A REVIEW OF NATIONAL SOCIAL POLICIES

Cambodia

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CONTENTS

Acronyms and Abbreviations

1 Introduction 1
2 Macro Scenarios 1
2.1 Background: Economic Reform and the End of Conflict (1980-1992) 1
2.2 Poverty 3
   Table 2.1: Cambodia and the GMS: Socioeconomic Indicators (1997) 4
   Table 2.2: Cambodia and Four Other GMS Countries: GNP Per Capita, 1970 and 1994 5
   Figure 2.1: Contribution of Region to Total Poverty (June 1997) 6
   Table 2.3: Consumption and Inequality Measures, 1993-1994 and June 1997 6
   Table 2.4: Poverty Measures, 1993-1994 and June 1997 6
2.3 Poverty in the Priority Watersheds 7
2.4 Government Poverty Alleviation Policy 9
   2.4.1. Reducing Poverty—National Policies and Plans 10
   2.4.2. Poverty Alleviation and Upland Areas 10
2.5 Transfers and Social Safety Nets 11
   Table 2.5. Cambodia and the GMS: Official Development Assistance 12
3 Poverty Alleviation and the Environment 12
3.1 Forestry Sector Overview 13
3.2 Land Tenure Issues
   3.2.1. Upland Issues
   3.2.2. Plains Issues

4 Education Sector

5 Health Sector

6 RGC Opportunities and Constraints to Poverty Alleviation
   6.1 Information Requirements—Capacity to Identify Poverty
   6.2 Planning and Implementation Capacity
   6.3 Regional Integration
      6.3.1. The ADB Greater Mekong Subregion Initiative
      6.3.2. ASEAN

7 Recommendations and Conclusion
   7.1 Information and Capacity Development
   7.2 Mechanisms for Rural Poverty Alleviation
      7.2.1. Targeting—General Principles
      7.2.2. Targeting Women
      7.2.3. Supporting Alternative Social Structures
   7.3 Upland Areas

8 References
   Annex 2. Factors Affecting Long-term Growth in Cambodia & three GMS Countries

Acronyms and Abbreviations

ADB Asian Development Bank
ASEAN Association of Southeast Asian Nations
DK Democratic Kampuchea
FAO United Nations Food and Agriculture Organization
GMS Greater Mekong Subregion
HDI Human Development Index
HPP The Highland Peoples’ Program
IO International Organization
INGO International Non-Governmental Organization
IMC The Inter-Ministerial Committee
IMF International Monetary Fund
NGO Non-Governmental Organization (local)
RGC Royal Government of Cambodia
RRA Rapid Rural Appraisal
SIDA Swedish International Development Cooperation Agency
UNDP United Nations Development Program
UNICEF United Nations Children’s Fund
UNV United Nations Volunteer
1. Introduction

This paper is a review of rural poverty and poverty alleviation policies and strategies in Cambodia, with emphasis on watershed areas targeted for development by the Royal Government of Cambodia (RGC). The underlying theme of the review is to discuss real and potential impacts of poverty alleviation strategies on the rural poor and the environment. The rapid transition of Cambodia from a war-torn, centrally planned economy to that of market driven economy brings with it great potential for growth and development. Unfortunately, many Cambodians are unable to capitalize on new opportunities due to—among many factors—low levels of education, poor health, and limited access to productive resources. This situation threatens to leave many people chronically impoverished and excluded from the gains enjoyed by the society as a whole. Rural people and remote communities are particularly vulnerable. Well-designed and implemented government policies can encourage and promote vulnerable group participation in the development process, and provide social safety nets for those that remain excluded from this process and the national economy. At the same time, the development process must be managed and monitored to guard against and minimize adverse environmental impact. As Cambodia is already witnessing, rapid growth without appropriate safe guards can result in the exclusion of large portions of its population from the development process and lead to severe environmental degradation and rapid depletion of its forests, fisheries and other natural resources.

This review begins with a brief summary of the macroeconomic situation and government policies during the period 1984-1993 and then describes the current poverty and environmental situation, and the RGC poverty alleviation and environmental management policies and strategies. Emphasis is placed, when possible, on the situation in within three priority watersheds (see Box 2.1). Linkages are made between the RGC policies and their real and potential impact on vulnerable groups (including remote communities) and the environment. Recommendations for consideration by the RGC and the Asian Development Bank (ADB) are at the end of the review.

2. Macro Scenarios


In 1979, the People's Republic of Kampuchea was established and a new administration took control of a country devastated by years of war and Khmer Rouge tyranny. The well documented (e.g., Chandler, 1991; Kiernan and Boua, 1982) changes and impacts of the Khmer Rouge period (1975-79) included the destruction of urban society and a viable system of public health, the radical collectivization of agriculture, massive relocations of population from one region of the country to another, and the deaths of an estimated 2 million people due to malnutrition and execution.

The Royal Government of Cambodia, Ministry of Environment has prioritized three watersheds for further study in Phase Two of the ADB Poverty Reduction and Environmental Management in Remote GMS Watersheds Project.

In order of importance, these watersheds are:
1. Stung Pousat, Pousat Province
2. Stung Sen, Preah Vihear Province
3. Se San, Ratanak Kiri Province

The Ministry of Environment has indicated that most of the inhabitants of the first two watersheds are ethnic Khmer and not minorities. Nonetheless, they are poor and at present receive little government and no international donor program support.

With the end of the Democratic Kampuchea (DK) government, Cambodian society began the arduous task of rebuilding itself. Although nominally a communist government, the extensive destruction of society during the DK period did not allow for a thorough establishment of communist institutions and methods of production. Furthermore, continued conflict in the western frontier region made it impossible for the new government to commit itself fully to the reconstruction of society and the development of productive infrastructure. Following the emergency period in 1979-81, western aid was largely from INGOs and assistance from Vietnam, the Soviet Union, and other eastern block countries was focussed largely on military and technical assistance in combating the Khmer Rouge resistance. Much of Cambodia returned to traditional ways and methods of production (Frings, 1994; 1993).

Centralized management of the economy was relaxed in 1985 with the official recognition of a private sector. Agricultural solidarity groups (krom samaki), initially established to collectively organize agriculture production, increasingly took on private characteristics. The change
from communal to private agriculture progressed through the decade of the 1980s. Loose associations of independent, land tenured families—as opposed to formal solidarity work groups—accounted for only 10 percent of krom samaki employment in the early 1980s, but accounted for 90 percent by 1989 (World Bank, 1992, p.17).

The government instituted major reforms in agriculture in 1989 regarding (1) land tenure and farm production, (2) pricing, taxation and marketing policies, and (3) reduction of the state role in production activities and privatization of state enterprises (World Bank, 1992, p.17). Perhaps the most important reform was that allowing the private ownership of land. Private ownership of three types were secured under a revision to the Constitution in 1989:

- Transferable private land titles,
- Inheritable usufruct rights to state owned land, and
- 10-15 year concessions for land worked in excess of a tenant’s holding, assuming proper demonstration of capability of tenant to properly cultivate the land.

The Department of Land Reform and Titles was established within the Ministry Agriculture to provide assistance at the provincial level in the issuance of land titles, and to district authorities in the issuance of usufruct rights and concessions (World Bank, 1992, p.18).

Reforms in pricing, taxation and marketing, also initiated after 1989, provided increased incentives to farmers throughout the country. Price liberalization enabled the shift from state-determined prices to those that are wholly market determined. Taxes on agriculture inputs and land were reduced or totally eliminated, as were restrictions on the movement of agriculture goods between provinces. Farmers were free to sell their produce to anyone they wanted at current market prices. While these reforms opened and made the economy more competitive, the transition to a full-fledged market economy is not complete. For example, the import-export business remains highly concentrated in the hands of several individual companies, and the government is still heavily involved in the distribution of fertilizer.

The role of the state in non-agricultural production has reduced substantially since 1989. Official procurement of commodities has been eliminated (with the exception of the purchase of small quantities of rice to maintain a national reserve). The agriculture mechanization company, SEMA, has sold or leased much of its assets, as has the Fisheries Department. Nonetheless, the government remains heavily involved in several key sectors, including forestry, livestock, and capture fisheries. While reforms provided important incentives to private individuals and opened opportunity for increased production and development throughout the economy, they also adversely impacted the government fiscal situation. As noted by the World Bank (1992, p.38), in the early 1980’s through 1988 total receipts covered approximately 95 percent of expenditures, with the remaining 5 percent financed through money creation. In 1989, more than 20 percent of budgetary expenditures were financed through money creation. This situation became worse in 1990, when nearly 40 percent of government expenditures were covered through money creation.

2.2. Poverty

Despite impressive recent growth, Cambodia remains a very poor country. Two decades of conflict have affected the composition of the population: it is very young, has a high growth rate, 17 percent of the population live in female-headed households (Ministry of Planning, 1998, p.44), and one person in 236 is an amputee (SIDA, 1995a, p.vi). The average annual population growth rate of 2.7 percent is higher than all of the other Greater Mekong Subregion (GMS) countries. Basic health indicators of life expectancy, infant mortality, and access to safe water also lag behind other GMS countries. Cambodia’s HDI of 0.422 (and rank of 140) is the lowest of the GMS countries. Several key socioeconomic data are presented in Table 2.1.

The results of the program of economic reform initiated in the mid-1980s and accelerated since 1989 have been generally positive. The rate of economic growth has been high, averaging 5.4 percent during the period 1987-97 (World Bank, 1999, p.1). This growth, however, has not been evenly spread across the economy nor across the population. Most growth is occurring in the trade and construction sectors and is focused in Phnom Penh. Agriculture, which is the main source of income for much of the population, has grown more slowly than the overall economy, averaging only 3.1 percent annual growth during the period 1987-97 (World Bank, 1999, p.1). This uneven growth is not only not sustainable, but serves to exacerbate already large differences in income and well-being between those in Phnom Penh and the rural population.
Cambodia's GDP per capita, adjusted to PPP dollars, was US$715 in 1997, the lowest of the GMS countries, and less than one-tenth (0.08) of the level of GDP per capita in Thailand (U.S. Government, 1999). Despite Cambodia's solid economic growth in the 1990s, its GDP per capita relative to that of Thailand declined since 1994 (when it was two-tenths that of Thailand). Comparison of available GNP per capita figures, again adjusted to PPP dollars, for Cambodia and Thailand show that the level of GNP per capita in Cambodia was more than six-tenths (0.64) that of Thailand in 1970, and fell to only one-tenth (0.13) in 1994. A comparison of GNP per capita in Cambodia and four other GMS countries is presented in Table 2.2.

Regional comparisons of inequality and consumption are presented in Table 2.3. Although available data do not allow for comparison between different regions, it is possible to compare differences in income and consumption between Phnom Penh, other urban areas, and rural Cambodia. During the period 1993-94, income inequality as measured by the Gini coefficient, was greatest within other urban areas at 0.44, with that of Phnom at 0.39. Recent surveys indicate that inequality has worsened in Phnom Penh, where the Gini coefficient has risen to 0.46. The level in other urban areas was unchanged, while that in rural areas rose slightly, from 0.27 to 0.33. The country-level Gini coefficient rose from 0.38 to 0.42 during the period 1993 to 1997, indicating that the benefits of Cambodia's recent growth have not spread equally among the population. Data of consumption levels of the poorest and richest 10 percent of the overall population also show increased inequality in this period. Consumption share of the poorest 10 percent of the population fell from 3.4 to 3.0 percent from 1993 to 1997, while that of the wealthiest 10 percent rose from 32.8 to 35.3 percent.
Table 2.2. Cambodia and Four Other GMS Countries: GNP Per Capita, 1970 and 1994

<table>
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<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cambodia</td>
<td>130</td>
<td>490</td>
<td>240</td>
<td>900</td>
</tr>
<tr>
<td>Lao PDR</td>
<td>120</td>
<td>460</td>
<td>320</td>
<td>1190</td>
</tr>
<tr>
<td>Myanmar</td>
<td>80</td>
<td>310</td>
<td>235</td>
<td>880</td>
</tr>
<tr>
<td>Thailand</td>
<td>200</td>
<td>750</td>
<td>2410</td>
<td>6970</td>
</tr>
<tr>
<td>Vietnam</td>
<td>140</td>
<td>530</td>
<td>200</td>
<td>750</td>
</tr>
</tbody>
</table>

US$ (Ex) = Exchange Rate Dollar; US$ (PPP) = Purchasing Parity Dollar.

As indicated by the poverty headcount index, poverty is concentrated in rural areas, where more than 40 percent of the rural population are poor. The poor living in rural areas constitute nearly 90 percent of the total number of persons living below the poverty line in Cambodia. Just under 30 percent of the population living in other urban areas is poor, contributing nearly 9 percent of the total poor in the country. The Phnom Penh region suffers the least poverty, with only 11.4 percent of the population living below the national poverty line (a contribution of only 3.1 percent to the total poverty headcount in Cambodia). Contribution of regions to total poverty are presented in Figure 2.1.

Figure 2.1. Contribution of Region to Total Poverty (June 1997)


Table 2.3. Consumption and Inequality Measures, 1993-1994 and June 1997

<table>
<thead>
<tr>
<th></th>
<th>Gini coefficient</th>
<th>Consumption share (%) of the poorest 10 % of the population</th>
<th>Consumption share (%) of the richest 10 % of the population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phnom Penh</td>
<td>0.39</td>
<td>0.46</td>
<td>2.5</td>
</tr>
<tr>
<td>Other Urban</td>
<td>0.44</td>
<td>0.44</td>
<td>2.7</td>
</tr>
<tr>
<td>Rural</td>
<td>0.27</td>
<td>0.33</td>
<td>4.4</td>
</tr>
<tr>
<td>Total</td>
<td>0.38</td>
<td>0.42</td>
<td>3.4</td>
</tr>
</tbody>
</table>
Data regarding the incidence of poverty show that recent growth has lead to a regional as well as an overall reduction in poverty levels during the period 1993-1997. Levels of poverty, as indicated by the head count index, fell in Phnom Penh, other urban areas, and rural areas during the mid-1990s. The severity of poverty also declined in Phnom Penh and other urban areas, but increased in rural areas. Poverty indices are presented in Table 2.4.

Additional defining characteristics of the poor in Cambodia include:

- 71.3 percent of the poor live in households where the head of the household earns their main source of income in the agriculture sector
- 83.3 percent of the poor live in households where the head of the household has at most a primary level of education,
- 63.3 percent of the poor live in households where the head of the household is illiterate, and
- 83 percent of the poor live in households where the head of the household is male.

In summary, the aggregate picture of the poor in Cambodia is that they live in large, young households, where the head of the household is self-employed and earns his or her income in the agriculture sector. The household is likely to be headed by a male with little, if any, formal education.

**2.3. Poverty in the Priority Watersheds**

While recent surveys and subsequent data analysis provide a picture of the characteristics and depth of poverty at the national aggregate level, the situation in various regions of the country remains relatively unknown. Information gathered during recent RRA work in Cambodia will be presented separately. Research for this report was unable to locate official information useful for the analysis of poverty at the provincial level, or among minority populations. Even the General Population Census of Cambodia 1998, compiled by the National Institute of Statistics, does not report information on minority populations; such basic demographic information would be valuable to policy makers designing national policy to assist these groups. Some relevant information is available from province-level government, NGO and IO agency reports.

The population living in the Stung Pousat Watershed (Pousat Province) are ethnic Khmer, and, given their geographic location in the Tonle Sap region near Phnom Penh, are likely to experience poverty at a similar rate and severity as the "rural" group described in the national poverty profile. The degree and severity of poverty will likely increase the more remote the communities are from the provincial capital, and large district towns. However, it is difficult to view these inhabitants as remote (particularly when compared with the communities of the other two priority watersheds) as they are not far removed from the large provincial capital, nor from Phnom Penh, which is little more than 100 kilometers to the south.

In general, the characteristics of the poor in this watershed are likely similar to those of the "rural" group:
They live in large, young households,

- the head of the household is self-employed and earn their income in the agriculture sector, and
- the head of the household is a male with little, if any, formal education.

Given their remoteness, the poor in this watershed likely suffer from poor health due to limited access to health facilities and safe water. They also likely suffer from virulent malaria which is endemic in the mountainous regions of Pousat Province.

The population living in the Stung Sen Watershed (Preah Vihear Province) is also ethnic Khmer. The watershed is located in the far northern region of Cambodia, near the border with Thailand and Laos. Given this remote location, the population of the watershed is likely to experience poverty to a more severe degree than the communities living in the Stung Pousat Watershed. Residents of this watershed presumably have lower levels of literacy, less access to health and education services, fewer linkages to markets and sources of credit, and less security from renegade military.

The population residing in the Se San Watershed (Ratanakiri Province) are predominantly ethnic. The highland people living in this watershed include the Brou, Kreung, and Tampuan peoples. It is estimated that ethnic minorities comprise approximately 55 to 75 percent of the total population of Ratanakiri Province, which implies a total ethnic population on the order of 70,000 persons (see Annex 1). The Brou have an estimated population of 5,000 persons, while the Kreung are estimated to number 14,000 persons (Colm, 1997, p.5-6). Approximately 30 percent of the ethnic population in Ratanakiri Province thus reside in the watershed area.

Project and Technical assistance reports from agencies working in NE provinces indicate that the major issues facing upland populations center on health and health care, agriculture productive capacity, land tenure, and access to opportunities for formal education.

Many sources document the general poor health of the local population and their poor access to medical services (e.g., Inter-Ministerial Committee on Highland People's Development, 1997a; Page, 1998). Indigenous medicines are used and are often effective as treatments for many ailments. Chloroquine-resistant malaria, however, is endemic in many parts watershed and many life-threatening diseases are often left untreated (Minorities Rights Group, 1995, p.13). Supplies of free pharmaceuticals to government health services from the Soviet Union ended in the early 1990s; these supplies were replaced by small private sector clinics selling imported drugs manufactured largely in the region. An important change is that modern drugs are now often only available to those who can pay for them and this frequently rules out the poor. The vast majority of households earn their income from agriculture, and the collection of forest products, hunting and fishing. The slash and burn agriculture practiced in the uplands typically provides farming households with a rice subsistence ration for about 10 months of the year. Traditional livelihoods are under increasing pressure from outside forces, including logging companies, land speculators, livestock ranchers, and downstream impacts of hydropower development in Vietnam. Transportation networks tend to be poorer than in the lowland provinces, making delivery of necessary agriculture inputs and marketing of produce troublesome. While this situation affects all farmers in the province, indigenous communities are further handicapped by their poor access to markets, information and resources (brought about by the remoteness of their communities, and language and education disparities).

It is clear that the relationship of ethnic communities to the land is critical within their culture (Center for Advanced Study, 1996, p.360-364; Colm, 1997). They respect the land as a source of life, and their cultures provide means of managing the land and natural resources in a sustainable manner. This relationship and the societies that are built upon it are under severe pressure from the more capitalist, lowland society (that view land as a commodity, or capital investment to be bought and sold for profit). Policies of national government, unfortunately do not support local customary law, and thus exacerbate this situation. For example, national land ownership laws do not recognize community level ownership, and logging concessions granted to foreign companies by RGC ministries threaten to destroy not only large expanses of forest in Ratanakiri and other mountainous areas in the northeast, but the many minority communities that are forest-based.

In sum, it is apparent that the upland populations can generally be characterized as poor, using the definitions and indicators employed at the national level. It is likely that socioeconomic data would confirm this were it available. It is important to note, however, that the poverty indicators used at the national level, may not be appropriate for discerning poverty levels of highlander, or other ethnic minorities. It is well documented that these groups have different ways of defining poverty based on their culture and life experience (Center for Advanced Study, 1996, p.359-360).

2.4. Government Poverty Alleviation Policy

The RGC's First Socioeconomic Development Plan 1996-2000 is its first five-year plan prepared in the context of a market oriented economy (Royal Government of Cambodia, 1996). The plan places emphasis on poverty alleviation
and development of the country’s human resource base. Broadly, the RGC hopes to achieve this through an acceleration in the rate of growth. This, in turn, will be accomplished through the rehabilitation and reconstruction of basic infrastructure (e.g., roads), and through the development of the social services sector, including health, water and sanitation, and primary education programs. The government plans to targeting such interventions at vulnerable groups living in rural areas in order to ensure that these groups receive immediate assistance rather than wait for the potential “trickle-down” effects of overall economic growth.

2.4.1. Reducing Poverty—National Policies and Plans

Eradicating poverty is the most important long-term objective of the RGC, and the central thrust of its plan for 1996-2000. Importantly, the RGC notes that Cambodia's recent history implies that a multifaceted vulnerability is closely linked to poverty. Thus, breaking the circle of poverty requires that social as well as economic (or physical) requirements are addressed. As important as this is, particularly for minority populations, review of the details behind the policies leads to the impression that economic (physical) considerations will take precedence over social ones.

As noted above, the RGC plans to seek a high rate of GDP growth. This will be based in part on a goal to optimize use of the country's domestic resource base. This implies more productive exploitation of Cambodia's timber and fishery resources, which in turn can have adverse impacts on minority communities in the uplands, as well as downstream lowland farming communities. High growth rates are also planned to be achieved through private sector development. The announced policy of the RGC is to encourage the commercialization of agriculture and agri-business, which will in turn create opportunities for the development of small-scale industry.

The agriculture sector will be targeted for development, given its important role in the economy, and for rural poor families. Agriculture development will focus on raising rice yields and stabilizing rice output for food security, promotion of livestock production, and diversification of the commercial agriculture sector.

Focus on the participatory development of community-based projects and activities. Programs and strategies will be aimed at increasing awareness of individuals and groups within society about the vulnerable and causes of vulnerability.

2.4.2. Poverty Alleviation and Upland Areas

There are at present no national policies for the development of highland areas and their indigenous populations. Guidelines for national policy have been under development, in a participatory process that is regarded as an exemplary exercise in cooperation and consultation with local organizations and highlanders (Scandiaconsult Natura, 1998, p.31-32).

A key component in RGC plans for poverty reduction is increased use of forest resources. It is highly unfortunate, however, that forest resource management and policy statements do not mention the role in policy making or impact of policy on highland groups—the stakeholders most closely connected with these resources. Legislation made in the name of sustainable forest management also do not take into consideration upland community considerations. Finally, efforts to strengthening the enforcement of environmental legislation, supervising and monitoring conservation management, and developing sustainable resource use strategies are often in direct conflict with upland community custom and historical methods of resource management. An IMC has been established to ensure that appropriate development programs are initiated.

The Inter-Ministerial Committee

The Inter-Ministerial Committee (IMC) was created in 1994, bringing together 10 ministries under the chairmanship of the Ministry of Rural Development. The mandate of the IMC is assist in the development of highland communities through the coordination, monitoring and evaluation of highland people development activities. The IMC is also charged with undertaking research to assess the needs, opportunities and constraints of the highland communities. The main objective of the IMC is to improve the quality of life of highland peoples (Scandiaconsult Natura, 1998, p.33-34). Soon after its inception, a UNDP-sponsored Highland Peoples’ Program was initiated in Cambodia, and began to provide support to the IMC.

The Highland Peoples’ Program

The UNDP/UNV Highland Peoples’ Program (HPP) began in 1995. It is the first regional program developed specifically to provide a forum for the exchange of information and experiences on highland development in Southeast Asia. Countries participating in the HPP in addition to Cambodia include Laos, Thailand and Vietnam. The program has two central objectives:

- to increase government and selected highland community organizational capacity and opportunities in
participatory planning, and

- establish exchange mechanisms and procedures to facilitate the exchange of experiences and information on highland community development at the regional, national and local levels (Scandiaconsult Natura, 1998, p.15-16).

Cambodian involvement in the HPP began in 1995 with PRA workshops held in Ratanak Kiri Province. Subsequent activities have been held to increase government skill in participatory development techniques and for the exchange of experiences and lessons learned in highland development activities (Inter-Ministerial Committee on Highland Peoples’ Development, 1997b; CIDSE, 1995).

Although the IMC and HPP have been in operation for several years, its impact on the development of the highland peoples has been limited. Policy guidelines formulated at the local level have yet to be approved by the government. Information exchange (one of the central mandates of the IMC) has been slow and erratic, diminishing potential gains from the exchange of lessons learned through project implementation (Scandiaconsult Natura, 1998, p.39).

2.5. Transfers and Social Safety Nets

Government transfers and safety nets are very limited. Transfers of cash, to the extent they exist, are limited to one-time payments to resettled individuals, demobilized soldiers and war veterans, and disaster (e.g., flood) victims. Land is also transferred to individuals, most often provided to demobilized soldiers. The RGC may have plans to resettle demobilized soldiers in Ratanakiri province.

With the disappearance of assistance from the formerly centrally planned countries, health and other services previously provided by the government have been reduced. Government expenditures on Social Welfare (i.e., in public health, education, social welfare and information) accounted for little more than 10 percent of government expenditures in 1993, a drop from more than 30 percent of expenditures in 1988 (World Bank, 1995, p.111). Although recent figures were not available at the writing of this report, it is hard to imagine improvement in this situation since the early 1990s.

New sources of donor assistance have more than filled the aid gap left by the end of aid from the formerly centrally planned countries. Official aid increased nearly 400 percent during the period 1991 to 1996. Per capita official aid was US$44 in 1996, among the highest of the GMS countries (see Table 2.5) and represented an astonishing 70 percent of gross domestic Investment.

<table>
<thead>
<tr>
<th>Table 2.5. Cambodia and the GMS: Official Development Assistance</th>
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<tbody>
<tr>
<td>Net Official Development Assistance of Official Aid (US$ millions)</td>
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<tr>
<td>Cambodia</td>
</tr>
<tr>
<td>China</td>
</tr>
<tr>
<td>Lao PDR</td>
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<td>Myanmar</td>
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<td>Thailand</td>
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<td>Vietnam</td>
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3. Poverty Alleviation and the Environment

In the First Socioeconomic Development Plan, 1996-2000, the RGC makes clear the importance of managed natural resource exploitation in achieving overall poverty reduction and national development goals. The key environmental issues center on forest and land resource use and management. Forests are particularly important in
Cambodia, covering approximately 60 percent of the total land area. Although degraded by years of war, over harvesting and conversion to agriculture, much of the timber remaining is valuable hardwood that is in great demand both regionally and globally. Forests also play a major role in the rural economy. They are a source of food and fuelwood, as well as for timber used in house construction. It is estimated that fuelwood and charcoal accounted for nearly half of total wood demand in 1996 (Royal Government of Cambodia, 1996, p.134). They also represent one of the most critically-important reservoirs of diversity in the region and may play a critical in modulating flooding in the lower Mekong Basin and in modulating and fluctuations in climate in the larger region.

Despite this importance in the Cambodian economy and to the greater region, a systematic sale of large logging concessions by the present government has probably undermined the sustainability of Cambodia's forest and agriculture sectors, while at the same time added little or no revenue to the country’s national accounts. The rate of deforestation during the period 1973-1993 is estimated by the RGC at 70,000 ha/year (reflects conversion of forest to agriculture use), although other sources estimate the rate at more than 100,000 ha/year (FAO, 1994, p.2). Between 1993-1997 a further 700,000 ha of deforestation occurred. It is estimated that at current rates of extraction forest resources will be seriously depleted within 5 years (Associates in Rural Development, Inc., 1998a, p.6). Causes of deforestation are first and foremost, commercial logging, but also include rural poverty, conversion of forest land to agriculture, over allocation of land use rights, inadequate administration funds, and limited institutional capacity (Associates in Rural Development, Inc., 1998b, p.7-8).

Land tenure issues are also important in Cambodia's drive to reduce poverty. Specific tenure issues are different in each of the three priority watersheds. In the Stung Pousat Watershed, poor household access to land for farming is particularly important, while in the Stung Sen and Se San watersheds land issues are intertwined with forest access issues. In each of the watersheds, securing legal continued access to land, be it forest or agriculture, is of great importance in efforts to reduce poverty and maintain local customs and build community spirit.

Foremost among Cambodia's problems in reducing poverty and inequality is how to accomplish national goals without suffering serious environmental degradation or inequality in the distribution of land use rights. Early indications, unfortunately, do not provide much optimism that Cambodia's natural resources will be sustainably managed particularly in the short-term. The situation is particularly dire regarding the exploitation of Cambodia's substantial forest reserves. The alarming rate at which forest reserves are being sold and timber harvested threatens to derail overall development efforts in many parts of the country, including the three priority watersheds under review.

3.1. Forestry Sector Overview

Recent World Bank studies have provided much detail into the extent of forest management problems (Development Alternatives, Inc., 1998; Associates in Rural Development, Inc, 1998b; Associates in Rural Development, Inc., 1998c). The findings include:

- more than 90 percent of the total harvest of forest products is illegal,
- less than 15 percent of the total harvest of forest products is officially taxed,
- methods used to circumvent existing laws and monitoring efforts include protection by military forces, authorization of illegal exports at the highest levels of government in Cambodia and neighboring governments, secondment of staff from the Department of Forestry and Wildlife to concessionaires, and the issuance of illegal transport permits (Development Alternatives, Inc., 1998, p.5 and 20-21).

Illegal logging is common in each of the three priority watershed areas. For example, total illegal exports of logs from Ratanakiri in 1997 are estimated at 300,000 cubic meters, while the legal limit is 36,000 cubic meters (Development Alternatives, Inc., 1998, p.8 and 23). Satellite images and field visits reveal extensive illegal logging sawmills in the Stung Pousat and Stung Sen Watersheds (Development Alternatives, Inc., 1998).

Institutional structures are ill-equipped and otherwise unable to combat these illegal activities. Forestry legislation provides no objective standards for forest resource protection or management. Official granting of concessions, or rights to harvest, is not transparent or competitive. Existing laws drafted under centrally planned economy are not suited for the current market-oriented economy (Associates in Rural Development, Inc., 1998b, p.11). Department of Forestry and Wildlife capacity to monitor logging activities is limited, due to poor human resource capacity, insufficient support from the central government, and heavy military involvement in logging and control over forested areas. The current situation characterized by the absence of coherent and comprehensive government policy, non-existent procedures for management and monitoring of forest exploitation, and near total inability to enforce existing legislation is conducive to continued abuse of Cambodia's valuable forest lands.

The fact that the rapid and largely irreversible destruction of forests in Cambodia is orchestrated by officials at the highest level in the RCG suggests that the IMF’s decision to place a moratorium on further loans to the RCG is the only remedy that the development banks can exercise. The RGC’s revocation of six or more logging concessions in
early 1999 seemed designed to provide some evidence that RCG wished to reduce the pressure on forests and therefore meet IMF criteria for reopening the IMF funding pipeline.

3.2. Land Tenure Issues

Cambodian legislation and policies regarding land tenure have vacillated drastically in during the past 30 years. Current law is grounded on the Land Law, passed by the State of Cambodia in 1992, the "Enforcing Instruction No. 3 of the Principles for Possession and Use of Lands," passed by the Council of Ministers in 1989, and Sub-decree No. 25 (allowing for ownership rights of residential housing), also passed in 1989. Although The Land Law takes legal precedence over Instruction No. 3 and Sub-decree No. 25, field interviews reveal that in general the courts rely on the Land Law while Cadastral officials tend to use all three for guidance on land administration (Colm, 1997, p. 22).

Enforcing Instruction No. 3 provides policy for ownership of housing plots and occupational rights for agriculture land. Land is defined in three categories: housing land (limited to 2,000 square meters per household), cultivation land (limited to 5 hectares per household), and concession land. Concession land is defined as land holdings greater than 5 hectares that allow for the production of crops in support of the national economy (Colm, 1997, p. 22).

The Land Law requires that land must be registered with the Cadastral office before an individual can "acquire possession or ownership rights, to transfer ownership, or to convert temporary possession into ownership (Colm, 1997, p. 22). In the context of this document, important aspects of the 1992 Land Law include:

- Article 10: "Real estates and secured rights on those estates may sometimes be privately owned by a single individual, or several individuals each having a share of that one property or that one right which cannot be separated; sometimes it is a communal estate belonging to one group or to all of them …"

- Article 74: "… if any temporary possessor peacefully, honestly, publicly and without ambiguity has a piece of land for five consecutive years and the land is available with no record in the enrollment register and does not belong to anybody, the temporary possessor shall become a legitimate owner of the land."

- Leaving land fallow does not constitute abandonment, by Article 70: "The act to keep a low-yield soil in order to make it fertilized cannot be considered as abandonment. This manner of [temporary possession] in such a condition during that period is considered continuous possession (Colm, 1997, p. 22-23).

While such statutes may imply protection of upland and remote community land rights, the reality faced by these communities is that their rights are not secure, and that they face extreme difficulty in taking action to protect their rights. Inflexible Cadastral staff and titling procedures, lack of detailed surveys and maps of remote regions, poor Khmer language abilities and lack of formal education are but a few of the constraints to improved security of land tenure for remote communities. The central problem is not lack of proper law but the lack of implementing and enforcing them (Paterson, 1997, p. 5-6).

3.2.1. Upland Issues

For upland communities, land issues are centered on maintaining their traditional access to forest resources and in not seeing traditional homeland areas leased out as logging concessions and occupied by outsiders. In view of ongoing RGC practice—or lack of control—logging situation in many parts of Cambodia amounts to a human rights emergency for the indigenous communities, especially in Stung Treng, Ratanakiri, and Mondolkiri provinces. Highland people are particularly prone to exploitation given their low literacy rates, limited command of Khmer Language and lack of understanding of the implications of legal contracts and permits. This situation calls for enforcement of national legislation that entitles indigenous communities to exclusive rights to their traditional areas of residence and subsistence, the demarcation of these areas, and the rigorous protection of these areas from logging operations, outside commercial developers, and others that may want to put competing claims on these forest and ecosystem resources.

Upland areas in Cambodia seem subject to a prevailing perception within the government that rights to exploit timber and land resources of any and all areas can be granted to commercial concerns without regards for traditional land use patterns and the communities that use these resources on either a part-time or persistent basis. The emerging international standard is that communities traditionally resident or using an area should be entitled to equity in the resources of any area, especially if they have knowledge, skills, and commitment which suits them to playing a stewardship role over these resources in the future.

The experience within upland regions in SE Asia as a whole suggests that many upland communities are animists who believe that the spirits of their ancestors reside within particular sacred forests near their villages. This tradition of viewing forests as a repository of the sacred is consistent with the fact that many upland communities maintain significant areas of protected forest while at the same time practicing slash and burn rotations in other areas of
long-term secondary forest. Biologists have found that low to moderate amounts of slash and burn farming within a much larger area of forest can be important for creating and maintaining the sort of “patchy environments” that are favorable to a broad array of biodiversity. With proper support is likely that most upland communities which currently depend on slash and burn agriculture as their main source of support can be helped to diversify their livelihood strategies such that handicrafts, non-timber forest products, mulch-based agroforestry, home gardens, forest protection, watershed management, and guiding eco-treks become sufficiently large sources of income that slash and burn agriculture can be reduced in scope and where appropriate even phased out completely.

At present, conflicts arise between government agents and villagers over the legal use of forest lands. Villagers are legally prohibited from cutting the forest for agriculture production without government permission. The forest thus belongs to the government despite the fact that upland communities in many cases have used and managed given tracts for many years. Granting of forest rights to outside interests by the government violate (in the eyes of upland communities) the customary land tenure rights of local communities (Fox, 1997, p.10-11).

Pressures on land use come not only from concessions for logging; they also arise from proposals for hydro-electric projects. Proposed dam projects in the priority watersheds would displace villagers, inundate large areas of valuable valley bottom land, much of which is forested, and is likely to greatly reduce the productivity of riverine fisheries. The establishment of national parks and wildlife sanctuaries is another source of pressure for land. While indigenous peoples are not currently excluded from public parks and sanctuaries, the legal status of their use rights has not been established.

**3.2.2. Plains Issues**

For lowland, or plains communities, land issues center on establishing legal ownership of their agriculture land. Forest issues as described above are also important, but less so than securing legal ownership of agriculture land. Land has been owned and traded freely by lowland Cambodians for many centuries. The focal problem regarding this issue is the way that land is currently regarded by the majority of the rural population and their urban counterparts. Rural people are closely linked to the land through their use of it as a means of subsistence. It is not typically regarded as a capital investment. Further, title to the land is guaranteed for many through historical, or “squatters” rights. Urbanites (i.e., those having a capitalist orientation), in contrast, view land as a commodity to be traded, a vehicle used to earn money. This can lead to adverse outcomes, as urban people buy land at low cost from uneducated farmers, or gain legal ownership through eviction using contacts with powerful local leaders. Such adverse outcomes will need to be avoided if poverty alleviation is to be achieved and development is to be equitable and sustainable.

Land disputes and conflicts are becoming increasingly common, resulting both from the forced movement of families from their land during the Khmer Rouge period and from land speculators and powerful interests seeking to expropriate land from uneducated rural families. The return and resettlement of more than 360,000 Cambodians from Thai-Cambodian border camps in the in the early 1990s put additional tension land ownership issues.

It is important that local processes for solving these disputes are established, and that education programs regarding land tenure statutes are implemented in rural areas. The education of rural peasants regarding their land tenure rights and duties is important as land is their main productive asset and failure to protect it endangers their ability to produce and improve their standard of living. The creation of an equitable and stable land tenure system should be a priority. The Non-Timber Forest Products Project in Ratanakiri has been facilitating discussions between several upland communities who wish to get their traditional forest areas removed from existing logging concessions and both the provincial and national authorities.

**4. Education Sector**

In 1980, a concerted effort began to reestablish a system of education in Cambodia, largely with aid from Vietnam and other centrally-planned economies. As most Cambodians involved in this process had themselves been educated in French-style education institutions in Cambodia and France, there was some inclination to use French-style syllabi at institutions of higher learning such as Chamcar Dong Agricultural College. The supply of primary and secondary school teachers, already greatly reduced as a result of death, sickness, and emigration during and just after the Pol Pot regime was further reduced by the fact that the survival rate of teachers appears to have been far greater than that of higher-level professionals and civil servants. Thus, it was common in the early 1980s to find that provincial level administrations were staffed in large part by former school teachers. Thus, the supply of teachers in the early 1980s was probably only a small fraction of the number required. Temple school run by monasteries had traditionally served as an alternative path to literacy for poor students who could not afford to go to public school. However, many temples had been destroyed during the Pol Pot regime and so this alternative source of schooling was greatly curtailed as well.
5. Health Sector

Health care is provided, in principle, for free. However, its quality is suspect and medicines and other treatments are more commonly sold rather than provided at no cost. Decreasing budget allocations to the health sector have worsened this situation. The result is that wealthy people seek medical service from private clinics that are well-stocked with pharmaceuticals and staffed by personnel that are (relatively) well-paid and attentive to their customers. Those unable to afford treatment at clinics must seek assistance at government hospitals that, particularly in remote regions are poorly supplied and operated by underpaid (and thus poorly motivated) staff.

6. RGC Opportunities and Constraints to Poverty Alleviation

The RGC faces many serious constraints in its work to alleviate poverty while sustainably managing Cambodia’s natural resources, including:

- an unsatisfactory security situation in many parts of the country and the inability to generate employment for many ex-military who remain armed
- a very limited supply of people with experience in managing natural resources,
- extensive corruption at the highest levels of government
- limited absorptive capacity for external development assistance, and
- the limited degree to which development policies have been articulated at the national level.

Two arguably more important issues center on information and human resource requirements of comprehensive development programs.

6.1. Information Requirements—Capacity to Identify Poverty

The foundation of a successful poverty alleviation program is adequate information. Household level data are of great value to policy makers in their work to understand the characteristics of the poor and develop policies and programs to alleviate poverty. Data are essential to help the government:

- identify geographic, gender, health and other characteristics of the poor in order to properly target poverty alleviation assistance, and
- monitor changes in poverty over time and assess the progress of poverty alleviation efforts (Prescott, 1997, p.41).

The RGC has taken steps to develop a capacity to collect and analyze poverty-related data. The Cambodia Poverty Profile-1997 prepared by the RGC using data from the 1997 Cambodia Socioeconomic Survey is an important landmark in the development of an information data base. The information contained in the survey provides a good overview of the poverty situation in the country, and enriches policy maker and planner knowledge of the situation of the poor in Cambodia. As such it will help improve the effectiveness of anti-poverty interventions. It is important that such work be encouraged and sustained.

Vital information, however, is lacking to properly plan and implement comprehensive poverty alleviation programs. To date, data collected are only disaggregated to simple levels. For example, regional data is disaggregated at the Phnom Penh, Other Urban and Rural levels, and employment data disaggregated into only eight large categories. Importantly, minority group, and remote communities have not been part of the surveys to date. This seems to reflect a lowland and urban bias to the survey design.

Such problems render information collected less useful than is required to develop a well targeted poverty alleviation program. For example, the results of the poverty profile indicate that poverty programs should be targeted at rural households (where 85 percent of the poor live) engaged in agriculture (nearly 74 percent of the poor are found among households in which the head is engaged in agriculture production; Prescott, 1997, p.23 and 57). Such information is not particularly helpful in determining where in rural areas programs should be targeted, nor in deciding which agriculture households to target for assistance. A more fine-grained picture of the poverty situation is required to ensure that targeted programs really do hit their mark. It is understood that data will be collected to enable desegregation of this type in 1999. Such step, if taken, will be of extreme importance to policy makers and development specialists.
Defining appropriate indicators of poverty is another issue that requires additional research and analysis. Current indicators are consumption-based and do not allow for the analysis of the determinants of access to social services among the poor. Data should be collected on household expenditure to enable analysis and identification of interrelations of social services (access and use) with poverty status (Prescott, 1997, p.42).

6.2. Planning and Implementation Capacity

The value of improving poverty-related information depends upon the analysis and interpretation skills of government policy makers. At present, the government does not have the staff at the national level with the required skills in microeconomic, econometrics and policy analysis to properly analyze and interpret improved information should it become available. Furthermore, province-based staff, though hardworking and with great desire to improve their work, also have limited capacity to carryout the complex cross-sectional planning and implementation activities required to alleviate poverty in their locale.

Beyond capacity constraints, the government is also constrained by institutional features that remain from Cambodia's days as a centrally-planned economy. The structure of the government needs to change to meet the requirements of a market-oriented economy. The size of the administration staff is larger than required, and the productivity of many staff is low. This adversely impacts not only government expenditures but also staff morale and the public perception of government institutions.

Loose control of the central government over local administration is also a constraint to long-term development efforts. As a result of local autonomy, many province or district-based institutions do not fulfil their prescribed functions, and national initiatives are poorly managed and implemented at the local level. While local institutions, working with funds provided directly to them by international development agencies, have shown much self-initiation and inventiveness in working to alleviate poverty in their area, the inefficiencies and long-term dangers inherent with such loose implementation need to be addressed if poverty alleviation is to be sustainable.

6.3. Regional Integration

As Cambodia's internal political situation stabilizes the integration of its political institutions and economy into regional organizations will accelerate. Two important regional activities in which Cambodia will be increasingly involved include the ADB Greater Mekong Subregion initiative and ASEAN.

6.3.1. The ADB Greater Mekong Subregion Initiative

6.3.2. ASEAN

Cambodia's bid to gain membership in ASEAN in mid-1997 was postponed due to the internal political events of July 1997. Present plans call for Cambodia to become the tenth member of ASEAN in Hanoi on 30 April 1999. It is difficult to assess the potential impact of membership in ASEAN on the situation of poverty or the environment in Cambodia. Benefits of ASEAN to its members to date derive mostly from the association's role in maintaining political order rather than from economic cooperation (Morrison, 1997, p.150). It is important to note that the long-standing ASEAN countries gained their economic achievements individually, implying that Cambodia should not expect immediate economic benefit from membership ASEAN. Furthermore, as indicated by the case of the Philippines, ASEAN membership does not necessarily lead to improved economic conditions and increased growth (Hoang Anh Tuan, 1993, p.289).

Beyond economic cooperation, ASEAN countries can offer Cambodia lessons learned in the areas of policy development, poverty alleviation and the development of social safety nets, and environmental management and the deleterious effects of over-exploitation of precious natural resources. While there is no guarantee that any such positive lessons and experiences shared will be incorporated into RGC policy and action, official involvement in ASEAN should increase pressure on Cambodia to develop and implement policy that is beneficial to Cambodians and that does not threaten its resource base. Importantly, membership in ASEAN will also likely increase the probability that political reform will continue and the rights and aspirations of Cambodians will move to the forefront of RGC concerns (Dollar, 1996, p.179).

7. Recommendations and Conclusion

Relying on economic growth to lift poor households out of poverty is unlikely to be sufficient to achieve national goals of poverty alleviation. More specific policies and direct interventions are required. Policies must be developed to ensure that the poor and disenfranchised are reached, that minority groups are given voice in the development process, and that the environment does not suffer as a result of overall national development policies.
7.1. Information and Capacity Development

Box 7. RGC Development Objectives

As presented in the First Socioeconomic Development Plan, 1996-2000, the broad development objectives of the RGC are:

- double the 1994 level of GDP by 2004 in real terms, and place heightened emphasis on harnessing Cambodia’s agricultural, industrial, and tourism potential; extend health, education, and social services to the entire population in order to ensure, within a decade, a peaceful way of life and a substantial improvement in the standard of living; improve rural living standards by promoting rural development as a central feature of the Royal Government's development priorities; ensure that the pattern of development is sustainable socially, politically, fiscally and environmentally; and strengthen domestic self-reliance and thus reduce the current dependence on external financial and technical assistance.


7.2. Mechanisms for Rural Poverty Alleviation

The rule of law is a prerequisite to robust and sustainable rural development. The satisfactory reintegratio

Emphasis on rural development is justified by existing poverty profiles, and the fact that Cambodian society and its economy are overwhelmingly rural. However, given limited budgetary resources, the RGC must work to ensure that its implementers of poverty alleviation funding are able to target and deliver to those most in need. Spreading already meager resources over broad geographic areas will severely limit the impact of government or donor intervention. With improved regional poverty information it will become possible to allocate resources to poorer regions and improve balance in equality across regions. At the same time the government should enhance its ability to collect taxes on a progressive basis, that is heavy taxes from the wealthy and little or no taxes from the poor.

7.2.1. Targeting—General Principles

The importance of poverty alleviation programs in war-torn societies such as Cambodia is recognized within the development and relief community (Fitzgerald and Stewart, 1997). Case studies point out that unequal growth, lack of regional economic integration and competition over scarce resources are among the chief socioeconomic causes of internal conflict and war (Carbonnier, 1998, p.15). Case studies also show that as a country emerges from civil war it is important for it to quickly address the root socioeconomic causes of the conflict (Carbonnier, 1998, p.15-16). Quick resumption of aid and assistance to the poor, at levels higher than those that proceeded the conflict, can accelerate the transition from war to peace, and help foster national reconciliation. Failure to address rising expectations and frustrations of the poor (and the general population of a conflict-affected region) that accompany this transition can be destabilizing. Given this background, properly targeted and budgeted anti-poverty programs can be an important mechanism through which Cambodia might avoid sliding back into internal conflict, and that, of course, is important for accelerating the rebuilding of society and national reconciliation.

Policy makers and planners working in Cambodia face a diverse and complex number of issues when developing targeted poverty alleviation interventions. Their work requires extensive communication with and understanding of many local, regional and national actors having a variety of different experiences and objectives. Unfortunately, there is not a blueprint for them to follow in this difficult task.

Experience in stable societies suggests that policy makers and planners designing targeted anti-poverty programs must consider several important issues, including the root causes of poverty, the cost of beneficiary participation, incentives and political costs. The relative importance of one issue over another will likely vary in different settings. What seems clear is that failure to adequately address and control for the "corruption factor" may very likely "puncture the soufflé" of even the best designed poverty alleviation program.

Conclusions from field experience in war-torn countries point to a somewhat different set of issues for policy makers.
and planners to consider. Costs of participation, incentives and understanding the root causes of poverty are still important, but clearly are of less importance than political considerations in war-torn societies. The outcome of ignoring political costs in stable societies might include a cancelled program, a politician voted out of office, or reduced program efficiency. The outcome in a war-torn country such as Cambodia, however, might be an increase in violence, or a return to internal conflict and war. Such events will clearly impact more than just the poverty alleviation program and its intended beneficiaries—it will spread to and affect all of society. Thus, political considerations must take precedence over all other issues when considering the design of poverty alleviation programs in war-torn societies.

Political considerations underlie other key issues that must be addressed in Cambodia. These include the design of program management, monitoring, and resource delivery mechanisms. Each must be done keeping in mind their potential for increasing tension and conflict, and disrupting local culture in the program area. The importance of these issues is very clear for Cambodia. As noted by Carbonnier (1998, sec.VI, p.2), “absolute priority should be given to political stability in the aftermath of civil war, even if this means sub-optimal economic efficiency.”

What of issues at the village level? Here, as at the macro level, political considerations are of great importance and must take priority over other issues. An additional important issue for policy makers and planners to consider is that of the impact of war and conflict on people and communities. Insecurity and instability brought about by war changes the way people and communities interact and function. In Cambodia, conflict is so chronic that these changes have been incorporated into the economic and social lives of the population. Policy makers and planners in Cambodia must recognize such changes in behavior and design poverty alleviation programs that deal not only with the economic requirements of the poor, but also with the psychological or “healing” needs of individuals and, importantly, communities. Failure to address these needs can increase local tension, when what is called for are mechanisms to build and nourish community cooperation and support. Unfortunately for Cambodians, political cease-fires have unleashed devastating wars on forest resources. These wars, unless stopped, are likely to result in generations of long-term impoverishment. Poverty creation in Cambodia today is driven by the imperatives of logging by corrupt elites at the highest levels.

7.2.2. Targeting Women

Women are often targeted for assistance as they represent the guardian of the family, and as case studies often show, tend to do more for the good of the family than men with aid transfers to the household (Buvinic and Gupta, 1997). Case studies show that in war-torn societies such as Cambodia, directing program resources to women also serves to erode the power of local authorities and military officials—typically a male-dominated realm. It is this elite that is commonly the source of the conflict, and perpetuation of their power may also perpetuate local conflict. Provision of program resources to women offers an avenue to break this power structure (Prendergast, 1996, p.78-79).

Kumar (1997, p.23-24) emphasizes the importance of assisting women-headed households, whose numbers typically increase, as was the case in Cambodia, during period of conflict and war. He cautions, however, that directing aid to only single female-headed households (i.e., households headed by women who are, for example, widows, or divorced from or permanently abandoned by their husbands) might increase local tension as other female headed households may demand their right to program resources. He notes successful poverty alleviation interventions in Cambodia and Mozambique where credit was made available broadly to all women, helping them increase their income from farming and business enterprises. Women-based rural lending programs are one quite successful approach in Asia.

It is thus recommended that women be targeted for assistance in poverty alleviation programs whenever possible.

7.2.3. Supporting Alternative Social Structures

Support to alternative social structures (i.e., non-military or government) provides a mechanism through which participation in program decision making can be broadened and additional (often inaccessible) monitoring information can be obtained. Examples of local structures that might be supported in Cambodia include Buddhist temple groups, local NGOs, and indigenous farmers’ groups (e.g., rice banks and animal raising schemes, and women’s silk production cooperatives). Households involved in these groups can participate in all aspects of the project cycle, and provide valuable input and feedback regarding the specific projects in which they directly participate. Interaction with and support provided in building the capacity of these structures can provide the government (or ADB or NGOs) information and advice independent of regional military and government power structures.

Prendergast (1996, p.108) underlines the importance of this mechanism, stating that support of indigenous non-government forms of social organization builds a foundation for providing “voice in the community other than military imperatives.” Colletta, Kostner and Wiederhofer (1998, p.22-24) also note the importance of providing support to and working with local social structures. They explain that lessons learned in demobilization and reintegration programs in Ethiopia, Namibia and Uganda include the relevance and impact of working with local organizations in
the overall success of those programs. Social structures not only help in program decision making and monitoring, but (in doing so) help to reduce program administration costs. In the case of Namibia, field workers stated that "centralization in design and implementation is a chance lost for beneficiaries to build local social capital and ensure that the program actually responds to their needs" (Colletta, Kostner and Wiederhofer, 1996, p.208).

Support should be provided to local institutions in all RGC poverty alleviation interventions. This is particularly important in work with upland populations, given their cultural, historical and linguistic differences from the majority of RGC staff.

7.3. Upland Areas

The greatest needs of upland communities are land security and security of tenure of natural resources, improved health and access to health care, and improved access to opportunities for formal and non-formal education. There is a clear and urgent need for accommodating and balancing local community needs and aspirations with Government objectives and the interests of responsible commercial enterprises. It is important for all parties to adhere to a balanced approach to development, and to respect sustainable forest and land management methods that allow for the continued presence of the upland communities. With appropriate and comprehensive planning and rigorous enforcement of land use and forest related legislation, the natural resources of upland communities should be able to become well-integrated into the national economy in a sustainable way that benefits the upland communities, as well as various lowland and commercial stakeholders.

However, the current climate of land speculation and rapid exploitation and destruction of natural resources, although beneficial to a few in the short-term, is in the long-run not to the benefit of any these four stakeholders. As has been seen in many regions of Cambodia, poor management and lack of law enforcement can lead to the rapid destruction of forest resources. Serious measures must be taken at the national level, with dialogue at the local level between provincial authorities and local communities, to ensure that:

- Long-term monitoring of logging and plantation operations by the RGC is done in close cooperation with the provincial authorities, ensuring that logging bans are not simply temporary assurance to the international community but are seriously implemented throughout the year;
- concessions have proper sustainable management plans, and include payment of a bond or bank guarantee of considerable value that will be transferred to the national budget if the value of the concession area is decreased because of unsustainable practices by the concession holder or third parties—existing concession that do not meet these criteria should be revoked;
- The military is removed from involvement in any commercial logging or plantation operations. Military involvement in logging makes this important institution financially independent from the RGC, allowing it to establish a "feudal fiefdom" from which it terrorizes local authorities and communities.

Absence of a political will to regulate and monitor on-going activities in upland areas, the joint pressures of logging, land speculation, commercial plantations and immigration will have an increasingly negative impact on upland communities to the point where all but the strongest villages will become degraded and fragmented. If the current situation is allowed to continue, upland communities will likely to loose access to land and forests resources, and subsequently their identity, culture and languages. This, in turn, will result in social and environmental costs to the whole of Cambodia.

In order to ensure land security and continued use of natural resources for the upland communities, there is an urgent need for the recognition, endorsement and support of the RGC for existing community-based pilot projects for community forestry, land use planning and management, and land titling. With official recognition and support, these exemplary initiatives might be replicated elsewhere.

The RGC should as soon as possible adopt and implement its draft national policy on Highland Peoples Development, which has been submitted by the Inter-Ministerial Committee on Highland Peoples Development to the Council of Ministers in October 1997. This draft policy was developed in a lengthy participatory process of consultation with all stakeholders at all levels. The sections on forest and land in particular provide an excellent framework for the protection of the livelihood, identity and culture of upland communities.

The ADB’s Remote Watershed Project could play an important role in informing other ADB programs and projects for Cambodia, in particular the modification of the 1992 Land Law and the continuation of the (formerly World Bank supported) National Forestry Policy Review.

Lastly, these recommendations will not be realized without full commitment at the senior level of the RGC. Therefore, pledges for loans or grants made by the ADB, as well as other donors, should be carefully conditioned in agreements that are informed by and transparent to the general public. Compliance to theses agreements should be closely monitored, and activities stopped if the conditions of the agreement should be violated. It is important
that loan and grant conditions include the participation of communities that will be impacted by the grant or loan financed programs in all aspect of program planning, decision-making and implementation stages.

8. References

Works Cited


Additional References


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<td>Banteay Mean Chey</td>
<td>577,300</td>
<td>5.1%</td>
<td>6,679</td>
<td>86</td>
<td>25%</td>
</tr>
<tr>
<td>Pousat</td>
<td>360,291</td>
<td>3.2%</td>
<td>12,692</td>
<td>28</td>
<td>68%</td>
</tr>
<tr>
<td>Kampong Chhnang</td>
<td>416,999</td>
<td>3.7%</td>
<td>5,521</td>
<td>76</td>
<td>41%</td>
</tr>
<tr>
<td>Otdar Mean Chey</td>
<td>68,836</td>
<td>0.6%</td>
<td>6,158</td>
<td>11</td>
<td>(1)</td>
</tr>
<tr>
<td>Krong Pailin</td>
<td>22,844</td>
<td>0.2%</td>
<td>803</td>
<td>28</td>
<td>(2)</td>
</tr>
<tr>
<td>COASTAL</td>
<td>815,192</td>
<td>7.2%</td>
<td>16,901</td>
<td>48</td>
<td>81%</td>
</tr>
<tr>
<td>Krong Preah Sihanouk</td>
<td>155,376</td>
<td>1.4%</td>
<td>868</td>
<td>179</td>
<td>78%</td>
</tr>
<tr>
<td>Kampot</td>
<td>527,904</td>
<td>4.6%</td>
<td>4,873</td>
<td>108</td>
<td>55%</td>
</tr>
<tr>
<td>Kaoh Kong</td>
<td>131,912</td>
<td>1.2%</td>
<td>11,160</td>
<td>12</td>
<td>92%</td>
</tr>
<tr>
<td>Krong Kaeb</td>
<td>28,677</td>
<td>0.3%</td>
<td>336</td>
<td>85</td>
<td>(3)</td>
</tr>
<tr>
<td>MOUNTAIN</td>
<td>1,187,764</td>
<td>10.4%</td>
<td>68,061</td>
<td>17</td>
<td>83%</td>
</tr>
<tr>
<td>Kampong Spueu</td>
<td>598,101</td>
<td>5.2%</td>
<td>7,017</td>
<td>85</td>
<td>54%</td>
</tr>
<tr>
<td>Preah Vihear</td>
<td>119,160</td>
<td>1.0%</td>
<td>13,788</td>
<td>9</td>
<td>93%</td>
</tr>
<tr>
<td>Stueng Traeng</td>
<td>80,978</td>
<td>0.7%</td>
<td>11,092</td>
<td>7</td>
<td>85%</td>
</tr>
<tr>
<td>Ratanakiri</td>
<td>94,188</td>
<td>0.8%</td>
<td>10,782</td>
<td>9</td>
<td>91%</td>
</tr>
<tr>
<td>Mondolkiri</td>
<td>32,392</td>
<td>0.3%</td>
<td>14,288</td>
<td>2</td>
<td>82%</td>
</tr>
<tr>
<td>Kracheh</td>
<td>262,945</td>
<td>2.3%</td>
<td>11,094</td>
<td>24</td>
<td>79%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>11,397,546</td>
<td>100.0%</td>
<td>177,699</td>
<td>64</td>
<td>62%</td>
</tr>
</tbody>
</table>

Sources:


included in Siem Reab total, (2) included in Bat Dambang total, and (3) included in Kampot total.

(4) Colm, Sara. 1997. *Options for Land Security Among Indigenous Communities.* Non-timber Forest Products Project. Ratanakiri, Cambodia. Photocopy. Estimate is a percent of a total population of 72,290. Thus, the author estimates the current population in the range of 54,000 to 87,000 persons. An average figure of 70,000 persons is used throughout the text.

Shaded information represents RGC targeted watershed areas.

### Annex 2. Factors Affecting Long-term Growth in Cambodia & three GMS Countries

<table>
<thead>
<tr>
<th></th>
<th>Cambodia</th>
<th>Lao PDR</th>
<th>Myanmar</th>
<th>Vietnam</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population Growth (POP)</td>
<td>1.8</td>
<td>2.3</td>
<td>2.1</td>
<td>2.2</td>
</tr>
<tr>
<td>Per Capita Income PPP 1994 (Y)</td>
<td>900</td>
<td>1,190</td>
<td>880</td>
<td>750</td>
</tr>
<tr>
<td>Primary School Enrolment (PRIM)</td>
<td>0.47</td>
<td>1.07</td>
<td>1.06</td>
<td>1.03</td>
</tr>
<tr>
<td>Secondary School Enrolment (SEC)</td>
<td>0.14 *</td>
<td>0.25</td>
<td>0.23</td>
<td>0.42</td>
</tr>
<tr>
<td>Gross capital formation in GDP (INV)</td>
<td>0.22</td>
<td>0.16</td>
<td>0.13</td>
<td>0.27</td>
</tr>
<tr>
<td>Government consumption expenditure (GOV)</td>
<td>0.10</td>
<td>0.12</td>
<td>0.10</td>
<td>0.08</td>
</tr>
<tr>
<td>Forecasted annual per capita income growth rates with Barro equation (a)</td>
<td>2.5</td>
<td>4.9</td>
<td>5.3</td>
<td>6.1</td>
</tr>
<tr>
<td>Levine-Renelt equation (b)</td>
<td>2.5</td>
<td>1.5</td>
<td>1.1</td>
<td>4.1</td>
</tr>
</tbody>
</table>

**Number of years to reach ASEAN average per capita PPP income level of US$3,700**

<table>
<thead>
<tr>
<th></th>
<th>Barro</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>41</td>
<td>24</td>
<td>28</td>
<td>27</td>
</tr>
<tr>
<td>Levine-Renelt</td>
<td>58</td>
<td>78</td>
<td>135</td>
<td>39</td>
</tr>
</tbody>
</table>

**Memo: Forecasted per capita income growth rates with INV = 0.3**

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3.9</td>
<td>3.9</td>
<td>4.0</td>
</tr>
<tr>
<td>Number of years</td>
<td>37</td>
<td>29</td>
<td>36</td>
</tr>
</tbody>
</table>

Notes:

(a) Barro: \( g = 0.0302 - 0.0075\ln Y + 0.025 \text{ PRIM} + 0.0305 \text{ SEC} - 0.119 \text{ GOV} \)

(b) Levine-Renelt \( g = \frac{0.83 - 0.35 [Y/1000] - 0.38 \text{ POP} + 3.17 \text{ SEC} + 17.5 \text{ INV}}{100} \)

* estimate