ambassadors, but the roles of state as a whole.

Moreover, Battambang became the first Cambodian municipality to join the UNESCO Creative Cities Network (UCCN) for its unique cultural heritage. UNESCO has also supported government’s efforts and assisted in capacity building to promote Battambang’s cultural identity with town authorities and Ministries of Tourism and Culture<sup>22</sup>. Battambang’s diverse gastronomy such as Nem and Kantuy Hes paves

15 “What Is Digital Diplomacy,” *Diplomacy 360: International Cooperation Program*, n.d., <https://diplomacy360.com/what-is-digital-diplomacy/>.

16 Viona Rashica, “The Benefits and Risks of Digital Diplomacy,” *SEEU Review* 13, no. 1 (December 1, 2018): 75–89, <https://doi.org/10.2478/seeur-2018-0008>.

17 *ibid*

18 UNDP Strategic Innovation, “Accelerating Digital Transformation in Kosovo,” *Medium*, December 21, 2023, <https://medium.com/@undp.innovation/accelerating-digital-transformation-in-kosovo-adb5b64e6eb0>.

19 Koemsoeun Soth, “Cambodian Diplomatic Corp Told to Enhance Digital Skills - Khmer Times,” *Khmer Times*, March 1, 2023, <https://www.khmertimeskh.com/501247920/cambodian-diplomatic-corp-told-to-enhance-digital-skills/>.

20 Vanyuth Chea, “Digital Governance Gaining Momentum in Cambodia - Khmer Times,” *Khmer Times*, October 24, 2023, <https://www.khmertimeskh.com/501381307/digital-governance-gaining-momentum-in-cambodia/>.

21 Mengheng Seng, “Cambodian Eateries Find Fame in New York’s Times Square,” *kiripost.com*, November 24, 2023, <https://kiripost.com/stories/cambodian-eateries-find-fame-in-new-yorks-times-square>.

22 Sokny Chea, “UNESCO Formally List Battambang Gastronomy,” *www.phnompenhpost.com*, November 1, 2023, <https://www.phnompenhpost.com/national/unesco-formally-list-battambang-gastronomy>.

the way for Cambodian cuisine to go beyond the geographical boundaries. Diplomacy should not be exclusive, and the opportunity to turn into a food tourist destination can be possible should Cambodia enforce digital diplomacy.

## Digital Diplomacy and Cambodian Cuisine

With the introduction of the Ministry of Foreign Affairs' campaign "From Angkor to Your Kitchen," a journey develops in which the flavor of the Cambodian cuisine appears on the smartphone screen. This unique campaign takes advantage of all digital areas across several platforms such as Facebook, Instagram, YouTube, TikTok, Twitter, and others to create immersive social media experiences such as engaging website and contents.

The initiative uses inclusive tactics to make information open and accessible through digital contents, photos, blogs, and more, so anyone with an internet connection can enjoy. Partnerships with influencers, chefs, and celebrities use their powerful platforms to promote the Cambodian cuisine can inspire global viewers to be interested and visit the kingdom. Food enthusiasts are invited to experience Cambodian cuisine through various initiatives, such as interactive culinary demos and virtual food tours.

Additionally, the campaign produces videos and films by fusing storytelling of Khmer cooking. It also provides online cooking workshops and seminars that are open to everyone and provide an opportunity to learn about the culinary traditions from the comfort of one's own home.

The campaign "From Angkor to Your Kitchen" embodies the perfect fusion of digital technology and culinary art. This campaign brings the Cambodian food on the international scene by utilizing creative digital efforts, cross-sector collaboration, and strategic planning, allowing foreign audiences to experience real flavor from their mobile screens.



## Embracing Digitalization to Reinvigorate the Post-Covid Tourism Sector in Cambodia

Hout Sereyboth

Vibrant scenes of crowded streets with international visitors, hotels full of parked buses, and countless tourists eagerly awaiting the breathtaking sunrise view at Angkor Wat suddenly disappeared after the COVID-19 hit Cambodia in 2020. Cambodia, one of developing countries in Southeast Asia, has the tourism sector as its backbone economic contributor. Cambodia's tourism sector grew in 2019, with its domestic tourists totaling 11.32 million and with international visitors increasing by 6.6% from 6.2 million in 2018 to 6.61 million<sup>1</sup>.

1 Asian Development Bank. 2022. "Community-Based Tourism COVID-19 Recovery Project: Sector Assessment Summary - Tourism in Cambodia." Asian Development Bank. <https://www.adb.org/sites/default/files/linked-documents/53243-001-ssa.pdf>.

The impact of the COVID-19 pandemic on Cambodia's economy was disastrous, including many business closures and a significant loss of employment. This impact affected thousands of Cambodian individuals.

Thanks to the successful effort of the Royal Government of Cambodia (RGC) in fighting against the pandemic, on November 01, 2021, the former Prime Minister Hun Sen decided to reopen its border to the world, reviving the country's economy, especially its tourism industry<sup>2</sup>. As the country embraces a "new normal," Cambodia stands ready to embrace its digital transformation in various sectors including the tourism sector.

According to the 2021 Roadmap for Recovery of Cambodia Tourism During and Post COVID-19, Samdech Techo Hun Sen emphasized the importance of digitalization that "In this situation, we have to know and increase the attractiveness to take advantage of technology for daily livelihood, leadership, study, work, and business<sup>3</sup>."

Since the world is interconnected, seizing the opportunity of digital development has become one of the top priorities outlined in the Pentagonal Strategy Phase I. This strategy was introduced by the new Cambodian government, led by Samdech Moha Borvor Thipadei Hun Manet, with the aim of positioning the country to thrive in the new era of Cambodia's socio-economic development. By strategically adopting digital tools, Cambodia's tourism sector can not only recover from the impacts of the pandemic but also undergo a transformative process, reaching new heights as a model of sustainable growth, innovation, efficiency, and resilience in the post-pandemic phase of economic recovery.

In this contemporary digital evolution, digitalization particularly in the tourism sector cannot be overlooked. Japan and South Korea are embracing cutting-edge digital transformation in the tourism sector, captivating international visitors and enticing investors. Japan's IC cards provide hassle-free, contactless payment for transportation fares, vending machines, stores, and eateries, making it incredibly convenient for tourists<sup>4</sup>. Furthermore, South Korea is revolutionizing tourism management and marketing in the province of Gyeongju by adopting smart destination technologies<sup>5</sup>. Traced back to the past, The tourism sector witnessed the early adoption of digital technologies, exemplified by online flight and hotel booking systems. In today's world, to effectively promote a specific tourist destination, it is crucial to acknowledge the power of digital marketing and create interesting promotional videos that can attract a larger number of tourists. By utilizing various digital channels and platforms such as social media, search engines, and appealing travel websites can effectively broaden and showcase the unique offerings and experiences of the location to a wider global audience.

Cambodia has made significant progress in digital payment, with the adoption of E-Wallet, KHQR, and digital ticketing. This has proven to be highly beneficial for both service providers and tourists. It offers time efficiency and eliminates the need for paper-based transactions. Nevertheless, we currently lack our own dedicated tourism app that provides seamless access to essential tourist information, such as transportation options, accommodation details, and local food recommendations sourced from local reviews. By developing such apps and leveraging digital platforms, we can empower visitors with the convenience of having all the necessary details readily available at their fingertips, enhancing their overall experience. Additionally, enhancing destination management through the utilization

2 Vantha, Phoung. 2021. "PM Hun Sen Orders "Reopening" of Cambodia to Embrace "New Normal."" Cambodianess. <https://cambodianess.com/article/pm-hun-sen-orders-reopening-of-cambodia-to-embrace-new-normal>.

3 Ministry of Tourism. 2021. "Untitled." International Business Chamber of Cambodia. [https://ibccambodia.com/wp-content/uploads/2021/05/Eng\\_Roadmap\\_Translation-Final-1.pdf](https://ibccambodia.com/wp-content/uploads/2021/05/Eng_Roadmap_Translation-Final-1.pdf).

4 JRailPass. 2023. "Prepaid IC Cards in Japan: How to Use." Japan Rail Pass. <https://www.jrailpass.com/blog/using-japanese-ic-cards>.

5 Korea.net. 2017. "Gyeongju, 5 others named intelligent tech-using smart tourism cities." YouTube: Home. <https://www.korea.net/NewsFocus/FoodTravel/view?articleId=211599>.



of technology including early alert systems for weather conditions, destination status, and traffic updates can further improve the overall tourist experience and showcase our digital technologies advancement. In the context of Cambodia, there are tremendous opportunities for implementing digital technologies in the tourism industry. These technologies play crucial roles in enhancing visitor experiences, improving operational efficiency, and unlocking the full potential of Cambodia's tourism sector.

Considering the importance of digital technologies, Cambodia is making rapid development in the digital world, driven by the strong government support, a relatively stable internet penetration rate, widespread usage of digital financial transactions, and communication tools. Cambodia has taken a positive step in inserting digital platforms in the tourism sector, for instance, with the "E-Arrival Card", a new Cambodian government initiative to boost the tourism sector. This digital streamlined entry will provide pre-filled e-forms for visa on arrival, immigration, customs, and health declarations at all international airports which will ease of use and reliability, and will crucially shape tourists' perceptions toward Cambodia<sup>6</sup>. Another example is the Siem Reap Tourism Club Association (STC), which has just launched the STC Vendors app in collaboration with the Ministry of Tourism and the Siem Reap Provincial Administration. This mobile app aims to simplify access to high-quality, secure services for both domestic and international tourists. It enables tour guides, drivers, restaurateurs, and other tourism service providers to register their contact details, prices, and availability<sup>7</sup>. Both the government and private sectors are actively strengthening their efforts to develop human capabilities and expertise, with a clear focus on transitioning multiple facets of the industry onto digital platforms. This strategic move not only ensures accountability and efficiency but

also aligns with the new vision set by the Royal Government of Cambodia.

Although significant steps have been made to embrace digitalization, numerous challenges persist. Inadequate internet infrastructure and connection in many tourist areas, along with worries about data protection, provide barriers to smooth digital integration within the tourism industry that demand strong efforts and implementation from both the relevant ministries and related stakeholders. Furthermore, the widespread digital divide causes deficiencies in digital access and use, disrupting equitable participation and slows down digital adoption. In spite of that, solving these addressed difficulties is vital for fulfilling Cambodia digital tourism's transformational journey.

Recognizing the vital role of integrating digitalization into Cambodia's tourism sector for economic growth, the nation is moving toward a digital society as it navigates post-pandemic recovery. While the adoption of digital technologies is crucial for the tourism industry's success, it is essential to also focus on enhancing local hospitality, diversifying tourist attractions, and advancing the implementation of smart city and smart tourism initiatives to ensure sustainable growth.

6 Kunmakara, May. 2023. "E-Arrival Card' to boost tourism." Phnom Penh Post. <https://www.phnompenhpost.com/business/e-arrival-card-to-boost-tourism>.

7 Sokny, Chea. 2024. "Siem Reap launches app to enhance tourism." Phnom Penh Post. <https://www.phnompenhpost.com/national/s-reap-launches-app-to-enhance-tourism>.



## Is Digital Transformation a Requisite for Empowering Cambodia's SMEs Toward Sustainable Growth?

Pork Pagnapich

In Cambodia, small and medium enterprises (SMEs) shared 58 percent of Cambodia's GDP and provided more than 70 percent of employment<sup>1</sup>. SMEs have thus contributed significantly to social and economic development, becoming a backbone of Cambodia's economy.

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<sup>1</sup> Layby Chea, "The Current Situation of SME in Cambodia: SME Financing," *unesap.org*, 2019, <https://www.unescap.org/sites/default/files/SME%20Financing-Chhea%20Layhy%202019.pdf>

In today's rapidly evolving business landscape, the need for digital transformation is crucial for SMEs seeking not only to survive but also to sustain their growth. While being the catalyst of the country's economy, SMEs are now facing numerous challenges including limited access to internal and external markets, financial resources, operational models, and technical skills and knowledge<sup>2</sup>. They are also facing other issues such as incoherent regulatory frameworks and high input costs, while experiencing difficulties in accessing business development services including capacity building and upgrading, business networking, and access to finance provided by the Royal Government of Cambodia (RGC) and development partners<sup>3</sup>.

The RGC has long recognized positive contributions of SMEs to the national economic growth. Therefore, the government has issued a number of policies and established business support service institutions for SMEs to accelerate digital adoption. The initiatives are aimed at providing support for sustainable business practices and enhancing economic efficiency and productivity through digital technology and innovation. To build the vibrant entrepreneurial ecosystem, Cambodia should embrace digital technologies as the strategic necessity of empowering its SMEs towards sustainable growth.

## The RGC's Initiatives

The RGC has taken steps to promote SMEs digital adoption. The Cambodia Digital Economy and Society Policy Framework 2021-2035 was adopted in May 2021, paving the way for the other supporting policies, key priorities, and implementation principles to be formed subsequently<sup>4</sup>. The policy has five key measures including Digital Reliability and Confidence, Digital Citizen, Digital Government, Digital Business, and Digital Infrastructure, among which Digital Business is one of the main focuses. The policy has been integrated into the National Pentagonal Strategy-Phase 1, stated in the Pentagon 5 (Development of Economy and Society)<sup>5</sup>. The Digital Government Policy 2022-2035 was launched in 2022 with the vision of developing a vibrant digital economy and society<sup>6</sup>. The policy's goals include establishing a digital government to enhance people's quality of life and fostering greater trust through improved public service provision. The policy is guided by specific implementation principles such as delivering services directly to citizens (G4C), providing services to businesses (G2B), and facilitating interactions between government entities (G2G). Overall, this initiative aims to leverage digital technologies to create a more efficient, transparent, and responsive government that meets the diverse needs of citizens and businesses alike. This demonstrates that the government has been ready to provide utmost services to citizens, business people, and the governmental institutions themselves. Key public institutions, such as the Khmer Enterprise (KE) and the Techo Startup Center (TSC), are

2 Sambath Thy, "Roles of SMEs in Cambodian Economic Development and Their Challenges," nbc.gov.kh, November 2021, [https://www.nbc.gov.kh/download\\_files/macro\\_conference/english/Roles\\_of\\_SMEs\\_in\\_Cambodian\\_Economic\\_Development\\_and\\_Their\\_Challenges.pdf](https://www.nbc.gov.kh/download_files/macro_conference/english/Roles_of_SMEs_in_Cambodian_Economic_Development_and_Their_Challenges.pdf)

3 Nuppun Institute for Economic Research, Cambodia, for the United Nations Department of Economic and Social Affairs Division for Sustainable Development Goals, "Supporting Micro-, Small and Medium-sized Enterprises (MSMEs) to Achieve the Sustainable Development Goals (SDGs) in Cambodia through Streamlining Business Registration Policies," *sgds.un.org*, March 05, 2020, [https://sgds.un.org/sites/default/files/2020-07/Supporting\\_MSMEs\\_to\\_Achieve\\_SDGs\\_in\\_Cambodia.pdf](https://sgds.un.org/sites/default/files/2020-07/Supporting_MSMEs_to_Achieve_SDGs_in_Cambodia.pdf)

4 Royal Government of Cambodia, Supreme National Economic Council, *Cambodia Digital Economy and Society Policy Framework 2021-2035*, May 2021, Phnom Penh.

5 Royal Government of Cambodia, *Pentagonal Strategy-Phase I for Growth, Employment, Equity, Efficiency, and Sustainability: Building the Foundation Towards Realizing the Cambodia Vision 2050*, August 2023, Phnom Penh.

6 Royal Government of Cambodia, Ministry of Post and Telecommunications, *Cambodia Digital Government Policy 2022-2025*, January 2022, Phnom Penh.

established to provide support for sustainable business practices in Cambodia.

## Why Does Digital Transformation Matters?

### *Operational Efficiency*

Digital tools and solutions enhance operational efficiency. By adopting digital technologies, SMEs can streamline processes, reduce costs, and improve resource allocation. For instance, cloud-based accounting systems simplify financial management, allowing businesses to focus on core activities. This efficiency not only cuts operating costs but also enhances agility, a crucial asset in today's dynamic business environment. The recent survey of the Cambodia Development Resource Institute (CDRI) on "The Current State and Role of Digital Technology Adoption in Tourism MSMEs in Cambodia" shows that 19 percent of MSMEs interviewed saw a reduction of the operating costs, while the other 29 percent experienced an increase in profit<sup>7</sup>. The study also found that around 29 percent of MSMEs witnessed a rise in labor productivity, and 40 percent of them said digitalization helped them simplify business operations and especially the financial management.

### *Market Expansion, Competitiveness and Inclusion in Global Value Chain*

Digitalization opens doors to broader markets. SMEs can reach customers beyond geographical boundaries, participate in e-commerce, and explore export opportunities. A well-designed website or an active presence on social media platforms can significantly boost visibility and customer engagement. In addition, digital transformation equips SMEs with digital tools to compete effectively, which is crucial in the

globalized economy. Whether it is automating inventory management, implementing data analytics, or optimizing supply chains, technology-driven strategies enhance competitiveness. Digital adoption also fosters inclusion in global value chains. By aligning with international standards and leveraging digital platforms, Cambodian enterprises can participate in cross-border trade and collaborate with partners worldwide.

A joint initiative, namely SME-eBizNest of the Go4eCAM project between the KE, the United Nations Development Fund (UNDP), the Ministry of Commerce, the Enhanced Integrated Framework (EIF), and the Australian Government, has served as a catalyst for SMEs to boost their online presence, provide new services, and increase international opportunities<sup>8</sup>. The program has trained, and provided grants to, more than 175 SMEs to embrace digital and e-commerce platforms since 2020. H.E. Dr. Chhieng Vanmunin, the KE CEO, said, "Given the difficult circumstances caused by the COVID-19, through this program partnership, qualified SMEs will have various opportunities to receive grants that are provided by KE. This program structure offers efficient mechanisms to provide funds and is able to train SMEs to go digital." The COVID-19 pandemic has catalyzed proactive efforts by policymakers and organizations like the KE to bolster SMEs resilience through targeted financial support and capacity-building programs focusing on digital transformation. Such interventions will contribute to the acceleration of the RGC's Pentagonal Strategy for promoting digital economy, underscoring the critical role of digitalization in Cambodia's economic development and the need to empower MSMEs via digital initiatives.

<sup>7</sup> Cambodia Development Resource Institute, "The Current State and Role of Digital Technology Adoption in Tourism MSMEs in Cambodia," [asiafoundation.org](https://asiafoundation.org), The Asia Foundation, March 17, 2023, <https://asiafoundation.org/wp-content/uploads/2023/07/The-Current-State-and-Role-of-Digital-Technology-Adoption-in-Tourism-MSMEs-in-Cambodia.pdf>

<sup>8</sup> "Khmer Enterprise and UNDP to Boost Cambodia's SMEs Development," [undp.org](https://undp.org), May 19, 2021, <https://www.undp.org/cambodia/press-releases/khmer-enterprise-and-undp-boost-cambodias-smes-development>

## Challenges and Ways Forward

### *Simplified Policies and Collaboration*

To encourage SMEs to adopt digital technology, digital adoption policies must be simple and easy to understand. Dr. Taing Nguonly, Executive Director of the TSC, emphasizes that the journey toward digitalization is both continuous and responsive to dynamic business needs. Clear guidelines and accessible support mechanisms are essential. Stakeholders, government agencies, financial institutions, industry associations, and SMEs must collaborate with one another. Joint efforts can create an ecosystem conducive to digital transformation. In addition, training programs, mentorship, and access to capital are critical components in this transformation.

### *Long-Term Vision*

Digital transformation is not a short-term fix. SMEs should recognize that going digital is an ongoing process. It requires adaptability, investment in skills development, and a commitment to staying updated with technological advancements. The CDRI's report reiterates that the majority of MSMEs in Cambodia who have already utilized digital technologies are still in the early stages of adoption<sup>9</sup>. Therefore, six priorities of the policy action to enhance the digital adoption for MSMEs are suggested as follows<sup>10</sup>.

First, promoting Information and Communication Technology (ICT) and digital infrastructure involves expanding broadband access and investing in telecommunications to enable MSMEs to leverage digital tools. Second,

increasing knowledge and skills in digitalization aims to enhance workforce competency through targeted training programs, benefiting micro and unregistered businesses. Third, promoting digital literacy can raise awareness and assist MSMEs decision-makers in developing digital investment strategies, with a particular emphasis on micro and unregistered businesses. Fourth, supporting access to financial services including expanding business loan opportunities and promoting digital payments to improve financial inclusivity for MSMEs. Fifth, enhancing trust in digital solutions involves establishing robust legislative frameworks for data protection and cybersecurity, coupled with education initiatives for MSMEs. Lastly, incentivizing MSMEs to uptake digital technology adoption includes offering financial incentives such as matching grants and professional guidance on digital solutions to foster a business environment conducive to digital innovation and competitiveness. These integrated priorities form a strategic framework aimed at fostering MSME growth and resilience in the digital era.

Beyond individual businesses, digital adoption across SMEs in Cambodia can have a transformative and long-term impact on Cambodia's economic development. Successes in digitalization mean economic efficiency and business sustainability, fostering a positive and forward-thinking business environment. Digital transformation is not an option; it is a requisite for Cambodia's SMEs aiming for sustainable growth. As Cambodia embraces digital transformation, its SMEs can thrive to ensure business successes, create decent employment, drive resilient economic growth, and contribute to the realization of Cambodia Vision 2050 of becoming a high-income nation.

9 Cambodia Development Resource Institute, "The Current State and Role of Digital Technology Adoption in Tourism MSMEs in Cambodia," *asiafoundation.org*, The Asia Foundation, March 17, 2023, <https://asiafoundation.org/wp-content/uploads/2023/07/The-Current-State-and-Role-of-Digital-Technology-Adoption-in-Tourism-MSMEs-in-Cambodia.pdf>

10 Cambodia Development Resource Institute, "The Current State and Role of Digital Technology Adoption in Tourism MSMEs in Cambodia," *asiafoundation.org*, The Asia Foundation, March 17, 2023, <https://asiafoundation.org/wp-content/uploads/2023/07/The-Current-State-and-Role-of-Digital-Technology-Adoption-in-Tourism-MSMEs-in-Cambodia.pdf>





## **Digital Paddy Fields: How E-Commerce Empowers Cambodian Farmers and Unlocks Opportunities for Local Agricultural Products?**

Dong Sakmay

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In the digital era, Cambodia is taking advantage of the opportunity to digitize its green paddy fields—a symbol of the nation's agricultural sector and its lifeblood. With the rapid growth of e-commerce and its potential to drive economic growth and digital transformation, it is playing a significant role in driving this transformation by creating opportunities for local agricultural products and empowering Cambodian farmers. How is e-commerce empowering Cambodian farmers and unlocking the opportunities for local agricultural products?

E-commerce, or buying and selling goods or services over the internet, is rapidly gaining popularity in Cambodia due to its convenience, value, and wide range of products. The interactions are made by using smartphones and the internet<sup>1</sup>. A recent study showed that 90% of its surveyed Agriculture Input Suppliers (AIS) have a smartphone and can access the internet. From 2020 to 2023, e-commerce revenue in Cambodia has grown gradually from US\$813.25 million to US\$1,287.23 million, experiencing approximately 58% growth. The market is expected to grow steadily, with revenues estimated to reach around US\$1,509.86 million and US\$1,782.34 million in 2024 and 2025, respectively. The e-commerce revenue is mainly contributed by the fashion, electronics, and household care sectors. As e-commerce continues to grow, it is an opportunity for the agriculture sector to leverage the platforms to seize opportunities and contribute to the growth of the sector.

Agricultural modernization has become a top priority for the government<sup>2</sup>. In order to facilitate the buying and selling of agricultural produce, e-commerce has emerged as an efficient solution. With the help of e-commerce, supply chain efficiency can be improved, new markets can be created, and fair prices and income can be generated for farmers. E-commerce is a great way to simplify the distribution process, which leads to a reduction in the costs involved in managing inventory, ordering materials, and labor<sup>3</sup>. This helps to eliminate the intermediaries,

resulting in a cost-saving<sup>4</sup>.

In addition to cost savings, e-commerce also increases fair price competition by bringing together large numbers of producers and suppliers. Eliminating the intermediaries can draw farmers and customers closer and enable customers to purchase goods and services at lower prices. Furthermore, e-commerce enables farmers to reach new markets and customers who were previously out of reach<sup>5</sup>. With e-commerce platforms, farmers can now showcase their products online and reach wider online customers, leading to increased sales and profits. Moreover, e-commerce platforms offer a convenient and secure way for customers to purchase agricultural products, which can help to build trust and loyalty<sup>6</sup>. It also has a significant impact on society by creating jobs and employment opportunities. In this way, e-commerce has become an excellent way to boost the agricultural industry and the economy as a whole.

China, as a case study, is a leading e-commerce market among developing countries in Asia<sup>7</sup>. Its farmers in Shuyang of Jiangsu Province used live streaming to sell bonsai plants which led to significant sales. This rural area then turns into an e-commerce hub driven by the farmers turned entrepreneurs using e-commerce. The government's policies and strategies have advanced rural e-commerce, transforming agricultural markets and improving production efficiency. This has connected farmers and

1 Chan, Sophal, Chansovy Ngorn, and Metta Hem. 2020. "Digital Challenges and Opportunities for Agribusiness Enterprises in Cambodia: Implications for the Cambodian Economies." Centre for Policies Studies, (December). [https://www.nbc.gov.kh/download\\_files/macro\\_conference/english/S5\\_Digital\\_Challenges\\_and\\_Opportunities\\_for\\_Agricultural\\_Input.pdf](https://www.nbc.gov.kh/download_files/macro_conference/english/S5_Digital_Challenges_and_Opportunities_for_Agricultural_Input.pdf).

2 Nhean Chamrong, "Agricultural modernisation govt's top priority, says PM," Khmer Times. February 1, 2024, <https://www.khmertimeskh.com/501432466/agricultural-modernisation-govts-top-priority-says-pm/> (March 8, 2024)

3 Baršauskas, P., Šarapovas, T. & Cvilikas, A. 2008. The evaluation of e-commerce impact on business efficiency. *Baltic Journal of Management*, 3(1): 71–91. [https://www.researchgate.net/profile/Tadas\\_Sarapovas/publication/235250510\\_The\\_evaluation\\_of\\_e-commerce\\_impact\\_on\\_business\\_efficiency/links/564c395708ae3374e5de0cef/The-evaluation-of-e-commerce-impact-on-business-efficiency.pdf](https://www.researchgate.net/profile/Tadas_Sarapovas/publication/235250510_The_evaluation_of_e-commerce_impact_on_business_efficiency/links/564c395708ae3374e5de0cef/The-evaluation-of-e-commerce-impact-on-business-efficiency.pdf)

4 Richard Rinaldo Konggoasa, "E-Commerce Disintermediation," Binus University Business School. November 25, 2021, <https://bbs.binus.ac.id/management/2021/11/e-commerce-disintermediation/> (March 8, 2024)

5 Al Tamer, Majed. "The advantages and limitations of e-commerce to both customers & businesses." *BAU Journal-Creative Sustainable Development* 2, no. 2 (2021): 6.

6 Othman, Abdul Kadir, Lailatul Faizah Abu Hassan, Muhammad Anuar Mohd Ibrahim, Muhammad Sofiq Saripin, Nur Sazatul Anira Sapuan, and Zaidatul Nadhirah Roslan. "Factors that influence customer loyalty in using e-commerce." *Journal of Islamic Management Studies* 2, no. 2 (2020): 43-58.

7 FAO and ZJU. 2021. Digital agriculture report: Rural e-commerce development experience from China. Rome <https://openknowledge.fao.org/server/api/core/bitstreams/ae214fb0-fe76-46a1-b4a1-83052956b8d4/content>

entrepreneurs to larger markets, attracting young migrant workers back to their villages. As a result, the economy has been revitalized, and the social fabric of the countryside has been revived.

Despite the boost to digital transformation and the bridging of the divide between urban and rural areas, e-commerce in Cambodia still faces significant challenges. In 2022, tax revenues generated from e-commerce transactions amounted to US\$37.62 million, which increased to US\$39.31 million during the first half of 2023, according to the Digital Economy and Business Committee<sup>8</sup>. Meanwhile, Cambodia has achieved the highest score in the second eTrade Readiness Implementation Review by UNCTAD, with a 92% implementation rate for its national e-commerce policy<sup>9</sup>. With such a successful implementation rate, Cambodia is likely to attract more investors, and expand its e-commerce market. However, Cambodia needs to improve its infrastructure and provide better digital and financial literacy for farmers. Cambodia has a rural population of 74.7%, which highlights the struggle of farmers in the countryside with poor internet connections, hindering their e-commerce efforts and emphasizing the need to bridge the digital divide<sup>10</sup>.

E-commerce can transform Cambodia's agricultural sector by empowering farmers and creating new opportunities for local products. It connects farmers with consumers directly, improves supply chain efficiency, generates fair prices, and creates new markets. However, inefficient logistics and poor internet connectivity in rural areas are obstacles to overcome. The government and private sector must work together to tackle these challenges and ensure that e-commerce reaches its

full potential in transforming Cambodia's agricultural sector. To establish effective rural e-commerce, the government must invest in digital infrastructure, provide training programs for farmers, and develop inclusive digital literacy and financing services. The private sector can also promote e-commerce in rural communities with investment, expertise, and logistics network building.

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8 Digital Economy and Business Committee, <https://digitaleconomy.gov.kh/ecommerce> (March 8, 2024)

9 Digital Economy and Business Committee, <https://digitaleconomy.gov.kh/ecommerce> (March 8, 2024)

10 Ben Sokhean and Raquel R. Bacay, "Huawei calls for increased connectivity in rural Cambodia," *Khmer Times*. September 22, 2023, <https://www.khmertimeskh.com/501364492/huawei-calls-for-increased-connectivity-in-rural-cambodia/> (April 30, 2024)





## Digital Transaction in Cambodia's Economy: How Can We Mitigate Cybercrimes in the Financial Realm?

Chiev Raksmeay

From high-end amenities to sole proprietors trading in the local market, Cambodia has finally surpassed its limited belief with the financial technology of transactions–KHQR to promote Cambodia's economic accelerations<sup>1</sup>. Is there a guarantee that this digital adaptation will accommodate all users when there is a technologically divided demographic? In addition, such a computerized system is still being monitored continuously with unanticipated risk; therefore, this article aims to tackle suggestions on financial and cybersecurity impacts in the digital economy and e-money (electronic money) performance regulation.

<sup>1</sup> Mathew, Manoj. "Positive Response to NBC Bid to Popularize KHQR - Khmer Times" Khmer Times - Insight Into Cambodia, November 29, 2022, <https://www.khmertimeskh.com/501192890/positive-response-to-nbc-bid-to-popularize-khqr/>.

The embarking of e-money accomplished by the National Bank of Cambodia (NBC) has been achieved due to the familiarity of the internet, notably, the phenomenon of COVID-19. On the other hand, this initiative has contributed economic advantages to the e-commerce sector, entrepreneurship, and consumers with a centralized infrastructure<sup>2</sup>.

According to VISA study statistics, cashless payments are being used at least once a week by 60% of consumers in Cambodia<sup>3</sup>. This rapid growth of the e-payment adaptation has favored the growth of SMEs and corporations ranging from complex product and service sectors to rickshaws on the busy roads of Phnom Penh.

According to the NBC's statistics, 59% of Cambodians have had access to formal financial services while 12% of the fraction process theirs through informal operations leaving the rest of 29% excluded from the financial benefits in this competitive market. This statistical approach highlights that more than one-fourth of the overall population did not have the knowledge and access to acquire financial information, investment opportunities, and services. Moreover, 17% of the formal financial demographic is using formal bank services<sup>4</sup>. The financial literacy disparity intensifies the economic gap between low-income households and wealthier groups.

To stay relevant in the current market, ones are required to have technological and financial

literacy to heighten productivity, elevate incomes, and improve living conditions. In the absence of such financial understanding, not only the households in rural areas but also excluded users who do not have access to formal financial institutions find it challenging to compete when combining with financial illiteracy. On top of that, they will have to face the apprehensiveness of using the technology with the number of increases in atrocious cybercrime and inadequate user-data management of the enterprises.

The lack of digital and financial literacy is viewed as a risk to users' even though FinTech has experienced substantial expansion in Cambodia over recent years, the Cambodian FinTech sector is still in its early stages of development and has not achieved a balanced relationship between the banking and non-bank financial sectors. This indicates a need for further systematic and comprehensive evaluation and planning<sup>5</sup>.

## Recommendations

### *Prevention of Phishing Attacks*

Cambodia's bank or financial institution services can start by utilizing secure communication channels like encrypted emails and messaging platforms to alert customers as a referent when communicating with users regarding their large e-payment transactions and refrain from using channels that are susceptible to interception by attackers such as the unsecured public internet or malicious websites that do not have proper data protection.

At the same time, the commercial bank can adopt a one-time transfer password security on top of the QR code and personal payee's password affirmation to the receiver who will confirm both identity and password confirmation from

2 Asean Briefing, "Cambodia Launches Digital Currency: Key Features," ASEAN Business News, November 23, 2020, <https://www.aseanbriefing.com/news/cambodia-launches-digital-currency-key-features/>.

3 Visa. "Interest in Cashless Payment Options Among Cambodians Grows in post-COVID Environment While Cash Use Still Popular Habit: Visa Study," Visa, n.d., [https://www.visa.com.kh/en\\_KH/about-visa/newsroom/press-releases/interest-in-cashless-payment-options-among-cambodians-grows-in-post-covid-environment-while-cash-use-still-popular-habit-visa-study.html](https://www.visa.com.kh/en_KH/about-visa/newsroom/press-releases/interest-in-cashless-payment-options-among-cambodians-grows-in-post-covid-environment-while-cash-use-still-popular-habit-visa-study.html).

4 National Bank of Cambodia "National Financial Inclusion Strategy 2019-2025" National Bank of Cambodia, August 19, 2019, [https://www.nbc.gov.kh/download\\_files/publication/blueprints\\_eng/Final\\_NFIS\\_in\\_English.pdf](https://www.nbc.gov.kh/download_files/publication/blueprints_eng/Final_NFIS_in_English.pdf)

5 Digital Economy and Business Committee. "Cambodia Financial Technology Development Policy 2023-2028." Royal Government Of Cambodia, July 2023. <https://www.b2b-cambodia.com/articles/cambodia-financial-technology-development-policy-2023-2028-what-to-know-about-the-kingdoms-fintech-policy>.

the payee and this can be found similarly to the business model of Wing Bank (Cambodia) Plc that already exists in the money transferring system<sup>6</sup>.

On top of that, the e-payment for the sellers and sole traders in the local market can adopt the strategy of using the account user's profile picture from their national identity card with smart facial recognition as the layer of the QR code along with the symbol of riel or dollar to ensure that the payment is being made to the right recipient with the right amount of money and currency transfer.

### ***Alternative Approach***

Cambodia can approach other methods of encouraging the usage of credit or debit card scanners as it is more widely accepted globally which can also intensify the tourism sector as it automatically does the currency translations. In addition, the bank card is programmed by transaction limits and security, it has built-in security features such as fraud protection and transaction limits, which can help mitigate the risk of unauthorized use.

Providing financial users with proper financial and digital literacy is an advancement to improve Cambodia's digital sustainability which aligns with the core value of Sustainable Development Goals (SDGs) 4, 8, and 11. In addition, having a decent infrastructure that promotes financial inclusion along with the subject data's privacy protection is beneficial in the long run for the sustainability of the macroeconomy because the velocity of money is crucial for the economy and security is highly needed for this process to occur successfully.

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<sup>6</sup> Skiba, Katherine. "Beware of Fake QR Codes." AARP, July 10, 2023. <https://www.aarp.org/money/scams-fraud/info-2021/qr-codes.html>.



## From Cash to Digital: Cambodia's Progress Towards an Inclusive Digital Finance Service Through Fintech

Im Ponghavoatey and Kosal Bopha

In recent years, Cambodia has made significant progress in digital transformation, particularly in digital financial services. From its customary reliance on cash transactions and toward the widespread adoption of fintech solutions, Cambodia has embarked on its journey toward becoming an inclusive digital financial service.



Through the integration of mobile banking, e-wallets, and digital payment systems, fintech has made it feasible for a larger population to have access to finance and engage in the formal economy. By 2028, it is anticipated that the total transaction value will have grown at a compound annual growth rate (CAGR) of 11.78%, or approximately USD 9,358 million<sup>1</sup>. In addition, this growth in digital payments is expected to boost Cambodia's financial inclusion and economic growth as more individuals and businesses adopt digital payment methods.

## Current Landscape of Digital Payment through Fintech and Its Benefits

The nation's e-wallets and QR code payments are seen very popular. The leading industry for money transfer services consists of Wing Bank (Cambodia) Plc, Pi Pay, and TrueMoney, which enable Cambodian workers abroad to transfer money back home through remittance services with lower costs<sup>2</sup>. Fintech has been involved in Cambodia's financial industry. Paying can be seen in mobile wallets, money transfers, remittances, gateways, alternative payments, Peer-to-Peer (P2P) payments, card processing, and the Point of Sale (POS) system of payment<sup>3</sup>. According to the National Bank of Cambodia (NBC), the payment instrument from 2016 to 2017 was active through checks, cards, ATM machines, POS, the Internet, and mobile banking. In tandem, the value of mobile payments roughly increased from USD 1 billion

to USD 3 billion<sup>4</sup>.

The shift from cash-based transactions to digital payments has been remarkable, especially in 2023, as the number of e-wallet account registrations increased to 19.7 million, and the number of transactions totaled 601.3 million<sup>5</sup>. This record shows a 28.7% increase year over year. Moreover, in late 2023, 33 payment services institutions obtained licenses, and the other two banking and financial institutions were authorized to operate in Cambodia<sup>6</sup>.

Since the COVID-19 pandemic, the NBC adopted this new initiative to lower the cost of financial services and make them more accessible. Hence, it is very common to use mobile phones as a tool for payment methods through digital wallets and mobile banking. With this digital payment, Cambodia is expected to reach 8.76 million digital users by 2027, with a growth of 34.4% in digital investment<sup>7</sup>. The goal is to use digital payment as a key factor in economic development. The huge development of fintech is seen in the growth of financial transactions through mobile banking.

## Government Action to Expand Fintech Cross-Border Partnerships

Taking this opportunity, the NBC emphasizes that this new payment transaction system is crucial to promote the utilization of the Khmer Riel. For instance, the NBC's new initiative, Bakong, will play a significant role in assisting consumers

1 "Digital Payments—Cambodia," *Statista*, January 2024, <https://www.statista.com/outlook/dmo/fintech/digital-payments/cambodia>

2 "Fintech in Cambodia: An overview," *Acclime*, August 31, 2023, <https://cambodia.acclime.com/insight/fintech-overview/#:~:text=One%20of%20the%20key%20drivers,particularly%20among%20the%20younger%20demographic>

3 "Report on Financial Technology (Fintech) in Cambodia," *MBI*, [https://www.nbc.gov.kh/download\\_files/others/2\\_FinTech-in-Cambodia-Presentation-V.1.pdf](https://www.nbc.gov.kh/download_files/others/2_FinTech-in-Cambodia-Presentation-V.1.pdf)

4 National Bank of Cambodia, "Financial Inclusion and Fintech," [https://www.nbc.gov.kh/download\\_files/research\\_papers/khmer/FinancialInclusionandFinTech.pdf](https://www.nbc.gov.kh/download_files/research_papers/khmer/FinancialInclusionandFinTech.pdf)

5 Kunmakara May, "E-wallet payments nine times GDP: NBC," *The Phnom Penh Post*, May 24, 2023, <https://www.phnompenhpost.com/business/e-wallet-payments-nine-times-gdp-nbc>

6 Chea, Vanyuth, "Cambodia saw solid growth in digital payment last year," *Khmer Times*, January 31, 2024, <https://www.khmertimeskh.com/501431739/cambodia-saw-solid-growth-in-digital-payment-last-year/>

7 "Cambodia Fintech Report 2023," *Market Research*, November 30, 2021, <https://www.researchincambodia.com/insight/cambodia-fintech-report-2023>

in using the Khmer Riel when they purchase products or services in these two countries<sup>8</sup>. This is as another step toward digital payment across borders with Vietnam. As a result, there is a fivefold increase in payment transactions, with 200.93 million transactions occurring each year. With the ambition to promote cross-border payment systems through Bakong, the NBC has also expanded its transactions to other trading partnership countries including Laos, Myanmar, China, and India.

The NBC has initiated a roadmap for fintech activities since 2017 with the aim of promoting the understanding of fintech operations in Cambodia. With the huge number of young Cambodian people using mobile phones, there is an estimation that 15.6% of them have conducted digital payments. In addition, the NBC has introduced a system, called Cambodian Shared Switch (CSS), with the aim of facilitating the effectiveness of electronic payments and securing the payment process. Therefore, there are more than 23 financial institutions that are connected with the NBC to facilitate the flexibility of payments and digital transactions<sup>9</sup>.

## Potential Challenges

Despite the expansion of fintech services in Cambodia, challenges including a lack of financial literacy and awareness persist. Out of 144 countries, Cambodia ranks 135<sup>th</sup> with a financial literacy rate of 18%. This indicates that the country's larger population is struggling to access financial services<sup>10</sup>. In addition, rural areas hinder access to formal financial services

providers, as they are primarily provided in urban areas through various channels like branches, ATMs, POS, and electronic banking services. This is because 75% of Cambodian adults earn less than one million riels, making low-income groups unable to afford the expense and time of traveling long distances to access financial services. Security and privacy concerns are another significant challenge for Cambodia as it transforms into an inclusive digital finance service. Without proper cybersecurity implementation regarding electronic transactions, public information, cybercrime, or data protection and privacy, Cambodia has been left vulnerable to cyberattacks resulting in trust deficit in digital systems<sup>11</sup>.

Therefore, it is necessary that the government adopt a proper cybersecurity policy to ensure consumer protection, data privacy, and accountability. By implementing robust cybersecurity measures, Cambodia can protect its citizens from potential threats and build confidence in the digital economy. Not to mention, establishing clear regulations and guidelines will help create a secure environment for financial transactions and personal data. Only with these measures in place can Cambodia begin to build a secure and reliable digital infrastructure, and this will encourage financial inclusion in impoverished areas and assist in bridging the digital gap.

Cambodia has made some significant progress in adapting digital payments through fintech. It remains essential to take advantage of fintech to make people more accessible to digital payment, which improves their lives. The benefit of digital payments outweighs traditional transactions. However, the lack of internet access particularly in rural areas remains a vital challenge, which limits the capability of Cambodia to strengthen the access to digital payments.

8 Chea, Vanyuth, "NBC expanding Bakong operations to more Asian countries," *Khmer Times*, July 03, 2023, <https://www.khmertimeskh.com/501317628/nbc-expanding-bakong-operations-to-more-asian-countries/>

9 National Bank of Cambodia, "Fintech Development Roadmap, p.10," Royal Government of Cambodia, January 2021, [https://digiteconomy.gov.kh/public/images/fintech/pdf/FinTech\\_Development\\_Roadmap\\_06012021\\_Final\\_06Jan2021\\_English\\_translation.pdf](https://digiteconomy.gov.kh/public/images/fintech/pdf/FinTech_Development_Roadmap_06012021_Final_06Jan2021_English_translation.pdf)

10 National Bank of Cambodia, "National Financial Inclusion Strategy 2019-2025, p.13," Royal Government of Cambodia, July 12, 2019, [https://www.nbc.gov.kh/download\\_files/publication/blueprints\\_eng/Final\\_NFIS\\_in\\_English.pdf](https://www.nbc.gov.kh/download_files/publication/blueprints_eng/Final_NFIS_in_English.pdf)

11 Ministry of Economy and Finance, "Cambodia Digital Economy and Society Policy Framework 2021-2035," Royal Government of Cambodia, May 2021, <https://mef.gov.kh/download-counter?post=7116>



## Land Registry Digitalization in Cambodia: Potential Challenges and Practical Recommendations

Tip Oussa

Cambodia is one of the many countries to embrace the benefits of digital transformation. To reap the benefits, a robust digital government needs to be established as one of the prerequisites. According to the Cambodia Digital Government Policy 2022-2035, the Royal Government of Cambodia (RGC) emphasizes the importance of digitalizing public services that are in high demand, one of which is digital land registration. The ministry that is predominantly in charge of this is the Ministry of Land Management, Urban Planning, and Construction (MLMUPC). So, how is Cambodia progressing to establish this digital system for land registration?



Currently, various technical teams of the MLMUPC and the Ministry of Post and Telecommunication (MPTC) have been working closely to insert standard QR code into the land certificates that could authenticate important information by using the website, [verify.gov.kh](http://verify.gov.kh). This website serves as a document verification platform mainly developed by the MPTC. In addition, the government has also launched another important website, [cmhl.gov.kh](http://cmhl.gov.kh), to identify property locations.

Gradual digitization of their public services when it comes to land administration has been undertaken by the MLMUPC. For instance, in Cambodia, property owners with land certificates can go to the MLMUPC's website to look up their land information such as location, area, and type of land among others by typing in the number of their land certificate and a security code. On the same website, they can request for public services regarding land administration by paying a service fee of 20,000 riels, equivalent to USD 5 through e-banking services including ABA Pay, Wing, VISA, and MasterCard.

This is a good speedy step forward in their objective to complete the measurement and registration of land nationwide within the official digital land registry system before 2029, which marks the 40th anniversary of the first land titles issued to the people. However, these public services have yet included a full land registration process. For those who are looking to register their land, they are required to go to the ministry in person. The process is time-consuming and tedious as they have to shuffle back and forth between cadastral offices, or they have to wait until the ministry initiates their systematic land registration process. Digitalizing this process will surely mitigate the arduous process, but why has not the MLMUPC done it yet?

In my opinion, there are a few reasons why the MLMUPC has not fully digitalized the land registration. First and foremost, there is the prolonged issue of digital illiteracy. According to Minister of Post and Telecommunication, Chea Vandeth, there is approximately 30% of

Cambodians with a basic level of digital literacy and access to the internet and digital technology, whilst the other 70% do not<sup>1</sup>. This is, indeed, an alarming concern for the government to digitalize the land registration for the people with digital illiteracy. Additionally, when it comes to cutting-edge technologies such as Blockchain and Artificial Intelligence (AI), there remains a lack of proficient academics in the fields. Therefore, the complex and sophisticated digitalization of land registration cannot be successfully undertaken if there is a shortage of technocrats and talents.

These barriers might be the hardest to tackle because the global trend of digitalization is relatively new in Cambodia. Additionally, for a good number of Cambodians who are adapting to this trend, it is not exactly a matter of learning a new skill set, but rather a matter of unlearning to relearn new skills that are in high demand. Thus, fostering a culture of utilizing digital skills should be further promoted and boosted despite the fact that it takes time. After all, as the saying goes, "Rome was not built in a day."

From my inference, it could just be that the MLMUPC does not have digitalizing the process of land high on their agenda since most land plots in Cambodia are already registered, so they need only digitize all land titles into their digital land registry before 2029.

Another barrier to land registry digitalization is digital infrastructure. This digital infrastructure also includes internet service. A study conducted by ElMassah and Mohiedin in 2020 on digital transformation and sustainable development goals concluded that Cambodia's "digital network architecture infrastructure" were relatively limited, especially at the subnational level. The study also found that there was a gap between urban and rural areas when it comes to internet access, with especially people in rural areas being subject to unstable internet connection which is the backbone of all digital initiatives.

1 "Ministry Plots Path to 'Digital Cambodia'," n.d., <https://www.phnompenhpost.com/national/ministry-plots-path-digital-cambodia>.

To touch on the issue of lack of digital infrastructure, there have been recent donations from high-ranking officials to the MLMUPC. They include external HDD drives, QR code scanners, A4 and A3 printers, printers, desktops, and others. Despite all these donations, the ministry and relevant institutions, including private sector and especially high-tech companies, need to work hard and closely toward achieving a robust digital government.

This is also crucial to note that materializing digitalization of the land registration in Cambodia is of paramount importance because it can reduce costs of administration and transportation, minimize administrative works of the public servants, heightens transparency between the Cambodian government and citizens, and thus contributes to combating corruption. The well functioned digital public services will gain more public satisfaction and support.

When it comes to land registration, it is important to address the impact on indigenous people. Under international law, Cambodia voted in favor of the UN Declaration on the Rights of Indigenous Peoples (UNDRIP) in 2007. Under Domestic Law, Sub-Decree No. 83 on the Procedures of Registration of Land of Indigenous Communities provides specific protection of indigenous people's rights to land in Cambodia. With this basis in mind, Cambodia has made progress in granting land titles to indigenous communities, but it is slow. Out of around 455 indigenous communities, only 33 have been granted land titles<sup>2</sup>. A myriad of reasons constitute the slow progress ranging from low political will to economical to the complexity of the registration process and to a lack of human capacity<sup>3</sup>.

This process goes through three essential phases, and they will need to go through the Ministry of Rural Development (MRD), Ministry of Interior (MoI) and finally the MLMUPC assisted by NGOs and Development Partners (DPs). Because the process is complex, there needs to be a capacity building program from the commune level about the land registration process for indigenous people. Including step-by-step videos and making it available to watch offline about the process on the relevant ministries' websites, whilst ensuring adequate digital infrastructure and internet connection will boost understanding, especially amongst local authorities. Should they need to replay the videos, it is there for them. Though this is just one step in addressing the broader issue, it is incredibly important to address in a competent manner.

The RGC, particularly through MLMUPC, has surely been making strides in digitalizing the land registration to expedite the government's effort to measure and register land nationwide before 2029. Parallel to this, they also need to pay more attention to the land registration process for indigenous people. Clearly, there are many obstacles that the government and all relevant stakeholders must work closely together to overcome. Only achieving a well-built digital and innovative ecosystem for new technologies at national and sub-national levels will significantly contribute to the government's aim of becoming a smart government and a high-income nation in accordance with the Pentagonal Strategy and Digital Government Policy.

2 Keeton Danielle. "Cambodia puts its arduous titling process for Indigenous land up for review." *Mongabay*. April 15, 2021, Cambodia puts its arduous titling process for Indigenous land up for review (mongabay.com).

3 Esther Leemann, Geoforum, <https://doi.org/10.1016/j.geoforum.2019.10.014>.



## How to Improve the E-Library System for Higher Education in Cambodia?

Hean Sinal

Amidst the industry revolution 4.0, Cambodia focuses on digital transformation to enhance e-governance. In 2000, the Cambodian government took an initiative to build e-government by establishing the National Information Communication Technology Development Authority (NiDA) under the Office of the Council of Ministers according to the Cambodia Digital Government Policy 2022-2035. Significant improvements have been observed in various sectors as evidenced by the active involvement of relevant ministries in this transformation.

Access to comprehensive and up-to-date information is paramount as the education sector plays an indispensable role in human resource development. The emergence of electronic libraries or e-libraries has revolutionized the way students and scholars engage with learning. The e-library system plays a vital role in supporting the quality of higher education. By providing free access to a wide range of online resources, e-libraries allow students, researchers, and faculties to conduct in-depth research, keep up with the latest developments in their fields of study and research, and enhance overall learning outcomes. In addition, e-libraries have a significant contribution to promoting environmental friendliness. By embracing digital resources and shifting towards electronic formats, e-libraries reduce the need for paper-based materials, thereby minimizing deforestation and consumption of natural resources.

Cambodia's digital government is currently in its early stages, following a whole-of-government approach aimed at leveraging technology to streamline work processes, offer public services, and primarily focus on developing applications (Cambodia Digital Government Policy, 2022-2035). Given this context, the question then arises: how should the Royal Government of Cambodia improve the e-library system to enhance the country's quality of higher education?

Cambodia experienced a prolonged civil war, which destroyed all libraries nationwide. The government has made significant efforts to collect documents and rebuild libraries, and this process is, indeed, currently underway. Noticeably, Cambodia ranked fifth with 1,100 public libraries in Southeast Asia in 2021 according to the data from the Online Computer Library Center (OCLC). However, based on a recent report of the Cambodian Library Association in the 18<sup>th</sup> Congress of Southeast Asian Librarians in 2022, there were three graduated librarians in Cambodia. The library sector is at high risk because there are very few graduated librarians among 400 librarians

in public schools and about 200 in universities. The libraries in Cambodia need more qualified librarians to improve library services, including document classification, conservation work, and publication of library documents.

Moreover, science and technology for education are prescribed by the law on education. Hence, the law stipulates the promotion of technology in education. In addition, one of the key aspects of the 21<sup>st</sup>-century library of Cambodia's Ministry of Education, Youth and Sport (MoEYS) is the integration of digital resources. The library is expected to embrace technology and digital services to meet the changing needs of students in the digital age. This includes providing digital access to resources, incorporating digital tools for research and learning, and utilizing technology to enhance the overall library experience. The digital library also enables students to access a wide range of information and resources beyond traditional printed materials, fostering digital literacy and preparing them for the digital world. However, the development of an e-library in Cambodia has faced several key challenges, including the lack of a digitalization management system, limited access to the internet, the digital illiteracy gap, insufficient financial support, and the lack of close collaboration and partnership between public and private entities.

There have been efforts from the government and development partners to improve libraries and promote the adoption of e-libraries and knowledge information management systems. Examples of these initiatives include the development of E-learning websites, Sala Digital, and the MoEYS application, which are specifically designed for early and high school education. However, when it comes to higher education, more efforts are needed from the government to enhance the quality of education, particularly by improving e-learning resources like e-libraries. The government has been working diligently to enhance the quality of education through the MoEYS, universities, and development partners. The government also established the Cambodia Academy of Digital Technology (CADT) to provide digital education training, digital

innovation, R&D, and other services to students, civil servants, and innovators, contributing to the development of digital government, digital economy, and digital society. These efforts are in line with the government's digital government policy, which includes measures to develop a knowledge management system within the government and modernize digital infrastructure and systems for education and training.

To tackle these issues, the Cambodian government should allocate a sufficient budget to develop e-libraries as part of comprehensive policies to strengthen the quality of higher education in the country. The MoEYS should be at the forefront of leading and improving the infrastructure and resources that will promote e-libraries to enhance the quality of higher education. This can be achieved by promoting reading, research, and publications with a specific focus on improving the quality of e-learning and e-library resources.

Moreover, the MoEYS should learn from successful e-library initiatives in other developed countries such as South Korea and Japan. Certainly, these two advanced economies have implemented successful e-library initiatives that can serve as valuable examples for developing countries like Cambodia to learn from. Below are some key aspects of their initiatives.

South Korea has made significant strides in digitizing its libraries and promoting e-learning. One notable initiative is the National Digital Library of Korea, which provides access to a vast collection of digital resources, including e-books, scholarly articles, multimedia content, and educational materials. Additionally, the Starfield Library in Gangnam has gained recognition as a popular open-access library that promotes South Korean education by offering a wide range of documents and librarian services and attracting visitors. This can serve as an example for Cambodia to enhance its public libraries, focusing on quality rather than quantity, and transforming them into well-equipped venues for academic conferences or seminars, providing free access to valuable resources.

Japan has also made substantial progress in the development of e-libraries. One example is the National Diet Library's Digital Library, which offers online access to a wide range of materials, including books, manuscripts, photographs, and audiovisual resources. The library also provides an up-to-date newsletter and events. The library's digitalization efforts enable users to access and search for information efficiently. Japan has also focused on digitizing rare and historical materials, making them accessible to a broader audience. Furthermore, Japan has implemented collaborative projects between libraries and educational institutions to enhance e-learning resources and services. Where Cambodia could learn from this proactive implementation to strengthen higher education.

In addition, the MoEYS should enhance relations with the Cambodian Librarians and Documentalists Association (ABDC) to enhance the capacity of librarians. This can be achieved by creating a national librarian committee and a platform where they can actively contribute to the development of libraries in Cambodia. Quarterly meetings could be established to facilitate the sharing of data and reports. This platform would allow librarians to exchange good practices, discuss challenges, and gain valuable experience and knowledge. The MoEYS could also facilitate opportunities for librarians to participate in overseas training programs or visits to countries with well-established e-library systems.

The MoEYS should also foster strong collaboration with both public and private schools, including universities, to monitor and evaluate the progress and impact of the e-library. The establishment of a library committee among universities can facilitate the connection and sharing of resources across libraries in Cambodia, thereby improving library services. Additionally, establishing collaborations with international institutions would enable active engagement in the development of e-libraries and the sharing of resources such as articles, journals, and international conferences for various subjects.



Besides, the Ministry of Post and Telecommunications (MPTC) plays a crucial role in improving internet access across the country and making it affordable for all citizens. As part of the MPTC, the CADT has been promoting public awareness and digital literacy throughout Cambodia. The CADT has introduced the D-library, an admirable initiative that empowers individuals to make the most of e-library resources. However, there is still a need to further promote and enhance the D-library to ensure its accessibility nationwide by adding more resources.

In conclusion, Cambodia can learn the best practices from other developed countries, enhance the capabilities of librarians, ensure sustained collaboration among relevant institutions, improve internet access, and raise digital literacy awareness nationwide. These steps are crucial for the successful development and implementation of a high-quality e-library system in the country to advance higher education in Cambodia. The Cambodian government is encouraged to take necessary actions to invest more in the e-library system as it will contribute significantly to the quality enhancement of higher education for sustainable development in Cambodia.



## Calls for Enhanced Digital Transformation in Public Service Delivery

Khorn Sokcheata

The citizen-government relationship is similar to that between businesses and consumers. Just as consumers expect seamless experiences from businesses, citizens want the same simplicity when interacting with public services. In late 2023, Cambodia's newly elected Prime Minister Hun Manet highlighted the importance of digitalization to improve public services, reduce costs, save time, and promote hassle-free access.<sup>1</sup> This means that citizens can request public services through their mobile phones, eliminating the need to visit public offices.<sup>2</sup>

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<sup>1</sup> Vibol Torn, "Public services soon to digital at sub-national level," *Khmer Times*, October 31, 2023, <https://www.khmertimeskh.com/501384084/public-services-soon-to-go-digital-at-sub-national-level/>.

<sup>2</sup> Ibid.

According to the United Nations Department of Economics and Social Affairs (UNDESA), Cambodia ranks 124 out of 193 countries in e-government development in 2022.<sup>3</sup> As a result, enhancing the digital literacy of Cambodians, improving internet access, building robust digital infrastructure, and forming proper data protection law are critical for Cambodia. However, I argue that for Cambodia to reach its objective of digital government by 2035, the government needs to adopt two approaches to address the existing challenges.

## Adoption of the Once-Only Principle (OOP)

The use of the internet and digital technologies have made many government services more accessible, permeating the public sphere.<sup>4</sup> However, the governments at both national and sub-national levels and their multiple agencies are complex. This institutional and bureaucratic complexity makes it difficult for relevant ministries to communicate or share information with each other, and when they do, it may not be done effectively. Due to this complex structure, citizens need to provide their personal information each time they require public services.

The ineffective communication between ministries creates many issues such as unproductive public services delivery, increased administrative burdens, and potential errors or discrepancies in data. To improve the delivery of governmental services, the adoption of the once-only principle is imperative.

The once-only principle (OOP) is a concept in the broader context of e-government that aims to ensure that businesses, citizens, and

institutions have to provide specific, clear, and true information to governmental authorities “only once”.<sup>5</sup> For instance, if you have already provided your children's dates of birth to the local authority during the registration of their birth certificates, the government will not later request you for the same information again. The collected information is stored and protected in the government's database and reused by other ministries, institutions, and sub-national administrations if needed.<sup>6</sup>

Since the data of citizens will be stored and reused by the governmental agencies, exchanging the collected data of citizens between ministries is cheaper and less burdensome than collecting and storing it repeatedly every time citizens seek the public services. Furthermore, the OOP optimizes the administrative process and improves efficiency. This means fewer trips to the public offices, fewer paper-based applications, faster processing of administrative processes, time savings due to reduced data capture requirements, and fewer data errors due to data reuse. This can save costs for public administrations and improve the quality of various public services. For example, digital services in the Republic of Korea contribute USD 1.3 billion to social and economic development and reduce greenhouse gas emissions by 22,000 tons.<sup>7</sup>

To adopt the OOP, it is necessary to establish integrated information systems that enable the sharing and exchange of data among different governmental agencies.<sup>8</sup> This means that the government needs to create a cohesive and

3 United Nations, Department of Economic and Social Affairs, *E-Government Survey 2022*, 2022, <https://desapublications.un.org/sites/default/files/publications/2022-09/Web%20version%20E-Government%202022.pdf>.

4 “The Impact of Digital Technologies,” United Nations, accessed March 7, 2023, <https://www.un.org/en/un75/impact-digital-technologies>.

5 Robert Kimmer, Andriana Prentza, Szymon Mamrot, and Carsten Schmidt, “The Once-Only Principle: A Matter of Trust,” in *The Once-Only Principle*, ed. Robert Krimmer, Andriana Prentza, and Szymon Mamrot (Switzerland: Springer, June 2021), 2.

6 Ibid., 2.

7 Royal Government of Cambodia, Ministry of Post and Telecommunications, *Cambodia Digital Government Policy 2022-2035*, Phnom Penh: Ministry of Post and Telecommunications, 2022.

8 Kimmer et al., “The Once-only Principle: A Matter of Trust,” 2.

interconnected network of “digital infrastructure” that allows for the seamless sharing and exchange of data among different governmental agencies. That includes implementing a centralized platform or database where relevant citizen information can be stored, protected, accessed, and updated by authorized agencies.

For instance, Estonia is a country that has adopted the OOP through an integrated information system called the X-Road system. This system is a secure and decentralized platform that allows the Estonian government agencies to exchange citizens data.<sup>9</sup> With the unique identification code assigned to each citizen and business entity, verified personal information is securely stored in the population registry.<sup>10</sup> Through this system, the Estonian government can access and verify the data of each citizen, eliminating the need to collect it again.<sup>11</sup>

## **Establishment of a Digital One-Stop Window (DOSW) for Government Services**

Cambodia's e-government transformation remains divided as ministries and relevant institutions set up digital information systems based on their own needs and independently, with limited coordination. As a result, public services are delivered through multiple websites or mobile apps, each with its own processes, procedures, and requirements. This separation can create confusion and inconvenience for citizens because they have to navigate through different websites and mobile apps and engage with various authorities to access the services they need.

In the past, public services delivery in Cambodia relied heavily on paper-based systems which required citizens to carry loads of documents

to different ministries and institutions. The launch of 3,508 public services has improved accessibility by bringing them closer to the local community. Out of these services, 77.54% could be applied directly at the One Window Service Office (OWSO), 10.60% could be applied directly but through downloaded online applications, and 11.86% through an online application service.<sup>12</sup> Despite this improvement in the public services delivery, the approaches remain traditional, such as paper-based filing, separate data storages, and deliveries through different mobile applications and websites.

I highlight three digital public services in Cambodia: vehicle registration, business registration, and tax filing. These services are currently accessible online through three separate government websites, namely the Ministry of Public Work and Transport, the Ministry of Commerce, and the General Department of Taxation. However, it is worth noting that citizens are required to register for an account each time they wish to utilize these services because the services are operating on different websites for different ministries.

The separate delivery of public services poses several issues for citizens. They have to navigate and familiarize themselves with different interfaces and registration processes for each service, leading to a time-consuming and repetitive user experience. Moreover, the requirement for citizens to share their personal data separately with each government department increases the risk of data duplication, errors, and potential privacy concerns. This decentralized approach to data management can also result in inefficiencies in data storage and maintenance.

To address these issues, a digital one-stop window (DOSW) can serve as a centralized platform for delivering e-government services

9 Innar Liiv, “Welcome to E-Estonia, the tiny nation that's leading Europe in digital innovation,” *The Conversation*, April 4, 2017, <https://theconversation.com/welcome-to-e-estonia-the-tiny-nation-thats-leading-europe-in-digital-innovation-74446>.

10 Ibid.

11 Ibid.

12 Royal Government of Cambodia, Ministry of Post and Telecommunications, *Cambodia Digital Government Policy*.

to citizens.<sup>13</sup> Without a centralized platform, each government department would have its own interfaces that require citizens to reach out to them individually and share their data separately.<sup>14</sup> However, in a DOSW, citizens can use a single interface to access services from different governmental departments. While the departments may have separate back offices, the collected data can still be distributed to them for storage in their respective databases.<sup>15</sup>

Cambodia can draw valuable insights from the successful implementation of Government24, the one-stop government website in the Republic of Korea.<sup>16</sup> A key takeaway is the importance of creating a centralized platform, similar to Government24, that provides a single access point for a wide range of government services. This platform should integrate public services from different ministries which reduce the need for citizens to visit multiple websites. Moreover, given Cambodia's existing issue of digital literacy, the one-stop government can help streamline service delivery and provide a simple, unified and consistent user experience.

reach the status of smart government by 2035. Through the adoption of the OOP and the establishment of a digital one-stop window, Cambodia can make significant strides in enhancing service delivery, citizen experiences, and overall governance in the digital era.

## Conclusion

The digital transformation of public services in Cambodia requires a comprehensive and coordinated effort. It is a long and gradual journey for the country to address the low digital literacy in its workforce, building robust digital infrastructure, and strengthening its data protection law. However, with its clear vision and practical policies, Cambodia will undoubtedly

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13 Hendrink Scholta, Willem Mertens, Marek Kowalkiewicz, and Jorg Becker, "From one-stop shop to no-stop shop: An e-government stage model," *Government Information Quarterly* 36, (2019): 11.

14 Ibid.

15 Ibid.

16 Ha-nee Shin, "Government to create one-stop website for services," *Korea JoongAng Daily*, April 14, 2023, <https://koreajoongangdaily.joins.com/2023/04/14/business/industry/Korea-AI-digital-government/20230414182539985.html>.







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