

Cambodia: innovation profile (Innovation in Southeast Asia)

Cambodia lags behind many of its regional neighbours in terms of overall development, but growth has been rapid over the past decade because of increases in trade, tourism and foreign direct investment (FDI). It is still dominated by agriculture and garment manufacture, and employment growth has helped to reduce poverty. There is little technological sophistication and innovation has played an insignificant part in economic development, as many factors conspire to undermine firms' capacity to become competitive and innovate. The country's fragile infrastructure is a deterrent to inward investment, its information and telecommunications infrastructure is expanding but still at an early stage of development, and its legal and financial institutions are not geared towards innovative entrepreneurial activity. As a consequence, Cambodia's innovation performance is weak. There is very little expenditure on R and D, the number of researchers is low, publication levels are modest, albeit growing, and patenting is extremely rare. Current policies focus on product diversification, trade expansion and efforts to increase FDI. There is no explicit focus on science or innovation policy, though general improvements to the business environment are likely to improve framework conditions for innovation. The establishment of an Accreditation Committee for degrees awarded by higher education institutions (HEIs) and a National Training Board to oversee the development and implementation of a national plan for vocational education and training should also improve the quality of educational provision and strengthen the human resource base. The relative immaturity of the country's innovation system suggests that it is too early for innovation to be at the heart of its short-term plans for development. Continued expansion via trade and inward investment and efforts to upgrade the general business and educational environments must take priority. But there is tremendous scope for short-term plans to be informed by long-term visions that prioritise actions likely to facilitate the country's eventual transition to a modern, innovation-oriented economy. This will call for an approach to policy formulation that emphasises the co-ordination of seemingly disparate policies towards a common goal. In particular, the further development of the educational sector will need to prioritise science, engineering and entrepreneurship; industrial policy will need to prioritise cluster developments, spillovers and product diversification that involves the manufacture of higher value-added goods; and science and innovation policies will need to move towards centre stage if a suitable infrastructure for scientific and innovative activities is to emerge.

Country: [Cambodia](#) [1]

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Other Tag: [foreign direct investment](#) [3]

[externalities](#) [4]

[training](#) [5]

[scientific articles](#) [6]

[framework conditions](#) [7]

[national innovation systems](#) [8]

[intellectual property rights](#) [9]

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[3] <https://www.innovationpolicyplatform.org/topic/foreign-direct-investment>

[4] <https://www.innovationpolicyplatform.org/topic/externalities>

[5] <https://www.innovationpolicyplatform.org/topic/training>

[6] <https://www.innovationpolicyplatform.org/topic/scientific-articles>

[7] <https://www.innovationpolicyplatform.org/topic/framework-conditions>

[8] <https://www.innovationpolicyplatform.org/topic/national-innovation-systems>

[9] <https://www.innovationpolicyplatform.org/topic/intellectual-property-rights-0>

[10] <http://dx.doi.org/10.1787/9789264128712-en>

