

Development Against Development?

An Examination of International Development in Cambodia.

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Since the United Nations Transitional Authority on Cambodia (UNTAC) wrapped up its activities in 1993, it is not hard to see what the affects and side-effects of international development have been. While on the one hand the Kingdom of Cambodia has embraced their new free-market economy, officially become a democratic constitutional monarchy, and finally enjoyed a disbanding of the Khmer Rouge communist forces, on the other Cambodia has also suffered from a rise in inequality, violent political repressions, and an increasingly authoritarian style of governance. Since it has been nearly twenty years since the world stepped in to 'fix' the Cambodian problem, this article will go on to argue that the solution may prove to be a problem in and of itself. By critiquing the current development programme from an alternative development perspective, this article will demonstrate that international involvement has done little to benefit the people who need it most.

This is by no means an effort to criticise the incredible amount of people, time, and energy that have been invested over the last two decades, because on the ground most international development is done with the best of intentions. Instead this article hopes to build a critique of the mentality and overarching scheme of the international community¹ (which is expressed through specific activities, but should not be blamed on the people carrying out these tasks). Unless one

takes a step back to examine the whole picture, it would be very difficult to see how these specific development programs are in fact coming together to inhibit the Cambodian people from taking control of their own development. The main argument holds that the international community has forgotten to involve the very people they are trying to help.

A LOOK INTO AN ALTERNATIVE VISION

Development is portrayed as something that will happen by itself as soon as the obstacles to development are removed. In fact, virtually all of the changes that take place under the ideology of development are of an entirely different sort. Villagers are driven out and dams are built; forests are cut down and replaced by plantations; whole cultures are smashed and people are recruited into quite different cultures; people's local means of subsistence is taken away and they are placed under the power of the world market. It is not correct usage to apply the term development to the process of knocking down one thing and building something else in its place.²

From a Cambodian perspective, and arguably from the perspective of many other countries which have been deeply entrenched in the international development programme, development is not working. Although there are successes, such as an increased GDP or a democratically elected government, the reality is that today's development ideology is flawed. An alternative is alternative development, however its practices have never been attempted on a nationwide scale and there are still far more questions than answers as to its viability. The alternative vision argues that if the current development model is proven to be faulty than it should at least be reworked, if not thrown out all together. Jan Neder Veen Pieterse states that, "Doing 'nothing' comes down to an endorsement of the status quo,"³ and endorsing a broken product is not exactly productive. Alternative development wants to occupy the space where the traditional

¹ International community refers to the various international organizations (the International Monetary Fund, the World Bank, the United Nations, etc.), bilateral and multilateral donors, and the Great Powers. All have the ability to exert some level of influence over Cambodia's internal affairs. Under most circumstances the international community operates or speaks as a united front. It is "the collectively which faces the challenge of what to do or what not to do in the face of humanitarian suffering in other countries" as quoted by Caroline Hughes, "International Intervention and the People's Will: The Demoralization of Democracy in Cambodia," *Critical Asian Studies* 34 (2002): 543.

² C. Douglas Lummis, "Development Against Democracy," *Alternatives* 16 (1991): 48.

³ Jan Nederveen Pieterse, "After post-development," *Third World Quarterly* 21 (2000): 182.

model has failed to make a difference: mainly making a difference for the poor and giving a voice to the voiceless.

Going up against the giant of development is a difficult task, especially considering it is the political elites in third world countries who have typically

been profiting from the actions of international development. This is partially why there are few truly empowering initiatives in Cambodia: Hun Sen and the rest of the Cambodian government are threatened by any changes in the status-quo. Despite the fact that international human rights groups call for action against the abuses of Hun Sen's government, much of the world continues to conduct business as usual with Cambodia. As

there is little chance that those within the system will change it, others must step up to the plate. Unlike the anti-development rhetoric of post-development theory, alternative development theory does believe that there is a significant role to be played by the international community. Development will always be an intervention ideology; it cannot escape its true nature. However being an intervention does not mean it has to involve "telling other people what to do – in the name of modernization, nation building, progress, mobilization, sustainable development, human rights, poverty alleviation and even empowerment and participation."⁴ What if international development became a way to help the people on the bottom develop in directions *they* choose, instead of being developed the way the world chooses?

To reiterate the words of the Buddha, "Peace must come from within, do not seek it without." Ultimately, the people who know what is best for the poor are the poor themselves. The traditional ideology that "most of the things people really want are economic, hence most social problems are economic, so ... that the ultimate solution to them

is economic development...,"⁵ needs to be replaced by the idea that "the *freedom* to make meaningful choices between various options is the essence of development and a precondition for personal well-being."⁶ International development essentially must be the factor that enables people to be in a position to make choices, and which provides support

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(financial, technical, etc...) wherever it is needed. In essence, alternative development is promoting what could be called a donor-supported version of self-help. It is a way of providing the tools and the resources to people and communities so that they can take ownership of their own development. In a perfect situation it would empower the community, give those who wanted it the chance to participate and direct the initiatives, create sustainable

projects by generating local ownership of them, and provide opportunities for capacity development.

By using alternative development theory to critique the dominant development discourse the first section will thus examine the impact of foreign aid, which is always the first step in any development project. It will look at how Cambodia has been diagnosed with the aid equivalent of the "Dutch Disease" (the explosion of the aid sector which has been detrimental to the growth of other areas). It will be a discussion on the ramifications of the massive amount of aid which Cambodia receives every year and specifically look at the problems of capacity development and governance.

The second section deals specifically with how development has proven detrimental to the formation of a strong, functioning democratic state. Instead of creating a mobilized and empowered populous the international community has focused its efforts on political and economic stabilization. Foreign aid, directed at democratic initiatives, has

⁵ Lummis 34.

⁶ Erhard Berner and Benedict Phillips, "Left to their own devices? Community self-help between alternative development and neo-liberalism," *Community Development Journal* 40 (2005): 18.

⁴ Pieterse 182.

failed to stimulate the ruling class into democratic reform despite the fact that most aid now comes with conditionalities meant to encourage good governance.

The third section uses the Integrated Rural Accessibility Planning (IRAP) programme to demonstrate the ineffectiveness of the international development programme in Cambodia. The IRAP programme was developed to coincide with the Commune Councils which are a decentralized local government structure being used across the country. Unfortunately, although IRAP's methodology looks very appealing, in practice its approach has been riddled with problems. Its structure which was supposed to address gender inequality and inclusion has actually continued to exclude and emphasize the hierarchical structure of the Cambodian society. The IRAP initiative which was imported from other countries in the hopes of facilitating and opening up the local government to all levels of the Cambodian society has ultimately failed to translate.

AID AGAINST DEVELOPMENT

The basic motivations behind foreign aid are rarely neutral. Aid is used as much by the donor as it is by the recipient. It is directly tied to trends in international relations as well as national political interests. Just as "Every political act is motivated by some form of self-interest"⁷ so too are humanitarian acts, especially considering they more often than not are attached to massive sums of money. This understanding of foreign aid is one of the most important parts to understanding why development is not simply a neutral benevolent act, but rather something more calculated, complex and at times more biased than we are led to believe. It is unlikely that foreign aid would exist to the extent it does today if it did not offer some sort of political or economic kickback for the donors themselves. Keeping this two-way relationship in mind is essential when examining any kind of foreign aid; having an understanding of where the aid is coming from, why it is being given, and especially what

form it takes is valuable to developing a better understanding of aid's successes and failures.

Over the past two decades there have been billions of dollars in aid directed at Cambodia by the international community and as a consequence, it is important to examine the political motivations behind this. From 1993 to 2003, US\$5 billion of aid has been funneled into Cambodia.⁸ Between 2005 and 2008 another US\$1.5 billion was pledged⁹ and nearly another billion has been pledged to the country for 2009 (interestingly, the most since 1994).¹⁰ Considering aid has accounted for on average 13% annually of GDP and continues to represent half the national budget, donors will continue to hold a tremendous amount of influence over Cambodia's national affairs.¹¹

During UNTAC Cambodia began a shift towards market oriented policies which was part of a trend across the so-called developing world. In part this was a response to the final failure of state-directed economic approaches, but it was also due in large part to a push by multilateral donors through initiatives like the Structural Adjustment Programmes (SAPs) of the International Monetary Fund and conditionalities placed by bilateral donors on aid packages. According to Belgrad et al, "With [these] reforms, Third World countries are likely to succeed economically, the rich countries argue; without them, they will fail, and the financial help from the rich will be wasted."¹² Although originally most aid was free from conditionalities in Cambodia, at a recent press conference Keat Chon, the Minister of Finance, revealed that the only donor whose aid was unconditional for 2009 was China.¹³

According to the information on the Cambodian Rehabilitation and Development Board and the

⁷ General Sir Michael Rose, forward, *The Politics of International Humanitarian Aid Operations*, ed. Eric A. Belgrad and Nitza Nachmias (Westport: Praeger Publishers, 1997) 5.

⁸ Sophal Ear, "The Political Economy of Aid and Governance in Cambodia," *Asian Journal of Political Science* 15 (2007): 74.

⁹ Guy De Launey, "Cambodia aims to shake off aid dependency," BBC News, 26 May 2005, January 8, 2009 <http://news.bbc.co.uk/2/hi/business/4584003.stm>.

¹⁰ Ek Madra, "Cambodia promised aid worth nearly \$1bln for 2009," Reuters, 5 December 2008 http://www.reuters.com/article/homepageCrisis/idUSBKK316459.CH_2400.

¹¹ Ear 74.

¹² Rose 6.

¹³ Madra.

Council for the Development of Cambodia (CRDB-CDC) website the top five donors for the period of 1992 to 2001 were Japan, the UN System, the European Union (EU), France and the United States.¹⁴ In 2002 these donors (with the exception of the UN and the EU) were all on the 'top ten' list of foreign direct investors in the country.¹⁵ China was also a top ten investor in 2002, and if it follows through on its pledges for 2009 it will be the number one donor, with over US\$257 million pledged.¹⁶ Although this is by no means a fully tested hypothesis, it does raise questions with regard to the political and economic motivations behind foreign aid. There seems to be a relationship between a country's foreign direct investment and a country's foreign aid contributions. To some extent aid seems to be directed at creating stability and the necessary infrastructure to stimulate the economies of Third World countries in the hopes that it will also benefit the donor's economic needs.

Like many heavily aid-dependent countries, Cambodia suffers from the aid equivalent of the Dutch Disease. This 'disease' originated in the

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Netherlands in the 1970s with the massive expansion of its natural gas production, which worked to the detriment of its other sectors. In a few words, Dutch Disease describes the problems which occur as one sector experiences rapid expansion. The

booming sector gravitates production around itself and dramatically increases production prices, and other sectors of the economy cannot compete. At the same time, the extra income generated by the expanding sector is invested into non-tradable goods, which increases their price relative to tradable goods. This spending effect creates a situation where exchange rate appreciation forces tradable goods to be non-competitive in both international and domestic markets.

The Cambodian industry experiencing such an economic boom is surprisingly not in the industrial or natural resource sectors but rather the foreign aid sector. Foreign aid in Cambodia is so colossal that it has distorted the economy. According to Sophal Ear, in Cambodia "aid crowds out other sectors, becoming a tradable sector financed by 'revenues' in the form of aid."¹⁷ This foreign aid created version of the Dutch Disease becomes increasingly noticeable as aid begins to worsen the quality of government. Firstly, it decreases a government's dependence on taxes from its population base, meaning it no longer needs to satisfy the needs of its own people. Secondly, it diverts skilled workers from government positions to external aid organizations, thereby destroying capacity development. Finally, it allows the government to hand off social services to international organizations, which allows the government to neglect its own responsibilities.¹⁸

Many affects of the Dutch Disease have been traced back to extremely low government wages. Even today many Cambodian civil servants are paid somewhere between US\$20 to US\$40 a month, which places them barely over the poverty line and means they inevitably have to find other sources of income in order to feed themselves and their families.¹⁹ This often means resorting to corruption, moving away from government positions and into the external aid sector, or agreeing to work with the external aid sector in order to receive salary

¹⁴ "Disbursements by Donor," Cambodian Rehabilitation and Development Board (CRDB) and Council for the Development of Cambodia (CDC) 2001: 53, 16 December 2008 http://www.cdc-crdb.gov.kh/cdc/development_coop/disbursement_donor.htm.

¹⁵ Hing Thoraxy, "Cambodia Country Report," Cambodian Investment Board for the Development of Cambodia Foreign Direct Investment: Opportunities and Challenges for Cambodia, Laos and Vietnam, Hanoi, 16-17 August 2002 <http://www.imf.org/external/pubs/ft/seminar/2002/fdi/eng/pdf/thoraxy.pdf>.

¹⁶ According to the CRDB-CDC website, China was one of the key donors who increased their assistance dramatically between 2000 and 2001, which is the last year of available data. See "Disbursements by Donor."

¹⁷ Ear 75.

¹⁸ Martin Godfrey, Chan Sophal, Toshiyasu Kato, Long Vou Piseth, Pon Dorina, Tep Saravy, tia Savora, and So Sovannarith, "Technical Assistance and Capacity Development in an Aid-dependent Economy: The Experience of Cambodia," *World Development* 30 (2002) 357.

¹⁹ Ear 76.

supplements. Sophal Ear, who has a decade of experience in development consulting and focuses specifically on Southeast Asia, notes that as Cambodia's skilled workers leave the government for more profitable posts within the aid sector they inevitably stop working for Cambodian driven projects and begin working for donor-driven ones. Although both sectors likely have Khmer prosperity in mind, it is here that the disputed neutrality of foreign aid should be remembered. In these externally driven projects "it is more often than not the donor country's foreign policy and national interest that take precedence."²⁰

The procedure of salary supplementation in the aid sector has become a huge problem in itself. Salary supplementation is the practice of paying and otherwise providing benefits to government officials in return for their support of specific development activities. Although claimed to be a necessary evil, it is ultimately a destructive practice undertaken by donor agencies in an attempt to gain the support of the Cambodian government. According to Godfrey et al.,²¹ 72 percent of agencies surveyed admitted to practicing it, while another 20 percent of agencies agreed they bent the rules in order to somehow supplement the wages of their government accomplices. As quoted in Godfrey et al, "salary supplementation threatens sustainability, leads to competition between agencies, pays people to perform their normal jobs..., and cushions the middle class on consequences of government inaction on revenues collection and salaries."²² In short it uses aid as a form of bribery.

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Ear, in his study "The Political Economy of Aid and Governance in Cambodia" has attempted to uncover the relationship between Cambodia's scores on Kaufmann et al.'s²³ six dimensions of government and the massive influx of aid since 1993. His study focused on informants from within the Cambodian aid sector, who all had a minimum of three years experience in the country as well as being involved with ODA flows in an "intense way".²⁴ According to Ear "These key informants overwhelmingly agree that... foreign aid has *not* had a positive impact on governance in Cambodia," except in one area, that of political stability.²⁵ Political stability was something both the Cambodian political elite as well as the international community both strived toward after the 1991 Paris Peace Agreement in an attempt to bring Cambodia out of the turmoil of war and political upheaval. This new-found political stability also allowed the Cambodian economy to stabilize, creating a relatively healthy market. This allowed for a massive influx of foreign direct investment, which opened up the Cambodian domestic market for exports from the developed world.

Cambodia seems to be trapped in a cycle of poor development caused by colossal reliance on foreign aid. The Cambodian government has little need to focus on raising internal revenues because of the massive amounts of aid; subsequently its civil servants, who are not being paid a living wage, seek to survive elsewhere, often by finding employment in the external aid sector. Government officials, instead of looking to improve the system from the inside, find external NGO activities to sponsor, which supplement their salaries and thus there is little incentive to actually put aid to sustainable and effective use.²⁶

Aid, although an essential aspect of any development activity (even alternative development

²⁰ 76.

²¹ Godfrey et. al. carried out research between September 1998 and November 1999 in association with the Cambodian Development Resource Institute in Phnom Penh. Among other things it included interviews with NGOs, donor heads and government officials, as well as a data analysis on the official aid coordination agency. The research attempted to answer the question: to what extent can technical assistance develop local capacity in an aid dependent country like Cambodia, where aid is so large that it distorts the economy and hinders the governments response to economic problems?

²² Godfrey et. al. 365.

²³ Ear.

²⁴ Ear 69.

²⁵ Ear 69

²⁶ Godfrey et. al. 370.

activities) is not the answer to all social, political and economic issues. Aid can just as easily be the problem as the solution. There is a fine balance that needs to be walked between aiding the Cambodian government in the establishment of social safety nets and allowing the government to ignore its own responsibilities. At the moment Cambodian political elites have little motivation to create actual change for the people they supposedly serve.

These supposedly untold stories of aid are in fact no secret at all. The current development discourse has known about the problems of foreign aid in Cambodia for at least a decade, and still aid continues to flow into the country at unprecedented rates. Grant Curtis highlights a report by the United Nations research Institute for Social Development from 1993 which states,

"[External] assistance should be subsidiary to local efforts, and that the main responsibility and control should ultimately remain with local actors....in order to promote a self-reliant and sustainable pattern of development. In practice, however, external assistance, rather than being a subsidiary to local efforts, becomes a substitute, and worse destroys the local coping and resistance mechanisms and controls emerging local institutions and solutions".²⁷

Alternative development sees this un-reflexive nature as a major barrier to any sort of successful development programme, alternative or not. Instead of taking initiative to fix the problem, multilateral and bilateral donors have continued to promote and in the case of Cambodia expand an already problematic system. Another point worth noting is that aid has been focused on political stability to the virtual exclusion of all else. This was valuable to the expansion of the Cambodian market, considering Cambodia experienced on average 11.1 percent economic growth between 2004 and 2007 (and this was not the first time its economy has experienced double digit growth since the end of UNTAC),²⁸ but

according to Ear, aid has failed to improve the living conditions of most, if not all, of Cambodia's poor. According to the UN resident coordinator for Cambodia "Recent years have seen Cambodia's economy grow rapidly. For ordinary Cambodians this growth has brought hope and optimism. But so far the benefits have not been evenly spread."²⁹ Rights groups within the country warn that both economic development and inequality are intensifying at an alarming rate.

DEVELOPMENT AGAINST DEMOCRACY

Initiatives promoting democracy in the Third World have been one of the prime focuses of development work since the end of World War II and especially since the end of the Cold War. Arguably, Cambodia's democratic development has received more attention from the international community than any other country. After all, when the United Nations stepped into the country it was with UNTAC, whose end goal was to hold the first true democratic elections.³⁰ After four elections, all of which were debatably neither free nor fair, Cambodia is experiencing an increasingly authoritarian style of democracy. The country has struggled from the very beginning with the ideals of good governance and in the words of Donald Bruce St. John, "The essence of Western democracy, separation of powers with checks and balances within a system of democratic institutions, political parties, and free elections, has yet to be achieved in Cambodia." Alternative development arguably takes issue with the use of 'Western democracy' as a sort of be all and end all of democratic evolution, but Ronald Bruce St. John goes on to point out obvious discrepancies between what a functioning democracy looks like and what is currently being experienced in Cambodia. According to him, Cambodian elites have struggled with the concepts

<http://www.phnompenhpost.com/index.php/2008121523200/Business/Government-revises-down-economic-growth.html>.

²⁹ Cheang Sokah, "Inequality is fuelling rights violations, UN warns govt," *The Phnom Penh Post* 10 December 2008, 15 December 2008

<http://www.phnompenhpost.com/index.php/2008121023141/National-news/Inequality-is-fuelling-rights-violations-UN-warns-govt.html>.

³⁰ As opposed to fraudulent or staged elections which were (and still are) a common occurrences among newly independent countries during the decolonization of the 20th century.

²⁷ Grant Curtis, *Cambodia Reborn? The Transition to Democracy and Development* (Washington, D.C.: Brookings Institution Press, 1998) 102.

²⁸ Ngoun Sovan, "Government revises down economic growth," *The Phnom Penh Post* 15 December 2008, 15 December 2008

of dissent, power-sharing, and loyal opposition.³¹ In the end, the development programme in Cambodia has failed to stimulate even the very basics of democratic rule – Western or not.

The problem of emerging democracy is by no means a problem faced by Cambodia alone. There are a growing number of academics who have devoted their careers to theories of democratic transition in an attempt to understand what has worked and what has not. Much of the literature is dedicated to understanding why so many democracies remain fragile, illiberal, and electoral despite massive amounts of international aid and various degrees of coaxing. Why has the Western world, and increasingly non-Western countries as well, been so adamantly involved in the promotion of democracy around the world? Joel D. Barkan, who has worked extensively with international aid organizations like USAID, the World Bank and the UN Development, has gone so far as to label the promotion of democracy as a sort of ‘growth industry’ for both established and newly formed democracies.³² One argument could be that the international community values the spread of political stability and convincing domestic warring factions to drop their weapons and fight through the ballot box instead.

This was certainly the idea in Cambodia, as UNTAC’s mandate, among other things, was to supervise a ceasefire between the warring factions (mainly the Khmer Rouge and the pro-Vietnamese forces), while at the same time taking the necessary steps to conduct free and fair elections in which all factions (even the Khmer Rouge) could participate.³³ It was thought that elections were a relatively easy method to stabilize a country, and even today (despite the mounting evidence) there has only been a gradual shift away from the oversimplified mentality that “the holding of ‘free and fair’ multiparty elections [is] the litmus test of democratic transitions.”³⁴ Other important aspects

of democracy, like the rule of law, respect for human rights, civil society, accountability, and transparency have tended to be ignored in favour of holding elections. This mentality has suited donors well, as election assistance is relatively short-term and is generally more welcome than long-term intervention by the nation in transition.³⁵

The latest election in Cambodia, held on July 28th, 2008, was yet again a sweeping victory for Hun Sen and the CPP, with 73 percent of the votes in their favour. Hun Sen’s win has led to growing fears that the fragile Cambodian democracy has fallen into one-party rule. Over 13 000 international election monitors were in country on election day, and although they found the process and the results had numerous irregularities, none were on a scale large enough to alter Hun Sen’s landslide. This election was deemed to be the most peaceful in Cambodia’s democratic history, possibly thanks in part to international pressure and observers.³⁶ It seems that political stability is taking shape in the country in the form of increasingly authoritarian rule.

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Although the international community can be thanked for their efforts to stabilize the country, it has “also served to bolster the 23-year rule of Prime Minister Hun Sen, who is considered a fulcrum of economic stability but an obstacle to the full flowering of democracy, including political dissent and freedom of expression.”³⁷

In his article “Democratic consolidation in the Third World: many questions, any answers?” Jeff Haynes has cited four main problems that have arisen in many new democracies, all of which are

³¹ Ronald Bruce St John, “Democracy in Cambodia – One Decade, US\$5 Billion Later: What Went Wrong?” *Contemporary Southeast Asia* 27 (2005): 408.

³² Joel Barkan, “Can established democracies nurture democracy abroad? Lessons from Africa,” *Democracy’s victory and crisis: Nobel Symposium No. 93*, ed. Axel Hadenius (Cambridge: Cambridge University Press, 1997) 373.

³³ Ear 74.

³⁴ Barkan 377.

³⁵ 379.

³⁶ Geoffrey Cain, “Strongman tightens grip on Cambodia,” *Asia Times Online* 29 July 2008, 15 December 2008 http://www.atimes.com/atimes/Southeast_Asia/JG29Ae01.html.

³⁷ David Montero, “In Cambodia vote, Stability wins,” *The Christian Science Monitor* 29 July 2008, 17 December 2008 <http://www.csmonitor.com/2008/0729/p06s01-woap.html>.

directly applicable to Cambodia. First, recent democratic transitions have failed to create liberal democracies, with many remaining strictly electoral. Cambodia has obviously created a stable electoral democracy as it has held four national elections, but the elected elite still "are deficient in respect of: protecting the interests of minorities, civil liberties more generally, societal toleration, citizen participation in politics – other than at election time,...and appropriate constraints on executive power."³⁸ In the words of Sue Downey and Damien Kingsbury, by the end of 2000 "The government continued to use arbitrary power, it continued its reluctance to accept political opposition, it had not separated the state from the party, nor the executive from the judiciary, and had not established the rule of law and respect for human rights."³⁹

Second, political elites from before the transitions maintain places of power and influence even after elections. Haynes contends that this may be because they have greater resources both politically and economically than their new political rivals and this most certainly was the case in Cambodia. Hun Sen either won or managed to wrestle his way to the top in every single election since UNTAC. He has managed to do so partly because of the patron-client networks and resources he gained through his rule in the Vietnamese-puppet regime.

Third, a weak civil society is blamed for having little effect on the development of a consolidated democracy. As Haynes explains, "civil society is often idealized as an entity uncomplicatedly beneficial for democracy. But civil society is not always united, consensual, a focal point of interest groups and associations collectively pursuing democratic change."⁴⁰ Many positive aspects of civil society were destroyed by the genocide in the 1970s. The Khmer Rouge created an atmosphere of survival at all costs which broke the trust even between family members, and sadly this mentality has carried on into contemporary life.⁴¹ As a point

in case, many of the relationships which do exist in Cambodia are based upon strong patron-client networks. The CPP is a prime example of a group which has risen and solidified its power through these networks, but it is not the only one banking on it. Kate Frieson (quoted in David Roberts) stated that patron-clientelism was "abundantly clear after the [1993] election, when huge crowds of khsae members [patronage seekers] formed outside the offices of the [Front Uni National pour un Cambodge Indépendant, Neutre, Pacifique, et Coopératif] FUNCINPEC Party in Phnom Penh to try and cash in on their support by gaining a job in the new government."⁴² Although patron-clientelism is not unusual, the tradition has not been replaced by more democratic means of representation.

Finally, there is the effect of socio-economic inequalities on democratic effectiveness. There are arguments on both sides of this debate, those who believe that massive inequality does not breed democratic conditions and those who demonstrate that even in some of the poorest countries of the world, there has developed at least an acceptable level of democratic ideals. Haynes is of the persuasion that "democracy will not easily develop in such countries because of a welter of inauspicious social, political, and economic factors."⁴³ The countless socio-economic challenges faced by the Cambodian people, were addressed in Chapter Two.

In the end, for Cambodia but also for many other democracies in transition, "it is important to appreciate that these [international] programmes are at best programmes that operate at the margin of the process - as facilitators of transitions that are driven mainly by the internal dynamics of the societies in which they occur and/or by the internal dynamics of the regimes that govern these societies;" it is in the end "a home-grown phenomena."⁴⁴ In spite of the billions of dollars spent by UNTAC to kick start the transition, the billions of dollars since in aid, and the conditionalities calling for good governance, the

³⁸ Jeff Haynes, "Democratic consolidation in the Third World: many questions, any answers?" *Contemporary Politics* 6 (2000) 124.

³⁹ Sue Downie and Damien Kingsbury, "Political Development and the Re-emergence of Civil Society in Cambodia," *Contemporary Southeast Asia: A Journal of International and Strategic Affairs* 23 (2001) 13.

⁴⁰ Haynes 124.

⁴¹ Downie and Kingsbury. 25.

⁴² qtn. in David Roberts, *Political transition in Cambodia, 1991-99: power, elitism, and democracy*. (Surrey: Curzon Press, 2001): 128.

⁴³ Haynes 124.

⁴⁴ Atul Kohli, "On sources of social and political conflicts in follower democracies," *Democracy's victory and crisis: Nobel Symposium No. 93*, ed. Axel Hadenius (Cambridge: Cambridge University Press, 1997) 395.

international community has failed to realise this very simple but essential fact. Despite what each election has demonstrated, that Cambodians still have high hopes for democracy (roughly 97 percent of eligible voters turning out in the 1993 elections⁴⁵ and an estimated to be 75 percent in the 2008 elections⁴⁶), the Cambodian authorities remain unwilling to curb their corruption, impose the rule of law, and continue to "reign in impunity;"⁴⁷ in other words, "the Cambodian political elite [is] not as committed to democracy as the Cambodian people."⁴⁸

The refusal of the Cambodian political elite to embrace the ideals of democracy poses a dilemma to the international community. The failure of donor efforts to create a functioning liberal democracy is obvious, but does this mean that donors should effectively pull out? Does it mean donors should continue to throw money at a problem which will possibly never be fixed? Alternative development argues that the change will have to come from Cambodians themselves if there is to be an effective solution. If large sums of aid continue to be funneled through the elites, there will be no impetus for them to embrace democratic values – to become accountable to their people.

Joel Barkan discusses an alternative to large sums of aid directed at high profile transitions. Bilateral donors like Denmark, Norway and Sweden prefer to fund small to medium size activities which are not directly election related. For example they provide grants for US\$10 000 to US\$300 000 to nurture civil society: trade unions, groups who provide legal assistance, human rights organizations, journalist groups, educational initiatives, etc. Barkan argues that these lower profile development activities are longer lasting than the larger more common electoral development assistance mainly because they foster a sustainable way to strengthen local groups; "these programmes are more likely than electoral assistance to nurture institutions of

countervailing power, institutions which in turn increase the level of state accountability to the governed."⁴⁹

Conditionalities, which are a recent fad among donors, are not accomplishing their objectives either. Although donors receive lip service from the Cambodian politicians, they fail to actually change the realities of what governance means for the Cambodian people. Most recently donors have reprimanded the CPP for its failure to enact a corruption law, something which has been on the books for well over a decade. The CPP agreed to put all its energy into passing such a law in 2009, but the same promises have been repeatedly made for the past few years⁵⁰ and nothing has changed. Again the international community is stuck between a rock and a hard place: to use the stick and penalize the Cambodian elite for their failures and also punish the Cambodian people, or continue to line the pockets of the officials in the hopes that something will change. Either way there are going to be issues, but from an alternative development perspective, to remain stubbornly unchanged in the face of so many problems is a severely troubled approach.

A CASE STUDY WITHIN A CASE STUDY

Despite the efforts of the international community to create a functioning democracy in Cambodia, it has failed to create an empowered Cambodian people. To cite an example used by Caroline Hughes, "the human rights organizations in the mid-2000s appear rather marginal to Cambodian political life – acting as information providers and victim support services, rather than political players in their own right."⁵¹ In their efforts to create stability, internationally funded activities have

⁴⁹ Barkan 381.

⁵⁰ "International donors pledge nearly 1 bln dollars to Cambodia: govt," *AFP* 5 December 2008, 15 December 2008 <http://www.google.com/hostednews/afp/article/ALeqM5hhLk20SeVZm0QCc0xacj8V5ffRQQ>.

⁵¹ Caroline Hughes, "Transnational Networks, International Organizations and Political Participation in Cambodia: Human rights, Labour rights and Common Rights," *Democratization* 14 (2007) 841.

⁴⁵ Bruce St John 407.

⁴⁶ Montero.

⁴⁷ Ear 81.

⁴⁸ St John 407.

actually had a demobilizing and atomizing affect. Arguably this failure to stimulate the democratic possibilities amongst the poor and rural inhabitants is mainly because "Walking several kilometres everyday to fetch clean drinking water is not a common experience to most policymakers."⁵² In other words, when 90 percent of Cambodian poor live in rural areas, and their basic needs are often neglected by the elites in Phnom Penh, it is difficult for the poor to turn their attention towards other endeavours which may not have immediate results.

As there has always been a huge divide between the ruling elites and the rural poor in Cambodia, both in the socio-economic and political sense, there have recently been attempts by the international community as well as the CPP to address this issue. Primarily it is being tackled by a more decentralized governance style because "Government officials are usually not familiar with the situations in Cambodia's rural areas; therefore the decisions they make do not always meet the real needs of the Cambodian poor."⁵³ Decentralized participatory programmes which link governance more directly to the people, are meant to foster a strong civil society, bring the development and decision-making processes to the grassroots level, and narrow the gap between the political elites and the masses.

Already there are some problems of overlap being witnessed in this decentralization process, as a number of different internationally-partnered programmes are being tried. Just to name a few, there is the Village Development Committee model (which has been used in several other countries), Seila (a government-run decentralization and aid mobilization tool), the Village Networks approach (which is being examined in Chapter Five) and the Integrated Rural Accessibility Planning (IRAP) initiative. These examples all work in conjunction with the Commune Councils, which became democratically elected in 2002.

The IRAP programme is a cost-effective planning process meant to improve access to roads, wells,

and various other services. According to the report put out by the IRAP Third Expert Group Meeting in 2003, "[IRAP's] main features are its simplicity, user friendliness, low-cost application and immediate outputs" which will enhance participation and promote "an efficient bottom up process."⁵⁴ Essentially, IRAP is meant to assist in drafting plans for improving access to what are identified as Basic Minimum Needs, focusing on accessibility, infrastructure, transport, education, health centres and markets.⁵⁵

The International Labour Organization (ILO) introduced this process to Cambodia in May 1999 (in collaboration with the national government). What has become apparent is that IRAP is even farther removed from the local governance and culture of the rural areas than the Cambodian political elites. According to Caroline Ramaekers and Martin de Jong, "The introduction of IRAP is a typical example of the transplantation of a "Western" analytical tool to an alien institutional environment" and "It seems contradictory that importing an institution from even further away than the national officials is needed to bring the decision-making process closer to the Cambodian rural poor."⁵⁶ Ramaekers currently works at the Ministry of Foreign Affairs in the Netherlands, but worked for the ILO in Cambodia studying cross-national policy transfers. De Jong also studies cross-national policy transfers, as well as cross-cultural management and transport infrastructure policy. He works at the Faculty of technology, Policy and Management of Delft University of Technology in the Netherlands.

On paper, from the perspective of the dominant development discourse, the IRAP methodology looks very appealing. It revolves around a highly participatory structure which brings together government bodies, stakeholders from local organizations and associations, women committee members, NGO representatives as well as

⁵² Caroline Ramaekers and Martin de Jong, "Can Structured Planning Frameworks Fulfill the Needs of Cambodia's Rural Poor?" Knowledge, Technology, & Policy 19 (2007):61.

⁵³ 61.

⁵⁴ "Integrated Rural Assisted Planning," Third Expert Group Meeting, International Labour Organization, Bangkok, 27-28 March 2003: 2.

<<http://www.ilo.org/public/english/employment/recon/eiip/download/ratp/ratp09.pdf>>.

⁵⁵ Ramaekers and de Jong 61.

⁵⁶ 62.

unorganized stakeholders. Its objectives seek to empower people by expanding the democratization process to the local level. There also seems to be an element of capacity development, at least to the extent that IRAP relies on training local participants in data collection. It also works alongside of the government rather than as a competing structure, and falls in line with the government's rural development plans.

The problems begin to arise as one applies the IRAP model to countries which all have quite different sets of political, economic, social and cultural circumstances. This has become apparent in Cambodia, where the practice of bringing together all walks of life for negotiations and decision-making has continued to ignore the poor. Although the IRAP structure has been praised by both the donor community and the Cambodia government,⁵⁷ "Some of IRAP's characteristics are completely alien to Cambodian society and to Cambodia's governance structures."⁵⁸ There are four primary problems of the application of IRAP in Cambodia, which have been identified by Ramaekers and de Jong.

First, although the programme is supposed to be a bottom-up process, it neglected to take the hierarchical culture and value system of Cambodia into consideration. IRAP fails to appropriately address the barrier which exists between people at very hierarchical positions within Cambodian society. Where someone stands in society directly affects the ways they interact with people positioned above and below, and there continues to be "set expectations of appropriate behaviour when people from different levels of society interact."⁵⁹ Traditionally in Cambodia, cultural views of political power are influenced by the tradition of the mandala (where the *devaraja*, or good-king, is at the centre) and the Marxist-Leninist ideology. Power is greatest at the centre and generally political power is personalized. Also, Cambodian society has long history of patron-clientelism, and non-rational-legal decision making. Both Marxist-Leninist and the mandala ideologies "do not, and by definition,

cannot tolerate meaningful dissent."⁶⁰ Powerful officials are seen by the rest of society as "wise, smart, and capable,"⁶¹ no matter what their true characteristics are.

Because of this tradition, "Challenging, questioning, and holding dissenting views are discouraged, conflict is seen as negative and loss of face should be avoided at all costs."⁶² When IRAP brings together people from all levels of society to discuss and decide on future developments, the discussions still tend to be dominated by the elites in the room. So despite the fact that "IRAP is designed as a bottom-up prioritization process...this cultural factor rather converts the process to an elitist decision-making process in which the power ultimately remains in the hands of the higher ranking people...,"⁶³ essentially negating the entire mentality of decentralization of power, and declining to put the decision-making process in the hands of those who need it most.

As an aside to this problematic structure which emphasizes, rather than minimizes, the power of elites, the IRAP programme functions on an invitation-only basis. The IRAP discussions are not open to the public (in other words they do not accept nominations), and instead rely on selecting specific members of society (government officials, NGO members, and others who are deemed to be important). The invitation list is compiled by the provincial governor, the district chief and the commune chiefs – all of whom enjoy considerable leverage over the rural poor in their area. From the available information on IRAP it seems that there is no room for rural poor participation, and that it is instead focused on representing their needs through their local and regional elites.

Secondly, because IRAP focuses on alleviating rural poverty it must also make a special effort to equally target its activities towards rural women. Just as the Cambodian culture has strict protocols for hierarchical relationships, it also has a strict division of gender roles, and consequently any programme

⁵⁷ "Integrated Rural Assisted Planning," 5.

⁵⁸ Ramaekers and de Jong 64.

⁵⁹ 64.

⁶⁰ Downie and Kingsbury ¶ 12.

⁶¹ Aun Porn Moniroth, as qtn. in Downie and Kingsbury ¶ 16.

⁶² Ramaekers and de Jong 69.

⁶³ 70.

seeking to aid both men and women equally must have “a gender-responsive participatory approach.”⁶⁴ Unfortunately, because IRAP primarily functions through elite (not to mention, invitation only) participation, women are severely underrepresented in its workshops. Of the 41 workshops sampled in Ramaekers and de Jong’s study, there was only a 9 percent female participation rate, which is exacerbated by the fact that because of cultural gender restraints these women generally “did not play a role in the workshop.”⁶⁵ Women tended to remain excluded from the discussions, and when (at the commune level workshops) men and women were both questioned about the participation for women it provoked uncomfortable reactions. Ramaekers and de Jong have concluded that IRAP’s attempt to officially incorporate women, while at the same time neglecting to realise the cultural implications of its approach, is a strongly-donor driven goal. While this critique is by no means an attempt to deny Cambodian women equal rights, it proposes that all aspects of programmes implemented by outsiders needs to be culturally tailored. In the case of IRAP, its failure to understand the very basics of gender roles in Cambodia has led to the further exclusion of women from the decision-making process.⁶⁶

Finally, the last cultural barrier that IRAP failed to incorporate into its process is that of collectivism, which is one of the pillars of Cambodian culture. This mentality can restrict individuals from voicing their opinions in a larger group, unless they have the backing of the group or stand higher up the social ladder. This problem also ties into the invitation only format, which means that even if there are people present who represent the lower stratas of society, their voice is still not heard. In fact IRAP attempts to target the most isolated rural villages, but when the rural poor from these places are invited to the workshop process it “reinforces imbalanced social relations between those with power and those without [instead of] making these relations more even.”⁶⁷

CONCLUSION

From the evidence presented above, and the massive amounts available in the literature on Cambodia, it can be surmised that international development is struggling to create real change for the Cambodian people. There has been a failure to use foreign aid beyond economic and politically stabilizing activities, as well as a failure to foster a government which can wean itself off donations. There has been little progress in the creation of an effective liberal democracy, with the current regime stuck in a strictly electoral and increasingly authoritarian style of governance. Meanwhile, 4.8 million people continue to live in poverty in Cambodia.⁶⁸ The poverty line in 2004 was approximately 1,826 riels per person per day, or about US\$0.45 a day.⁶⁹ Even the World Bank has recognised the bad track record of poverty reduction in the country - by their own data they claim that poverty levels had fallen only by 1 to 1.5 percent between 1994 and 2004.⁷⁰ This is barely a reduction at all.

Ramaekers and de Jong’s example is only one of many which prove how the dominant discourse, despite its good intentions, often serves to exasperate the situation rather than alleviate it. Western ideals through donor-driven initiatives have served to formally change the structures of many third world governments, Cambodia included, but have yet to be adopted in everyday life. In the face of the mountain of evidence it should not come as a surprise that at least US\$7 billion dollars of foreign aid has accomplished so little. Instead of empowering the majority of Cambodians it has served to sanction activities of the political and business elite. The international development model “has largely sanctioned Cambodia’s failures..., continuing to provide massive amounts of aid in the face of overwhelming evidence that even modest democratic reform efforts were bankrupt, if not dead on arrival.”

⁶⁸ “Rural Poverty in Cambodia,” *Rural Poverty Portal*, 17 December 2008

<http://www.ruralpovertyportal.org/web/guest/country/home/tags/cambodia>.

⁶⁹ “Frequently Asked Questions about Poverty in Cambodia,” The World Bank, 27 March, 2009 <http://go.worldbank.org/T2890U8730>.

⁷⁰ “Frequently Asked Questions about Poverty in Cambodia.”

⁶⁴ 70.

⁶⁵ 70.

⁶⁶ 70-71.

⁶⁷ 72.

This article has served to demonstrate the realities of international development in Cambodia specifically but also more generally in other supposedly developing 'Third World' countries. Faced with such bleak circumstances, what can be done to reverse these trends? Above all it is necessary to take the reins of development away from those who currently hold them, which would mean international organizations, bilateral donors

and at times the internationally endorsed Cambodian government. Power needs to be handed over to those who are supposed to be benefiting from the development activities – in other words into the hands of local communities and the poor.

⁷¹ St. John 423.

The Rise of Worker Cooperatives in Argentina:

Zanon Ceramics laying out the tiles for Argentine socialism

Ginette Gautreau

In 2001, Argentina suffered a devastating economic crisis that will haunt economists everywhere for decades to come. Following the International Monetary Fund's (IMF) rulebook for over a decade, Argentina was led into a shocking and colossal economic crisis which has established this country as one of the great failures of the Washington Consensus. The resulting unemployment, poverty and nationwide upheavals reflect the severe weaknesses and limitations of the neoliberal institution. However, underneath the ruins of Argentine capitalism something was growing: the movement of factory expropriation.

At the peak of the crisis, unemployment (25 percent) and underemployment combined to reach a staggering 35 percent of the populace. In addition, more than 60 percent of the population of 37 million was below the poverty level.¹ In a country where economic disparity is ubiquitous, the crisis inexorably affected some Argentines more than others, exacerbating this nationwide inequality and

aggravating an already dire situation of misery and poverty for so many people. The crisis served to devise a path for Argentine socialism.irate citizens who overnight lost their entire livelihood, their savings, their jobs, and their dignity would soon learn the true meaning of democracy. These newly unemployed workers took the matter in their own hands and laid the foundation for an unprecedented nationwide movement of factory expropriation².

Inspired by Avi Lewis's and Naomi Klein's documentary film *The Take*, which explores the rise of factory expropriation and worker-cooperatives in Argentina, this paper will attempt to better understand the expropriation movement as well as to bring the movement up to date. It will begin by putting the movement in context by briefly explaining the political and economic conditions that preceded the Argentine crisis and the origins of the movement. It is suggested that the crisis owed its existence to decades of fiscal instability as well as the Argentine president at the time of the crisis, Carlos Menem's resolute trust in the Washington Consensus.³ This combined with a series of unfortunate economic circumstances outside of Argentina's control resulted in the vicious self-reinforcing circle that led to the demise of Argentina's economy in 2001.

² Expropriation is a complicated process aiming for the legitimate recognition of factory recuperation. The system basically entails a procedure whereby workers set up a cooperative or somebody that establishes them as a legal entity and that allows them to 'take-over' a bankrupt or abandoned factory. The process is obviously very complex, involving an array of legal procedures, and can last for several years, as in the case of Zanon Ceramics explored later in this paper.

³ Avi Lewis and Naomi Klein. *The Take*, Co-Production of Barna-Alper Productions and the National Film Board of Canada. Alliance Atlantis, 2005.

¹ Peter Ranis. "Argentina's Worker-Occupied Factories and Enterprises". *Socialism and Democracy*, Vol. 19, Iss. 3, New York, 2005. 93-117.

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