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Land Tenure: Hitting a Stone with an Egg?¹

Frank Van Acker argues that the development of Cambodia's land market is giving rise to a range of ownership disputes and land tenure problems. The *de facto* privatisation of common property resources is hurting the already precarious livelihoods of the rural poor.*

Cambodia's position with regard to land tenure is exceptional—the country has undergone successive waves of tenure modernisation, complete collectivisation and re-privatisation. During the Khmer Rouge period, the entire population was marched out of the cities and regrouped in the countryside. Barely five years later, the Cambodian people spilled back across the countryside in search of family and homes. It is hard to grasp the magnitude of the fact that every single Cambodian over the age of 18 has been displaced more than once during their lifetime. The land reform of 1989 basically legalised the informal resettlement that resulted from this period of momentous confusion. In addition, in 1992–93, 350,000 Cambodians were returned to Cambodia and resettled after more than a decade in exile, and further resettlement has taken place in recent years.

Cambodia's push for a market economy, in which land is an increasingly marketable commodity, has emphasised the need for all landholders to gain authorised recognition of their rights. At present, however, there is a backlog of four million land title applications filed with the Land Titles Department. One of the main reasons for this situation is that the Land Law of 1992 inherits three very different concepts of land tenure.

Traditional and Historical Property Rights

The traditional principle of land acquisition in Cambodia is that of "acquisition by the plough," in which an individual or household takes what is needed for subsistence



Rice fields encroaching on inundated forest in Kompong Chhnang (photo courtesy of the Project for the Management of the Freshwater Capture Fisheries of Cambodia)

without stifling the collective rights of the community. Theoretically, all land belonged to the sovereign; in practice, it belonged to the one tilling it. The non-cultivation of a piece of land for more than three consecutive years meant the dissolution of rights pertaining to it. The system therefore allowed for possession as a kind of "mobile right," but not for land ownership. The flexibility and informality of possession allowed the maximum number of people to work the land at any given time. At the same time, the system prevented exploitation of natural resources by outsiders by investing the sovereign with all property rights bundled into a system of common heritage.

The civil codes of the French Protectorate also heavily influence current policy towards property rights. The principles of land ownership—the registration of particular parcels of land in favour of an individual—were established in the Civil Code of 1920. Nevertheless, the

* This article is based on *Hitting a Stone with an Egg? Cambodia's Rural Economy and Land Tenure in Transition*, which was published as Discussion Paper No. 23 by the Centre for ASEAN Studies at the University of Antwerp in April 1999. It is reproduced here with the permission of the author. Frank Van Acker is conducting further research into the impact of Cambodia's economic transition on people's access to its wetland common property resources. He can be contacted via e-mail at

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priority in surveying and registering land was for land with high economic potential: the pepper plantations of Kampot, the rubber plantations in Kompong Cham, the peri-urban province of Kandal (including Phnom Penh). In this light, it is not surprising that the formal registration system and the traditional Cambodian code continued to coexist, given that much of the country remained un-surveyed.

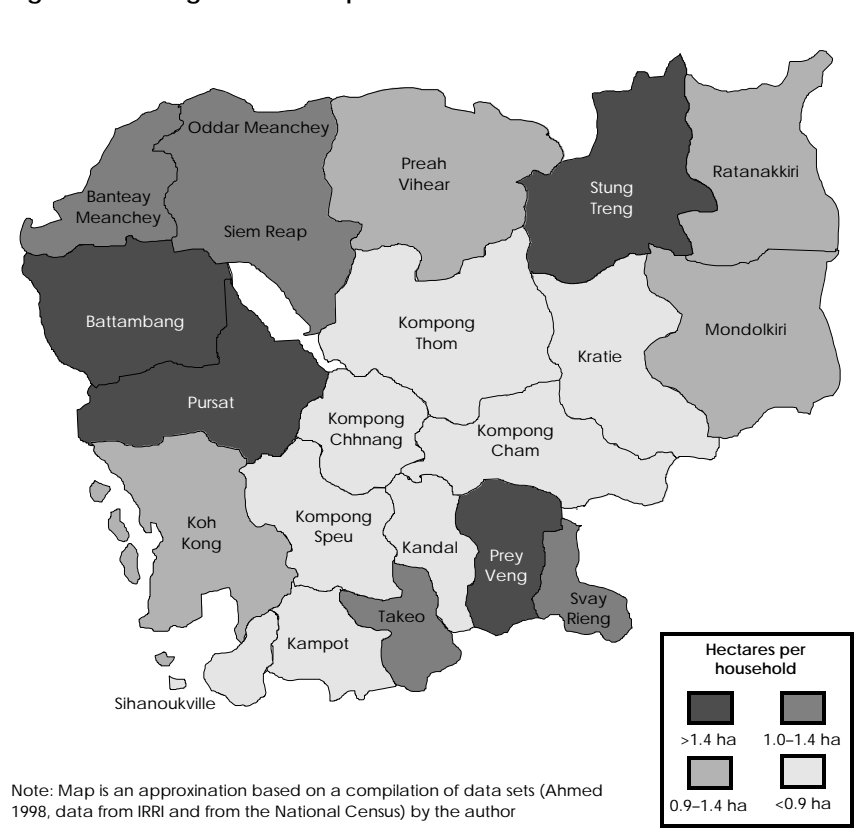
During the Sangkum Reastr Niyum, a programme of “Khmerisation” was directed at the provinces inhabited by the so-called hill-tribes: lowland Khmers were resettled, and land was forcibly redistributed. Usury and indebtedness played a role in further complicating the situation, leading to the creation of a class of landless peasants (FAO 1994:7; Greve 1993:7). Private land ownership was abolished altogether under the Khmer Rouge. In striving to re-establish the hydraulic economy of the Angkorian empire, the entire population was effectively reduced to slave labour in a programme of public works that sought to subdivide the country into irrigated squares of land.

The period of 1979–80, following the Vietnamese overthrow of the Khmer Rouge regime, was one of progressive resettlement. With a severe famine looming, the authorities ordered people to settle down where they were. Given that people were not generally free to move, this initial resettlement pattern determined later land tenure patterns. The People’s Republic of Kampuchea continued collective property rights. People were divided into collective work forces—the *krom samaki*—of 12 to 15 families with an allocation of between 15 and 25 hectares (ha), though there were three types of *krom* depending on the degree of collectivisation (Tickner 1996:20). Collectivisation was officially abandoned and private ownership reintroduced in 1989. Families were provided with more or less the same amount of land that they had been farming under the *krom samaki*. Making provision for the fact that the amount of collective land allocated to each *krom* varied, land distribution, at least between members of a former *krom*, was fairly equitable (FAO 1994:10).

Patterns of Land Concentration

All that is available in the current land market is possession rights (ownership rights currently exist only for residential land). However, this has not prevented an active trade in land, because farmers do not distinguish between ownership and possession. The differentiation between ownership and possession may in any case be negligible, since possession rights appear to be exclusive, tradable, enforceable, inheritable and enduring (Colm 1997:29).

Figure 1. Average Rice Land per Household



An active market in land, however, does not preclude the necessity for adequate legal approaches to land tenure. The existing land law hinges on a consistent “cadastre” that, in its current form, looks increasingly like a losing proposition. An alternative case could be made for a legal framework for leasehold rather than ownership, though it is hard to see how an improved legal framework for leasehold and sharecropping, built on a foundation of fragile and ambiguous land rights, will not itself be the subject of continuous disputes (Tickner 1996).

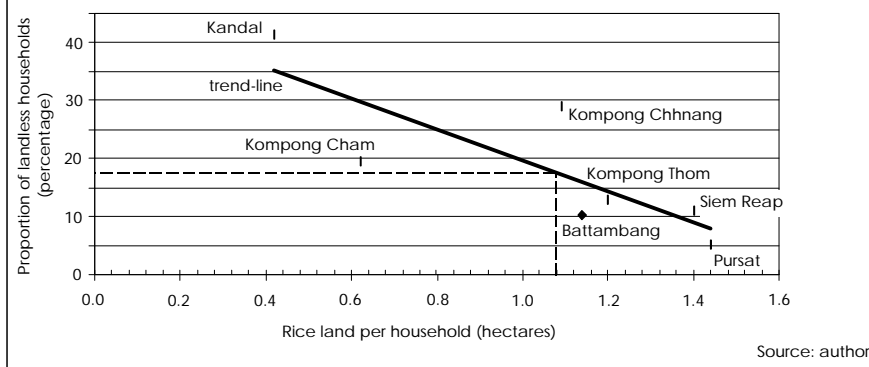
The existing legislation with regard to land does not promote an adequate framework for the evolving situation brought about by market reforms and changes in wealth and population pressure. The result is growing land concentration, even in areas where land pressure is not (yet) an important feature. The phenomenon is most remarkable in areas of rapid development, such as Kompong Cham (high demand for industrial use), Kandal (periphery of Phnom Penh), and Sihanoukville (high tourism potential). Land concentration happens basically

Table 1. Landlessness by Province

Province	Rice land per household (hectares)	Landless households (percentage)
Battambang	1.14	10.4
Kandal	0.42	41.4
Kompong Cham	0.62	19.6
Kompong Chhnang	1.09	29.0
Kompong Thom	1.20	12.9
Pursat	1.44	5.2
Siem Reap	1.40	11.1

Source: Ahmed et al. (1998)

Figure 2. Distribution of Landlessness by Average Size of Rice Land



in two ways: 1) through the mechanism of the land market, by which farming units in a given alienable domain change in number and size, and 2) by land grabbing, by which land that does not belong to the alienable domain is encroached upon. It is clear that the first occurs in active land markets where possibilities for expansion have been exhausted. The second is operative in areas where there is still "unoccupied" land.

Distress Sales and Landlessness

Where the land market is active, the complementary issues of a small asset base and high indebtedness intertwine to push the market towards greater concentration. Poorer rural households have a small asset base. Two main elements erode this and drive these households into indebtedness. The first is generalised shock brought about by ecological factors. Cambodia had three successive years of flooding in 1992–94 and one year of drought in 1996. Although households may be able to cope with one bad harvest by incurring debts, successive years of bad harvests may raise indebtedness to such levels that the distress sale of land remains the only option. A second element—individual shock—is the incidence of illness or accident in the household, which often turns into a major cause of asset depletion.

The general response to such shock—borrowing food or money, preferably from relatives or close friends, otherwise from moneylenders, rather than disposing of assets—may vary considerably from household to household (Tickner 1996:28). A number of studies, however, converge on some fundamentals. One survey of eight provinces adjoining the Mekong River (Ahmed *et al.* 1998) found that 47 percent of all households had outstanding cash debts and 13 percent had rice debts, ranging from 331,000 riels to 1,252,000 riels and from 177 kg to 643 kg of rice per household.² Buying rice and paying for medical treatment accounted for 54 percent of all cases of borrowing money in the households surveyed (Ahmed *et al.* 1998:53–56).

Another study (Murshid 1998)

reports significant losses of between 260,000 and 900,000 riels arising from crop damage. These losses were concentrated over time, amplifying the burden on household resources. In the three villages surveyed (selected to represent a range of ecological conditions), 65–90 percent of households reported a medical emergency in the previous three years. In terms of coping mechanisms, the poor were more likely to cut back on consumption, get into high-interest debt, sell land or migrate. The rich relied more on savings, or selling

gold, jewellery and animals. Although there are no detailed data available on the extent of distress sales of land or other assets, it is not hard to see that households—once indebted—have no other recourse available. As Murshid reports, during a period of five years, between 17 and 30 percent of sampled households had bought land, while about 10 percent had sold it in the villages studied (Murshid 1998:39–40).

Detailed data on the extent of landlessness in general are not available, but some partial indications give an idea of its extent in relation to income distribution and land pressure (average rice land size). Murshid's land ownership distribution data revealed that the top 10 percent of households in the survey villages held 33 percent of the land, while the bottom 40 percent owned only 9 percent (Murshid 1998:30).

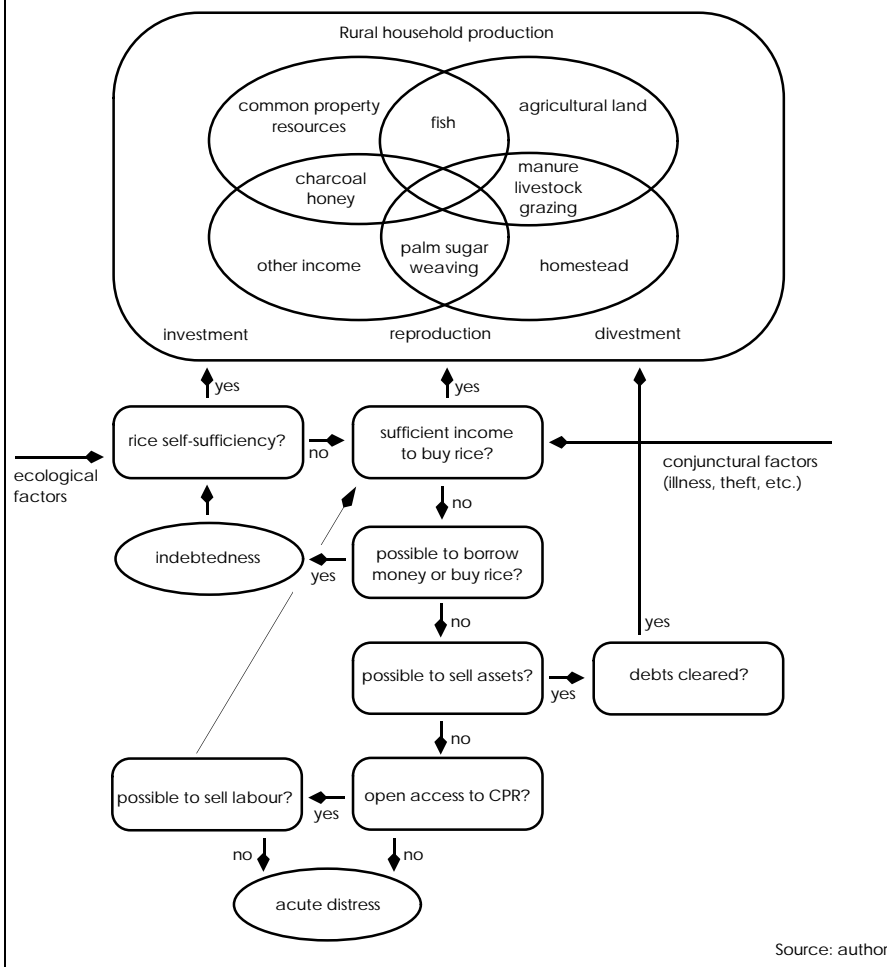
The association between income, poverty, malnutrition and land access is complex. The real hazard for the majority of rural households is a combination of increasing land pressure and decreasing access to common property resources.

Other studies reveal a similar picture. Shams, Yon & Tong (1994) estimated that between 3 and 9 percent of households in the villages studied were landless, while Ahmed (1998) put the proportion of landless households in eight provinces surveyed as high as 25 percent. This discrepancy can be explained when considering Figure 2, which relates data on rice land per household per province with data on landlessness for a total of 3,225 non-fishing households in eight provinces. As expected, there is an inverse relation

between the average amount of rice land per household in a province and the proportion of landless households in that province. The trend-line shows how a 1-ha increase in subsistence rice land per household (from 0.4 to 1.4 ha) decreases the incidence of landless households in a province from 35 to 10 percent. Projecting the calculated average rice land per household of 1.08 ha on the trend-line in Figure 2 would imply an overall landlessness rate of 20 percent.

Is there a straightforward relation between income and access to land? The association between income, poverty, malnutrition and land access is complex. This suggests that provinces with severe land pressure need not necessarily be the poorest, nor that landless households ought by definition to be the most destitute. The real hazard for

Figure 3. Households and the Rural Resource Flow



decline in the availability of products and benefits from inundated forests; 82–83 percent reported a similar trend for products derived from rivers and lakes (Ahmed *et al.* 1998:132). This means that enormous pressure is put on production of rice, and a series of bad harvests has far more dramatic consequences than if the rice/livestock/fish interaction were able to play itself out via a mix of private land possession and open access to CPR.

A decree in 1989 provided that 3 to 5 ha of land was to be set aside in each village for needs such as new arrivals and poor families. Given that there are more than 13,000 villages in Cambodia, this affects an area of between 40,000 and 67,000 ha. In most cases, however, these lands have not been distributed to demobilised soldiers or returnee families, but to family members of the local authorities (FAO 1994:11).

Land use problems posed by demined land are relatively modest, but are bound to increase as de-mining progresses in the future. By mid-1998, the Cambodian Mine Action Centre (CMAC) had cleared 5,500 ha of land, and to that point had encountered a number of land man-

agement problems in these areas (CMAC 1998:5). An assessment of the use of de-mined land conducted by Norwegian People’s Aid (NPA) in 10 of the 34 main minefields in O’Chrov and Svay Chek districts (Banteay Meanchey) concluded that none of the occupied de-mined land had official permission papers, but almost all of it was regarded as being “owned.”

Decreasing Access to CPR

the majority of rural households is therefore more a combination of increasing land pressure and decreasing access to common property resources (CPR). In this light, it is important to note the effects of land speculation, which is now a reality across Cambodia, and not only in areas of rapid development. Speculation will probably increase in areas along the proposed routes of planned roads from Ho Chi Minh City to Bangkok, and from Sihanoukville to southern China, as rural land becomes more valuable and the stakes of ownership become higher.

Numerous studies have pointed out the importance of CPR—inundated forests, flooded rice land, riverbanks, and so forth—for the subsistence of rural households. Ahmed (1998) asserts that “households with open access to CPR reported that more than 80 percent of the households within their commune also depend on the products/benefits derived from these resources.” This tends to confirm the view that CPR products are an essential, protein-rich complement to rural diets. The increasing unavailability of these resources will therefore affect the livelihoods of more vulnerable households.

Declining access, however, is exactly what seems to be happening. In Ahmed’s eight survey provinces, 95 percent of households reported a

Inundated and Upland Forests

Although the issues of reserved village land and de-mined land are significant, their importance is dwarfed by what could be termed the “closing of the commons”—the privatisation of CPR such as inundated forests, flooded rice fields (privately owned but treated as common prop-

erty for fishing) rivers and lakes, the banks of rivers and lakes, and irrigation canals and dykes. Of these, inundated forests are by far the most significant in terms of access and area. In Ahmed's survey, inundated forests were used by 81 percent of households as a source of firewood, grazing land and fishing grounds (1998:41).

Ahmed's figures showed divergent access to inundated forests in 1995–96. Contrary to intuition, there seems to be no inverse relation between land pressure (the average area per commune of accessible inundated forest) and access (households that report access to this area) between provinces. Yet if the data are considered from the opposite angle, it seems that the higher the number of households reporting access per ha of CPR in a commune, the lower the percentage of households reporting a declining trend of availability of products and benefits from CPR.

One probable explanation for this divergence may be different patterns of "foreclosure" and different local processes of collective choice and public policy. Although the reported trend of declining benefits from CPR is almost universal, in highly populous communities this may be related more to over-exploitation and population pressure. In communities well-endowed with CPR, conversion into crop land for private use may be more pertinent, and as a consequence the pressure on CPR may increase much faster. In addition, it can be assumed that resistance to conversion and the privatisation of CPR—in essence creating further pressure on privately owned rice land—increases dramatically as households hold on to a basic 0.5 ha of cropland, as is the case in Kompong Cham or Kandal provinces.

Although the issue of inundated forests affects the core of Cambodia's food security, the controversy surrounding Cambodia's CPR base is much broader—the *de facto* privatisation of Cambodia's upland forests and the resulting loss of forest cover. Based on satellite imagery, recent estimates of Cambodia's forest cover of evergreen, deciduous, mixed and secondary (non-inundated) forest are 10.5 million ha, 58 percent of the country's surface area. Much of this forested land is to be found in the provinces of Ratanakkiri, Mondolkiri, Stung Treng, Kratie and Koh Kong.

Nowhere is the dilemma between the traditional rights to CPR and "modern" exclusive rights as clear as with the hill-tribe populations of Ratanakkiri and Mondolkiri. The collective use of these resources does not restrain their allocation. All of Ratanakkiri's land area apart from the national park and wildlife sanctuary has been approved by the government for a 30-year concession to an Indonesian company. Meanwhile, provincial authorities are proceeding with their own development plans (Colm 1997:34). Between provincial and central government concessions and "set asides" (parkland), more than 130 percent of the provincial land, 30 percent more than

actually exists, has been pledged (either granted as concessions or placed in protected areas) (Butterfield 1997). As the Ministry of Environment states of the 11 concessions covering 2.2 million ha that were established before 1994, "these concessions have been awarded to large commercial interests through a process which is not transparent and has involved only limited surveys of the concession areas" (MoE 1998:6).

Land Grabbing

Fraudulent transactions do not stop at the non-transparent distribution of public land that is alienable under certain conditions (*i.e.* village reserved land), or the non-transparent awarding of forest or other concessions. There is also evident grabbing of land with distinct public status. Cambodian newspapers regularly carry stories of fraudulent land transactions within national parks, such as the Cambodian entrepreneur who obtained a license to rehabilitate a 1,500-ha tea plantation situated inside Kirirom National Park, who sold numerous hectares of the park, installed a sawmill without permission, and destroyed the tea plantation (*Rasmei Kampuchea*, 19/11/97). More recent examples include: a local police official clearing more than 30 ha of forest in Bokor National Park to begin farming (*Rasmei Kampuchea*, 29/07/99); a number of officials being ordered to dismantle buildings which had been established on 20 ha of land near the waterfall in Tuk Chou National Park (*Rasmei Kampuchea*, 25/07/99); and the government cancelling an investment project that had occupied land in Kbal Chay, near Sihanoukville (*Rasmei Kampuchea*, 22/07/99).

It would be easy to continue citing flagrant cases of encroachment and land grabbing. However, of all the issues relating to land tenure, this rather sensational one is already the best-known and to some extent the best-documented by the media. The real point of interest is rather to determine how the legal framework and the land market connect when it comes to disputes arising out of land transactions or disputes related to land tenure in general. Recognising the vagueness of the law, it is often difficult to establish the strength of competing claims to a given piece of land. In this sense, land disputes entail substantial transaction costs, since limited state and local resources have to be channelled to the processing of these controversies.

Effects on Vulnerable Groups

The losers from the current land concentration are most likely to be those rural poor households with the most fragile land rights and asset base, and therefore the most tenuous hold on subsistence. These are often households led by women, or by disabled or elderly people, resettled households, and the so-called hill-tribes.

Gender does not on the surface seem to be a factor in the determination of poverty patterns (World Bank

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1997:5). The incidence of poverty averages only 35 percent in female-headed households, compared to 40 percent in male-headed households, making gender and poverty patterns by household head similar to those observed in other East Asian countries. Nevertheless, previous figures indicate a persistent bias in the quantity of land per member of the family available to a female-led household. In addition, land disputes involving households headed by single women should be considered against the background of Cambodian cultural considerations of "widowhood," where widows are in a way "de-gendered" and made socially invisible (Ovesen, Trankell & Ojendal 1996). In those cases where vulnerability is multi-faceted, as in a combination of returnee status with other aspects of vulnerability, access to land may be even more tenuous.

In the absence of little more than meagre data on the long-term effects of land privatisation on rural equity to date, the degree of unanimity on the pernicious nature of the change is quite remarkable. It is clear that the inadequacy of Cambodia's property laws in terms of an evolving situation, where land is increasingly becoming a marketable commodity, is reflected in an increasing number of land disputes. Land has become an object of monetary relations without acquiring all the attributes of property. It is fair to assume that, for as long as land disputes are settled out of court through traditional resolution processes, the outcome is efficient from a collective point of view. A participatory dispute resolution process can provide this guarantee better than court decisions, since the principal hallmark of individual property is its recognition by the community.

Informal community-based dispute resolution, however, also entails substantial costs. Not only is considerable time and money lost, there are also disrupted relationships within communities and the prevalent distrust in the legal system, inciting people to take the law in their own hands. Such a situation can hardly be considered as contributing to broad-based rural development. Although it is unclear whether the changing distribution of land ownership, as it currently stands, will increase productivity, it is sure to render even more fragile the land rights of groups that are already vulnerable.

Endnotes

¹ "Hitting a stone with an egg" refers to the Khmer proverb "Don't hit a stone with an egg," which admonishes people to keep their station in life and not to try to change the order of things. The current drive for economic development, however, introduces the need for change in rural areas, and with it the need to question the existing order, especially as it is the most

vulnerable who stand to lose the most.

² To put this in perspective, an average household of 5.2 people would require about 950 kg per year. These figures therefore convey a shortfall of 20–70 percent in rice subsistence needs.

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Landlessness in Kompong Reap

Elisabeth Kato examines patterns of land concentration and landlessness in a Takeo fishing and farming village, arguing that poverty, population pressure and landlessness are closely interlinked.*

Although expropriation of land (whether through force or by legal means) is the most dramatic way that people lose access to land, poverty and population pressure are probably the single greatest cause of landlessness. There are no national data on landlessness in Cambodia, but various studies suggest that distress sales of land by the poorest households are significant (see Murshid 1998). At the same time, the generation of children living with their parents at the time that land was distributed has begun starting their own households, so that land which was sufficient to support one family must now support four or five—or new households must forgo their inheritance and find another way to earn a living.

The loss of land and other assets because of poverty, leading to more poverty, is a well-documented phenomenon. In general, the poverty trap can be described as follows: a poor household which has few productive assets and is already near subsistence level is hit by some disaster, such as serious illness, death or a bad harvest. To meet this emergency, it either borrows, pawns important assets such as draught animals or land, or sells the assets outright. Because the household's ability to earn income was already marginal, it cannot make enough money to repay the loan (plus interest) or to redeem what it has pawned, causing it to lose the assets. Having lost the assets it needs to work, the household's ability to earn income is further reduced, making it less able to withstand the next disaster.

Rapid population growth in Cambodia is also a well-documented phenomenon. In 1985, shortly after land was allocated to families in most parts of the country, Cambodia's population was 7.8 million. In 1998, the population was 11.4 million, and in 10 years time it will be over 15

million people—almost double the 1985 figure. There is simply not enough land for so many people to support themselves through farming, even if the land were evenly distributed. Since all available evidence points to an increasing concentration of land ownership, it is inevitable that the number of families without land will rise.

This case study looks at Kompong Reap, a small village in Takeo, to examine how economic forces cause some households to become landless; how landlessness has changed over time, what the factors that cause households to become landless are, and what the consequences of not having land are. Because of the limited scope (one village) and the limited time available, this study cannot claim to draw hard conclusions about the relationship between poverty and landlessness in Cambodia as a whole. Instead, its purpose is to describe the situation in one village in detail, in order to help people involved in community development begin to think about how their programmes can respond to the phenomenon of increasing

landlessness in rural Cambodia.

Kompong Reap is different from villages outside the Tonle Sap or Bas-sac river basins, in that it is located in a fishing lot. Fishing has traditionally been an important occupation, and the management of the lot in which Kompong Reap is located has a large impact on the villagers' lives. Although Kompong Reap is an extreme case, most villages in Cambodia are affected by the increasing privatisation of once-

public common property resources such as rivers, canals, ponds, pasture and forests. However, it also needs to be recognised that villages where fishing is not so important are likely to have different patterns of landlessness.

Background to the Village

Kompong Reap, home to 75 households, is the largest of three small sub-villages huddled along the Angkor Borei River dividing Takeo and Kandal provinces (see Figure 1 overleaf). The other two sub-villages are Kok Pring (with 28 households) to the west and Kompong Preah (with 35 households) to the south. Although administratively the three are considered one village, they were originally separate and have retained separate identities. All three villages are several kilometres from the nearest road, and during the rainy season the river floods and covers the fields up to edge of each sub-village, and the only means of transportation is by boat. The nearest school and wat are about 5 km away.

Under the Khmer Rouge, most of the villagers were sent elsewhere—some to Battambang, some to different villages around the province. After the collapse of the Khmer Rouge regime, the surviving families returned and began to rebuild their lives. Land was divided in 1982 under the People's Republic of Kampuchea, with each family receiving an allotment of house land, floating rice land, *srae prang* (dry season rice land), and *chamkar* (garden land) according to the number of family members at the time. Most of the landless households interviewed

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* This article is a summary of *Poor People Can't Do Rice: A Case Study of Poverty and Landlessness in Kampong Reap Village, Takeo Province*, which was published in February 1999 as the third in a series of four case studies for the Cambodia Land Study Project. All four studies, plus *Where Has All the Land Gone? Land Rights and Access in Cambodia: Review of Land Issues Literature and Current Property Law*, are available from OXFAM GB in Phnom Penh and at <http://www.camnet.com.kh/ngoforum>. The Cambodia Land Study Project is supported by OXFAM GB, OXFAM America, Danish Church Aid, Norwegian People's Aid and OXFAM Hong Kong.

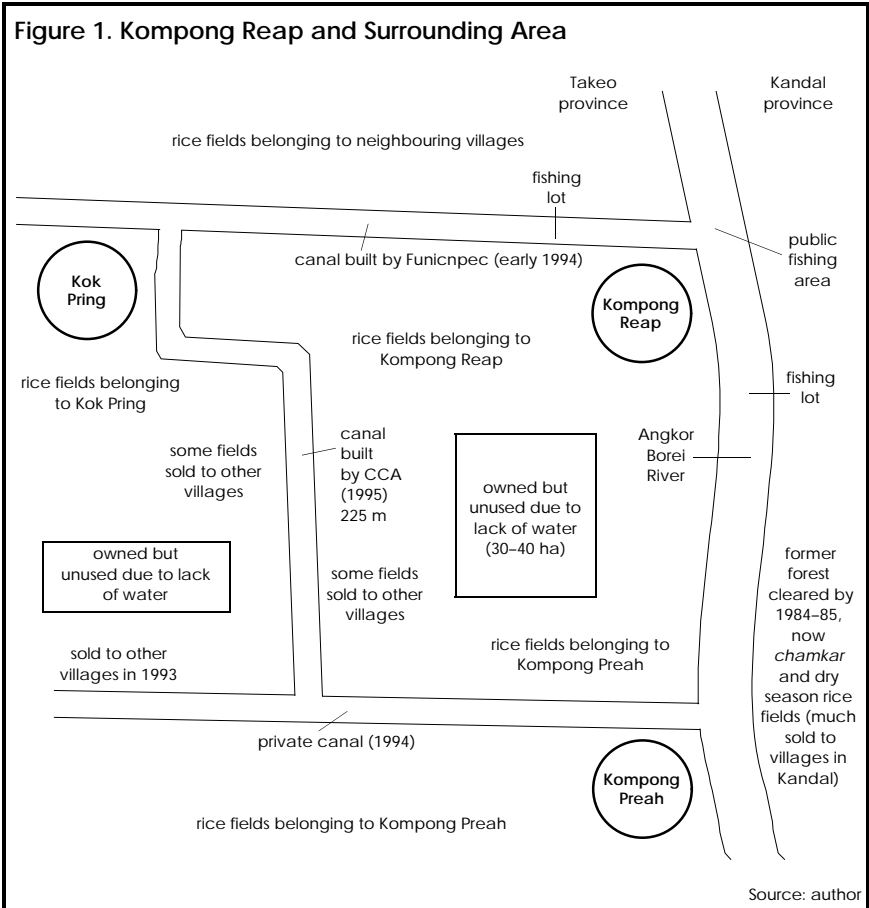
had received between 0.5 and 1.6 hectares (ha). It seems as though the communal work requirements of the *krom samaki* (solidarity groups) were never seriously implemented, and the division of land was formalised around 1984–85. Some households, which had sufficient labour and tools, cleared flooded forest to increase their holdings. By the end of the 1980s, when the government recognised private land rights, virtually all unused land had been cleared and claimed.

The villagers discovered that the system of canals which the Khmer Rouge had dug throughout the district had disrupted the natural water flow and that floating rice was even less reliable than before. Most people therefore began converting their floating rice land to dry season rice land, which is more reliable and gives higher yields, but also depends on irrigation and requires much more capital in terms of fertiliser, pumps and labour for transplanting. In 1994, FUNCINPEC financed the digging of a large canal for irrigation to the north of the villages, and a private operator from Kandal dug another smaller canal to the south, making more land suitable for dry season rice. In 1996, Community Aid Abroad (CAA) built a canal between Kok Pring and Kompong Reap connecting these two canals, and making it possible to use all but about 30 ha for dry season rice. Maximum yields are reported to be between 2.5 and 3.5 tons per ha, though the past two harvests have been bad due to flooding and drought.

Another important change has been the reintroduction of fishing lots—areas of water the exploitation rights to which are auctioned by the government to private individuals or companies for two-year terms. A fishing lot system has existed in the area for a long time, but throughout the 1960s fish were plentiful and the village retained rights to many fishing areas. The fishing lot system was abandoned by the Khmer Rouge and apparently not reintroduced until after 1989.

Villagers noted, however, that the number of fish in the water began declining after the UNTAC period, and had dropped to almost nothing in 1998/99. Villagers attributed the rapid decline in the 1990s to the loss of flooded forest and use of illegal and destructive fishing methods such as electric shock, fine-mesh nets and off-season fishing. The sudden collapse of the fish population this year is blamed on low water levels which have affected fisheries all over Cambodia.

As the fish population has fallen, so has villagers' access to fish. Villagers said that over the years, the area claimed by the lot owners has expanded and areas reserved for public fishing have shrunk. Lot owners (or sub-owners) have also become stricter in enforcing their



rights. Villagers agreed that the first reduction of public access and tightened enforcement began after UNTAC, and that restrictions increased again after 1996/97.

There is only one small area at the intersection of the FUNCINPEC canal and the river where villagers can fish for free, but one day's fishing yields at best 2–3 kg. Otherwise, villagers have to pay between 100,000 and 300,000 riels per season (July to November) to the owner of a lot section, depending on the size of their boat and type of gear. Those who cannot afford to pay must go to Sa'ang or Angkor Borei to fish the remaining public fishing areas.

Incidence of Landlessness

Currently 26 out of 75 households in Kompong Reap are landless, and several more have only 0.2–0.3 ha.¹ Land sales started soon after the land was divided and continued throughout the 1980s (although in theory at that time land could not be owned or sold, this did not prevent a number of transactions involving land for money). As is still the case in many parts of rural Cambodia, legal paperwork and the land titling office were not involved. As long as the parties to the transaction and neighbours knew where the land was, the deal was done. As a consequence, the incidence of landlessness began in the 1980s, and increased rapidly after the UNTAC period.

Only two of the landless households surveyed lost all their land at once. All the other households sold or pawned their land plot by plot over a period of time. In general, households first sold or pawned their *chamkar* land, which was small (0.1 ha), uncleared and on the

other side of the river. Households then sold or pawned floating rice land, since the disruption to the water flow caused by the Khmer Rouge canal system had made floating rice production a risky enterprise. Dry season rice land was generally saved until last.

Of 43 land transactions by households which are now landless, 21 took place during the PRK-SOC period (1980–91). Half of these were sales of *chamkar* land. Some households sold this land even if not in distress because the plots were small and were inconvenient to work. A further 10 land transactions took place in 1992–93, six in 1994–95, two in 1996, and four in 1997. (Although it appears that the number of sales decreased over time, this is a result of the sample, which included only households that had lost all their land by 1998.) Transactions involving a household's last piece of land—the final transaction leading to landlessness—are more recent. Only four households sold all of their land during the PRK-SOC period. Four more became landless during the UNTAC period, five in 1994–95, none in 1996, and four in 1997 (a bad harvest year).

Of the 43 transactions on which clear information could be gathered, 30 were straight land sales, six were sales to pay off debts, and seven were cases of pawning. The three transactions involving house plots were debt sales and took place after all other land had gone.

The number of straight sales was higher than expected, but villagers insisted the figures were accurate because, when faced with an emergency, a straight sale raised more money with less risk than pawning or borrowing. Pawned land is usually given to farmers in other villages and the term set for two or three years, but no-one has ever been able to redeem land on time. A straight sale therefore at least guarantees a certain sum of cash with less risk. The results of the survey, which show that more than half of sales to pay back debt and pawned land were final transactions, seems to confirm that these are strategies of last resort.

Despite this explanation, the percentage of straight land sales still seems high compared to reports from other parts of the country. A Mennonite Central Committee survey found that between 8 and 28 percent of households in 10 villages surveyed had pawned land (MCC 1995). Other studies suggest debt to be a significant factor in land sales (Murshid 1998). One reason may be that sales of *chamkar* land in the 1980s distort the total figures. Another may be that the availability of fishing as a livelihood in Kompong Reap has made households cling less tightly to their land in a crisis than they might if they had no other way to earn a living.

In contrast to areas of the country where large-scale production of cash crops, such as rice, peppers or oil palm, is possible, Kompong Reap has not experienced speculative pressure either from government officials or from urban business people. Although the land is reasonably good for rice, it is not as good as that in other

districts in Takeo, such as Koh Andet. The depth of the annual flooding limits the area to one crop per year, and the land has already been divided into many small plots owned by different families, making consolidation difficult. The main buyers of land have been better-off farmers in Kompong Reap or from other villages in the commune who are seeking to expand their land holdings and who cultivate the land themselves (though they hire extra labour for transplanting and harvesting).

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Causes of Landlessness

During the survey, it became clear that there were different “causes” of landlessness. First were the “immediate” causes—the reasons that households gave for having sold or pawned a particular piece of land at a particular time. These included needing capital for fishing, illness and inadequate income. Leaving home to start a new household in cases where parents did

not have enough land to pass down was also classified as an immediate cause of landlessness. Households often cited a combination of immediate causes, such as illness and the resulting inadequate income, or inadequate income motivating a decision to invest in fishing.

Most households in the village have faced illness, income shortages and marriage, but not all are landless. Why do some households therefore find themselves in a position where illness or shortage forces them to sell or pawn land? These reasons were classified as “underlying” causes, and included unequal starting positions, family support, skills, ideas, gender and land prices. Again, households that lost land were generally affected by more than one underlying factor. Rates of landlessness varied considerably between the three sub-villages, suggesting that “community factors,” such as solidarity and leadership, are also involved.

One suggested cause of landlessness put forward by CAA staff and people in neighbouring villages was that landless people in Kompong Reap come from fishing families, and that when land was given to them in the 1980s, they did not know how to farm it and sold it in order to fish. The research team found that the relationship between fishing and land is more complicated. Only six households were described by village elders as having primarily fishing backgrounds, all of which are now landless, but that leaves another 19 households identified as having farming backgrounds which are also landless.

All the households surveyed asserted that farming was a better occupation than fishing. Small-scale fishing provides a hand-to-mouth existence, and all the households which rely solely on fishing are destitute. Although there was no time to analyse the relative profitability of fishing and farming, villagers made it clear that they believed farming provides a higher profit, the possibility of saving and better food security. However, farming requires a considerable capital investment in order to be profitable.

In summary, it appears that the question is not one of fishing versus farming, but one of capital. Households

with money both farm and fish, but pay greater attention to farming, with fishing reserved as a supplementary source of cash income. Families with insufficient capital to invest in farming may switch to fishing in a crisis because the investment costs are less and because fishing provides a quicker and more reliable (if smaller) return. Families which are destitute have no choice other than fishing. However, the expansion of the lots and the collapse of the fish population have turned this alternative into a trap. Families that chose fishing over farming in the past are now trapped in a hand-to-mouth existence. The fertility of Takeo's flood-plains, which once provided poor families with an important buffer against the uncertainty of rice farming, will no longer be available to future generations.

Health-care is a significant expense for poor families in Kompong Reap, and illness was the single most common cause given for losing land. Most people go to Koh Thom in Kandal for treatment, and a few of the better-off families have taken children with dengue fever to Phnom Penh. In either case, the cost can easily equal the price of a piece of land. For households that depend on their own labour, the illness of an adult means a serious loss of income in addition to the cost of treatment. Distress sales due to illness were cited as the reason for giving up land in 28 transactions. In 12 cases, people said that illness was the primary reason and that all the money was used for treatment or the funeral. In the other 16 cases, illness combined with lack of food was cited as the reason, and the money from the transaction was used for both treatment and consumption.

Landless households cited shortage or hunger as the reason for nine land transactions, with lack of cows and capital to work the land cited in three more, and debt from borrowing to plant rice in one transaction.

Eight of 26 landless households in Kompong Reap are landless because they have recently married and their parents did not have enough land to give each child a workable amount. The hectare of land which was sufficient to support one household in 1982 is not enough to support four or five households once the children are grown and start families of their own. The last of the unclaimed land belonging to Kompong Reap was cleared by the mid-1980s, and since then the only way to get more land has been to buy it. However the steady increase in the price of land since the 1980s has put that option out of the range of most poor households. Rather than subdividing the land into small uneconomic sub-plots, the eight households surveyed had agreed to leave their share of the land for the youngest sibling, who will be responsible for supporting their parents in old age.

Underlying Causes of Landlessness

Although all interviewees agreed that the initial division of land had been fair in terms of quantity, households did not start out on the same footing in 1982. Some families

had gold hidden from before 1975, which they used to buy cows or other equipment. Several people claimed that households with connections to the new authorities got the best land.

Another point that emerged from the interviews with successful households was the importance of family support, both in access to resources for income generation and in case of emergencies. These successful households faced similar problems, such as illness or lack of assets, but were able to get interest-free loans from the extended family to help them through crises.

Again, in the case of the successful households interviewed, someone in the household often had a skill, such as house-building or making *prahoc* (fermented fish paste) which could be used to generate income. This extra income could then be used to buy land or to prevent land sales in the case of emergencies.

Following in-depth interviews with landed and landless families, it became clear that ideas, energy, and commitment are important factors in protecting access to land. Outsiders and wealthy households

Following interviews with landed and landless families, it became clear that ideas, energy, and commitment are factors in protecting access to land. Outsiders and wealthy households frequently blamed the landless for losing their land through lack of foresight and ideas.

in Kompong Reap frequently blamed the landless for losing their land through laziness, lack of foresight, and lack of ideas (*khvas kumnaut*). Again, the connection appears to be more complex. On the one hand, the research team was able to identify only two households which neighbours agreed had sold land because they were lazy. The successful households interviewed, on the other hand, were noticeably more inventive, far-sighted, and persistent in their efforts to save money.

Correlation, however does not tell which is the cause and which is the consequence. Are successful households more successful because they have more ideas and more optimism, or does the knowledge that they have some resources and support from relatives encourage them to make an extra effort to succeed? Conversely, do landless households fail because they lack ideas or judgement, or has the harsh reality of their situation discouraged hope?

Although two men (both from fishing families) had lost land due to the illness and death of their wives, women appear to be particularly vulnerable to losing land if they become widows or are abandoned by their husbands, either temporarily or permanently. This appears to be primarily a factor of the amount of labour needed to work the land profitably.

Land prices have increased steadily over time. The price for good land had been three *chi* of gold per ha in the mid-1980s, over one *damlung* in the UNTAC period, two *damlung* in 1996 and is now more than two *damlung* per ha. Contrary to expectations, however, increasing land prices did not appear to be a major factor in land sales. Villagers insisted that sales were motivated by crisis, and that the price was of secondary importance.

Given that the three sub-villages are located close

together and share the same history, economy and environment, one would expect similar rates of landlessness. In fact, rates of landlessness varied considerably among the three: Kompong Reap has by far the highest rate of landlessness (26 out of 75 households; 35 percent), followed by Kok Pring (6 out of 28 households; 21 percent) and Kompong Preah (3 out of 35 households; 9 percent).

This suggests that community characteristics may influence how many households become landless. The research team asked people in all three sub-villages what could account for these differences. The original wealth status of each sub-village does not appear to be responsible, since Kompong Preah is generally agreed to have been the poorest in 1979 but now has the lowest incidence of landlessness. Instead people identified two factors in common (solidarity and leadership), and two factors distinct to each sub-village (agricultural skills for Kok Pring and good business sense for Kompong Preah).

Consequences of Landlessness

Landlessness and extreme poverty are virtually identical in Kompong Reap. Of 75 households ranked through a wealth-ranking exercise, 33 were considered destitute, 16 were considered poor, seven were considered medium, and 16 well-off. All 26 households that are landless were placed in the destitute category, and the remaining destitute households own 0.2–0.3 ha each.

Comparing the 1998 ranking with the 1996 ranking (generated through a similar exercise facilitated by CAA) makes it clear that mobility has been primarily downwards. Four households became landless and dropped from poor to destitute. Another two fell from well-off to poor through prolonged illness. Although it is difficult to prove cause and effect (are households destitute because they are landless, or are they landless because they are destitute?) one thing is clear—no landless household improved its position between 1996 and 1998. To be landless is to survive from day to day, without the means to improve one's situation.

The options for landless people in Kompong Reap are severely limited. The village has no tradition of crafts or production, and is too far away from other villages for trading or transport businesses. Of the 23 households on which clear information could be obtained, seven said that their main source of income was fishing in the lot, for which they paid between 60,000 to 300,000 riels per season. Five households said that their main source of income was fishing in public fishing areas. Another five said that waged labour—especially transplanting and harvesting—was their main source of income, and 15 said it was a secondary source of income.

Village elders insisted that neither permanent nor seasonal migration was common in the past, but that both have increased in the past few years. Two landless households have left Kompong Reap permanently in the past

three years, and one older woman survives on money sent by her son and brother who left the village in search of better opportunities elsewhere. Three other households rely on short-term migration to Angkor Borei to fish or pick *trakuon*, but often return to Kompong Reap. Given the lack of opportunities in Kompong Reap, one would expect even higher out-migration, but villagers explained

that without education, capital, skills or connections, they doubted they could find work in Phnom Penh or elsewhere. In Kompong Reap, at least they have relatives, subsistence fishing, and a chance to earn money transplanting or harvesting for neighbouring villages.

Conclusion

The high rate of landlessness in Kompong Reap is due in part to certain characteristics specific to the village—the availability of fishing as an

alternative and divisiveness and lack of leadership in the village. The rate of landlessness also stands out more sharply than in other villages because options for out-migration are so limited. However, many of the factors responsible for landlessness in Kompong Reap—the ever-increasing population and limited land, distress sales, debt, or pawning of land and assets by the poorest when confronted by an emergency—are common to most Cambodian villages. It could be argued that this is a natural winnowing out of the least skilful farmers, leading to the consolidation of land in the hands of those who can use it best. However there are reasons why this argument may not be valid in Cambodia at this time. First, many of the households that are in a position to accumulate land are able to do so because of pre-existing wealth and power, rather than skill or hard work. Second, without alternative employment opportunities, landlessness will mean destitution and a hand-to-mouth existence for most households.

Endnotes

- ¹ For the purpose of this study, “landless” was defined as not owning fields that could be used to plant crops such as rice or marketable amounts of vegetables.

References

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What is the Meaning of Community?

Serge Thion of the Centre National de la Recherche Scientifique explores the confusion surrounding the word "community" in the context of development in Cambodia, and argues that the concept of village development committees is an attempt by development agencies to subvert indigenous village power structures.*

Some participants at the *Conference on the Meaning of Community in Cambodia* argued that, after 30 years of warfare, the basis of community has been destroyed and needs to be rebuilt. One suggested that two types of community are visible in Cambodia today—functional communities (based on occupation), and geographical communities. Some believed community to be a group of families with a common interest who live in a given geographic area, others that kinship groups are more cohesive, arguing that mutual assistance relationships are strong inside extended family groups, but that cooperation beyond this is limited.

The overwhelming majority of Khmer speakers during the conference showed that for them there was a square equivalence of "community" with "village." This does not obscure the fact that several groups may be identified inside a village, but all the semantics brought in by foreign NGOs seemed to fall flat. In the Khmer language a new word caters for the idea of community, but it is obvious that this word, *sahakum*, is extremely vague and covers, at times, ideas that are expressed otherwise by words like "association," "trade union," "society," and so on. Cambodian development workers have not been trained in the conceptual exercises that are the groundwork of philosophy and the basis of the development of the social sciences. They struggle to catch something of the complicated language of the foreigners who interfere with Cambodian social life with ideas that are difficult to grasp. Most foreigners have displayed a strong mental rigidity that prevents them from fully understanding the categories which Cambodians themselves use to represent their society and the rules that regulate it.

* This article is based on words of conclusion offered by the author following a *Conference on the Meaning of Community in Cambodia*, organised by the Working Group on Social Organisation and held in Phnom Penh from 7–8 June 1999. A volume of conference proceedings is currently being prepared for publication by the Working Group. Serge Thion is a Research Fellow at the Centre National de la Recherche Scientifique in Paris and the author of *Watching Cambodia*, a collection of essays on social and political development in Cambodia.

The concept of "community" has been introduced recently, and even though it came into use in Cambodia mainly through UN programmes, it is very much an American notion, difficult to translate into other European languages and maybe even into British English. The word originally represented the idea of a group based on religious links, such as a group of monks in a monastery or in a wat. There is a vague sense of equality among the members of such a community. The early history of population growth in the United States shows that migrants were prone to gather along denominational lines, so that the basic units of population were often quite homogenous in religious and linguistic affiliation, and could thus be called communities.

But no other society is organised along these lines. For instance, a village in India has always comprised people belonging to several castes, and does not qualify for the word "community." Social stratification and diversification in other societies led early German sociologists, who

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were followed by other social scientists, to choose the word "society" (*Gesellschaft*), instead of "community" (*Gemeinschaft*), as the standard word for the analysis of collective life.

When humanitarian ideas developed in the United States, humanitarian organisations there were already very much rooted in American community life, and it was all too natural for them to go abroad and look for "communities." When such communities could not be found, the word remained as a magical "open sesame" to

obtain funds from donors—it made the appeal for funds more emotional and thus more effective. No sociological refinement was required from agencies undertaking voluntary work to help redress social injustice. If no real community could be found, then any visible social unit was christened a "community."

In many places, the village is such a unit, a self-enclosed group with internal rules and a large degree of autonomy. But it so happened that even this basic approach does not fit Cambodian society. A village is often more an administrative way of carving up a chunk of territory on a map than a fully comprehensive social unit. The village map and the map of the wat parishes do not overlap. Even the concept of "family" in Cambodia can be kept only if one does not probe too deeply into the real kinship ties of the members, as all Cambodian families consist, at times, of a sometimes large number of unrelated people living together as a family.

This sociological nightmare has been avoided or ignored for a long time by NGOs, which have been enthusiastically espousing the all-encompassing concept of "community." Now, after almost a decade of practice, some of them seem willing to open Pandora's box and see what is going to emerge.

Despite two days of wide-ranging discussion during the conference, no new definition of community was

reached. We may as well therefore drop this ill-formed and untranslatable word and replace it bluntly by "village," which would be more accurate and closer to Khmer usage, if not so sexy.

Whither Village Development Committees?

Some people in the conference also raised the question of village development committees (VDCs). The concept of the VDC is even more recent than that of community. It was introduced as a panacea in Cambodia in the early 1990s, originally by UN branches like CAREERE. It has been obvious that the concept of the VDC originated in organisations that could not adjust to the existing political authorities in Cambodia.

Their own political agenda was not entirely hidden. In order to circumvent or to undermine the local village authorities, which were usually under the control of the state, these humanitarian organisations invented what they saw as a tool to attract political support inside the village. The brand new institution of the VDC would be subservient to the foreign groups that would spend money through it at the local level. This was a direct interference in the political life of the country, clearly beyond the humanitarian mandate. The government reacted by creating its own VDCs in an attempt to counterbalance. We are now in a silly situation with VDCs devoid of any real function. NGOs and UN agencies would be better inspired in dropping altogether such ill-fated attempts to subvert the state apparatus in Cambodia. There are other venues for social and administrative reform.

A significant part of the conference discussions saw the wat committees as the centre of the village. One participant noted that the wat committees operate in almost total independence from foreign development agencies, but undertake a range of social and economic development projects, such as establishing rice banks, tree planting, building bridges, etc. Obviously, the situation of these wat committees is extremely diverse, but I believe that foreigners should look for more ways to cooperate with them, since they are authentic products of Cambodian rural society. As a general rule, it would be advisable to work with Cambodians in the framework of

local institutions. This would, however, raise a number of potentially devastating questions on the role of NGOs, if the real needs and wishes of the local population were to prevail over the grand and gratuitous ideas that Westerners believe they can impose on the developing world's rural poor.

It would be appropriate here to remind ourselves that the more the development of agriculture was successful in European countries, the more ruthlessly the poorest sections of the peasantry were eliminated from the land, chased into the towns as low-paid unskilled workers, or even altogether obliterated through being forced to emigrate to the Americas in search of a minimum standard of living. The development of rural production in Cambodia will create, indeed is already creating, a wave of new urban poor, who are struggling in desperate conditions to survive.

This could well be, and perhaps should be, the focus of humanitarian work in years to come. Twenty years after the end of the war (for the vast majority of people), the situation of the countryside has returned to what I would describe as its "normal misery," with re-established social stratification and a new pressure on the land. For the first time in its history, Cambodia experiences a lack of cultivable land. The demographic pressure is also quite high. The mechanical effect of population growth is to throw into Phnom Penh a growing number of poor and unskilled people who have no way to return to their villages. This is a new situation in Cambodia, a growing emergency.

Editor's note

This article is not representative of the views expressed by many of the participants at the Conference on the Meaning of Community in Cambodia, and does not reflect the opinions of the Cambodia Development Resource Institute. It does, however, challenge some givens of development discourse in Cambodia, and is published here in part to stimulate debate. Readers are encouraged to read the full conference proceedings, and are welcome to respond to this article, but are advised to contact the Cambodia Development Review for information on submission guidelines and deadlines.

For the first time in its history, Cambodia experiences a lack of cultivable land. The demographic pressure is also quite high. The effect of population growth is to throw into Phnom Penh a growing number of poor and unskilled people who have no way to return to their villages. This is a growing emergency.

A number of new research working papers have been published since June:

10. Gender and Development in Cambodia: An Overview (English edition \$6.00; Khmer edition 4,500r)
11. Cambodian Labour Migration to Thailand: A Preliminary Assessment (English \$3.00; Khmer 3,000r)
12. Impact of the Asian Financial Crisis on the SEATEs: The Cambodian Perspective (English \$4.50; Khmer forthcoming)

Khmer translations of two other working papers are now also complete:

7. Interdependence in Household Livelihood Strategies in Two Cambodian Villages (English \$9.00; Khmer 7,500r)
8. Cambodia: The Challenge of Productive Employment Creation (English \$9.00; Khmer 6,000r)

These papers and all CDRI publications are available for sale from the office (56 Street 315, Tuol Kork), by direct mail order, and through Monument Books outlets on Monivong Boulevard (near Phsar Thmei) and the FCC (Sisowath Quay). Full details and abstracts of all publications are available on CDRI's website at <http://www.cdri.org.kh>

Economy Watch

Inflation and Foreign Exchange Rates

The riel-denominated consumer price index (CPI) in Phnom Penh showed a slight increase during the second quarter of 1999 (Table 1). The rise in CPI was mainly due to the seasonal price increases of some food items, such as beef, fish and vegetables (the close of the fishing season in May pushed up the price of fish, and the dry season reduces the supply of vegetables). The recent increase in the price of petrol also contributed to the rise in overall CPI. The exchange rate of the riel against the dollar has remained largely stable since February 1999, reflecting an improvement in political and economic stability. Stable exchange rates contributed to stability in inflation in the second quarter of 1999. Monthly inflation rates have been well below 1 percent since December 1998, while year-on-year inflation rates have been at one-digit levels since January 1999 and fell to 5 percent in June, the lowest annual inflation rate for more than two years.

Provincial consumer prices (which are collected on 12 essential items in 12 provinces), increased gradually from March to May 1999, before falling by 3 percent in June (see *Economic Indicators* on page 18). The increase was probably due to the rise in prices of some food items and petrol. However, year-on-year inflation rates of seasonally adjusted provincial CPI have dropped dramatically since March 1999, and reached 0.3 percent in June, the lowest annual inflation rate in the past year.

Dollar-denominated CPI (CPI in riels adjusted by the nominal exchange rate of the riel against the dollar) rose slightly from March to June 1999, after declining from December 1998. Monthly inflation rates were identical to the riel-denominated inflation rates during the second quarter of 1999. Given the stable exchange rate of the riel against the dollar, the increase in dollar-denominated CPI also reflects the rise in price of food and petrol. Year-on-year inflation rates, which have been well below 5 percent for most of the past year, rose significantly in May and June 1999.

Market Surveys

A tenth market survey of five major markets in Phnom Penh from 6–13 August 1999 showed a slight increase in consumer spending relative to the previous year, though spending was down a little compared to during the 1999 Chinese and Khmer New Year celebrations. The slight decline from the previous survey in May was probably due to low demand in the rainy season.

Vendors' average sales in Phnom Penh markets were equivalent to 55 percent of their pre-July 1997 sales, compared to 52 percent reported in August last year. In addition, 88 percent of vendors said that their sales were down from the pre-July 1997 level, with the remainder reporting the same volume of sales. Nine percent of vendors reported good sales, 44 percent moderate sales, and others said that their sales were poor.

Table 1. Consumer Price Index in Riels and Dollars, July 1998 – June 1999 (base: July–September 1994 = 100)

	Index			Percentage change from previous month			Percentage change from previous year		
	CPI (riels)	CPI (\$)	NER (riel/\$) ^a	CPI (riels)	CPI (\$)	NER (riel/\$) ^a	CPI (riels)	CPI (\$)	NER (riel/\$) ^a
1998 July	142	98	145	3.2	11.2	-7.3	14.8	-6.8	23.2
August	140	93	150	-1.6	-4.7	3.2	14.0	-9.7	26.2
September	143	95	151	2.5	2.1	0.4	13.0	-3.7	17.4
October	144	96	150	0.5	0.8	-0.3	12.4	1.2	11.1
November	143	98	146	-0.4	2.4	-2.7	12.2	3.5	8.5
December	143	98	147	0.2	-0.3	0.5	13.3	5.2	7.7
1999 January	141	96	147	-2.0	-2.0	0.0	9.0	4.7	4.1
February	141	96	148	0.4	-0.1	0.5	8.6	2.4	6.1
March	141	95	148	-0.3	-0.5	0.3	8.0	2.1	5.8
April	141	96	148	0.6	0.6	0.0	7.9	4.5	3.2
May	143	97	148	1.3	1.3	0.0	6.4	11.3	-4.4
June	144	97	148	0.6	0.6	0.0	4.9	11.1	-5.6

a = NER = nominal exchange rate. Source: NIS, *Consumer Price Index* (various issues); NBC, *Economic and Monetary Statistics Review* (various issues)

Table 2. Sales and Earnings of Vendors in Five Phnom Penh Markets, May 1998 – August 1999

Questions to vendors

Q1. Is the amount of your sales [more than, the same as, less than] that before 5–6 July 1997?

Q2. If less, what percentage are current sales relative to those before 5–6 July?

	Q1: Percentage of vendors who reported selling less						Q2: Average amount of sales as a percentage of those before 5–6 July 1997					
	May 98	Aug 98	Nov 98	Feb 99	May 99	Aug 99	May 98	Aug 98	Nov 98	Feb 99	May 99	Aug 99
All items	98	93	92	87	90	86	48	52	51	62	60	55
Non-food items	99	92	92	91	94	86	45	47	50	60	56	54
Durable items	100	93	90	97	94	88	43	46	44	52	54	52
Luxury Items ^a	100	100	100	95	100	82	45	40	38	48	49	49
Household and utility items ^b	100	91	83	100	93	90	44	53	50	50	57	52
Clothing, shoes, bags	100	93	94	97	89	93	42	45	44	59	55	53
Non-durable items and services	93	88	95	85	94	83	54	48	56	69	59	56
Food-items	98	94	93	82	87	86	54	59	52	65	64	56

a = Luxury items include precious stones, gems, gold, jewellery, televisions, cassette players, watches, video tapes, gifts, etc. b = Household and utility items include kitchenware, plastic containers, blankets, mosquito nets, construction materials, electrical appliances, motorcycle spare parts, etc.

Economy Watch

Table 3. Average Daily Earnings of Vulnerable Workers in Phnom Penh, July 1997 – May 1999

Occupation	Net daily earnings (riels)								Percentage change from previous year		
	pre-Jul 97	Jan 98	May 98	Aug 98	Nov 98	Feb 99	May 99	Aug 99	Feb 99	May 99	Aug 99
Cyclo drivers	12,250	9,100	6,975	6,167	6,100	9,407	9,271	8,415	3.4	32.9	36.4
Porters	9,675	6,905	5,415	4,720	4,543	8,543	7,856	7,446	23.7	45.1	57.7
Small traders	7,050	5,150	3,400	4,767	5,913	7,923	6,694	6,402	53.8	96.9	34.3
Scavengers	4,155	3,415	3,040	2,610	2,567	3,697	2,956	3,005	8.3	-2.8	15.1

Only 4 percent of the vendors reported that their sales had increased since the previous survey in May 1999, followed by 70 percent reporting the same amount of sales, and 26 percent reporting a decline. Sales to provincial vendors were also lower than the level in May 1999. Sixteen out of 18 wholesalers reported declining sales. The main reason was weak demand from farmers due to the beginning of the cultivation season.

Poverty Situation—Vulnerable Workers

A survey of vulnerable workers in Phnom Penh from 2–6 August 1999 showed a gradual decline in the earnings of cyclo drivers, porters, small traders and scavengers relative to previous surveys in February and May 1999, due to the seasonal decline in consumption and trading activities (Table 3). However, the earnings of all groups showed a remarkable increase compared to the same period in the previous year.

The year-on year increase was reportedly the result of political stability and the improvement of the business environment. Nevertheless, the survey found that increasing numbers of young porters from rural areas have migrated to look for work in the capital. Nine out of 46 porters in Phnom Penh's markets and ports, aged between 9 and 18, had started work within the last 4–5 months. Most workers said that it was unusual to see such youthful porters looking for work. Most of the younger porters had left school at primary level because their families could no longer afford to educate them.

Although cyclo drivers' incomes were significantly higher in August this year compared to the same period the previous year, cyclo owners reported that the number of cyclo drivers had declined by about 20 percent since July because some had returned home to farm.

The daily net earnings of scavengers showed a slight increase of 15 percent in August 1999 relative to the same period of 1998, but were still lower than the levels before July 1997. As with porters, the number of children who collect rubbish has increased remarkably compared to May 1999, in part due to the school vacation period. These children, aged from 8 to 15, earned from 500 to 1,000 riels per day. Scavengers reported that the price of recyclable rubbish was stagnant, as were exports of rubbish. All four vulnerable groups reported that harassment at the hands of local

authorities has declined relative to the period before the 1998 national election.

Investment

Although political stability has increased since the formation of the new government late last year, the level of investment inflows continued to decline in the second quarter of 1999 (Table 4). This seems to be consistent with the investment data reported in the Balance of Payments (see Table 7 on page 17). The number of projects approved by the Cambodian Investment Board (CIB) decreased by 25 percent in the second quarter of 1999 relative to the same period of the previous year. Registered capital and fixed assets also declined, by 9 percent (from \$40 to \$38 million) and 76 percent (\$226 to \$54 million) respectively during the same period. The decline of investment projects was particularly significant in the agricultural and service sectors. No projects were proposed for the agricultural sector, and only one for the service sector, in the second quarter of 1999.

In the two years since the Asian financial crisis, the slowdown of economic growth in Asia appears to have adversely affected foreign investment in Cambodia. Foreign direct investment (FDI) has been declining since July 1997, both in terms of the number of investment projects and in registered capital and fixed assets. The decline in investment from ASEAN countries, however, appears to be greater than that from other Asia and Pacific rim countries, such as Hong Kong, Taiwan and South Korea (Table 4).

Other factors in addition to the general decline in economic growth in the crisis countries have had an

Table 4. Investment Projects Approved, July 1996 – June 1999

	Investment projects			Registered capital (\$ million)			Fixed assets (\$ million)		
	96-97	97-98	98-99	96-97	97-98	98-99	96-97	97-98	98-99
ASEAN	48	46	20	100.9	83.4	77.7	254.8	259.0	66.3
Indonesia	4	5	3	0.6	2.7	9.1	1.2	2.6	9.9
Malaysia	18	16	3	54.3	61.4	8.5	186.7	181.0	10.7
Singapore	18	19	5	36.3	17.5	3.4	38.2	54.7	4.6
Thailand	8	5	8	9.7	1.8	56.4	28.7	20.6	40.6
Vietnam	-	1	1	-	0.1	0.4	-	0.1	0.4
Other Asia-Pacific	129	117	78	222.9	154.8	150.2	415.9	240.1	251.2
China	31	34	34	21.2	72.1	27.2	21.6	99.8	47.5
Hong Kong	27	25	17	15.2	16.7	46.1	70.6	57.8	54.2
Taiwan	50	29	17	82.8	31.7	72.6	115.3	26.7	144.5
South Korea	10	7	4	65.9	8.8	2.1	171.9	20.4	2.6
Other	11	22	6	37.7	25.6	2.3	36.5	35.4	2.4
Europe	17	18	7	48.1	14.9	3.2	39.1	24.7	5.0
America	12	8	14	26.0	1.7	9.0	15.3	86.6	29.6
Middle East	-	1	-	-	0.5	-	-	0.4	-
Total	206	190	119	397.9	255.3	240.2	725.1	610.8	352.0
Percentage change	13.2	-7.8	-37.4	63.7	-35.8	-5.9	27.2	-15.8	-42.4

Note: Investment periods run from July to June. Source: Cambodian Investment Board

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impact on FDI in Cambodia. The introduction of quotas by the US government on Cambodia's exports of textile products appears to have contributed substantially to the slowdown in FDI inflows. An informal interview with an official at the CIB indicated that other factors, such as relatively higher labour costs in terms of dollars compared to those in some neighbouring countries, and negative press reports about Cambodia, may have affected FDI as well.

Garment Exports

Despite the introduction of quotas on Cambodia's textile exports earlier this year, the total value of exports to the United States grew by 92 percent in the second quarter of 1999 relative to the previous year, and 3 percent compared to the previous quarter (Table 5). The value of textile exports to the rest of the world also increased, by 21 percent and 44 percent respectively, during the same period. The data appear to suggest that the quotas have not had an impact on the garment industry. However, the share of textile exports to the US compared to total textile exports fell by 4 percent in the second quarter of 1999, the first time this has occurred since 1997. Furthermore, a number of garment factories reported having used up their allocated quotas, and starting to use quotas which they had won through bidding from the Ministry of Commerce.

Even though competition is getting tougher within the garment industry, 11 new garment projects with total registered capital and fixed assets worth around \$12 and \$17 million respectively, were approved by the CIB in the second quarter of 1999.

Tourism

Tourist arrivals in Cambodia showed a slight decline in the second quarter of 1999, following the high tourist season from November to March (Table 6). The total number of passenger arrivals through Pochentong International Airport dropped by 5 percent in the second quarter of 1999 relative to the previous quarter, but was 25 percent higher than the level in the same quarter of

Table 5. Destination of Garment Exports, 1997-99

	United States	Rest of world	Total
	Millions of dollars		
1997 Q1	4.94	25.39	30.33
1997 Q2	21.72	34.25	55.97
1997 Q3	35.09	28.27	63.36
1997 Q4	45.34	32.11	77.45
1998 Q1	40.34	18.85	59.18
1998 Q2	62.71	18.65	81.35
1998 Q3	88.67	27.05	115.72
1998 Q4	104.47	17.31	121.78
1999 Q1	116.94	15.67	132.61
1999 Q2	120.31	22.63	142.94
	Percentage change from previous year		
1998 Q1	716.5	-25.8	95.1
1998 Q2	188.7	-45.6	45.4
1998 Q3	152.7	-4.3	82.6
1998 Q4	130.4	-46.1	57.2
1999 Q1	189.9	-16.9	124.1
1999 Q2	91.86	21.37	75.70

Source: Ministry of Commerce, Department of Trade Preference Systems

Table 6. Air Passenger Arrivals in Cambodia, 1997-99

	Arrivals			Total	Percent change
	Tourists	Business	Official		
Arrivals at Pochentong International Airport					
1997 Q1	72,240	16,944	3,701	92,885	25.6
1997 Q2	53,967	18,821	3,698	76,486	14.7
1997 Q3	23,102	8,042	3,067	34,211	-51.5
1997 Q4	36,025	11,790	3,727	51,542	-40.1
1998 Q1	41,033	11,411	4,023	56,467	-39.2
1998 Q2	35,995	11,004	4,149	51,148	-33.1
1998 Q3	32,938	9,090	4,239	46,267	35.2
1998 Q4	42,401	11,274	5,378	59,053	14.6
1999 Q1	44,221	15,432	5,387	65,040	15.2
1999 Q2	38,591	16,045	9,194	63,830	24.8
Arrivals in Siem Reap via direct flight from Bangkok					
1999 Q1	-	-	-	4,475	-
1999 Q2	-	-	-	4,852	-

Source: Ministry of Economy and Finance, *Monthly Bulletin of Statistics*

1998, according to data from the Ministry of Economy and Finance. The increase in passenger arrivals is a positive sign, but the level of arrivals was still 17 percent lower than those in the second quarter of 1997.

Concerns have been raised about whether direct flights to Siem Reap have adversely affected the revenue collected in Phnom Penh. More detailed studies are needed to answer this question, but according to data from the Ministry of Tourism, the number of passengers arriving via Siem Reap was around 7 and 8 percent of total passenger arrivals through Pochentong for the first and second quarters of 1999. The data appear to suggest that the impact has so far been minimal.

External Transactions

According to preliminary data recently released by National Bank of Cambodia (NBC) on Cambodia's balance of payments for the first and second quarters of 1999, domestic exports increased sharply by 48 percent and 43 percent respectively, relative to the same quarters in 1998 (Table 7). This was due partly to the increase of garment exports to the European Union (EU) and the US, which have not been affected by the Asian financial crisis. Retained imports also rose around 13 percent in both first and second quarters of 1999 relative to the previous year. This increase reflected the slight appreciation of the riel and the dollar against the regional currencies during this period, and an increase in domestic consumption after the formation of the new government pushed up demand for imports. The trade deficit in goods and services has narrowed considerably in the first half of the year as a result.

In contrast to the reasonable trade performance, official assistance, official loans and net private investment all declined slightly in the first half of 1999. Nevertheless, the overall balance improved in the first and second quarters of 1999 compared to the previous year.

Monetary and Financial Development

Foreign currencies, particularly the US dollar and baht, circulate freely in the Cambodian economy. Data on money supply published by the NBC do not include the

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Table 7. Balance of Payments, 1997-99 (millions of dollars)

	1997	1998	1998				1999 ^a	
			Q1	Q2	Q3	Q4	Q1	Q2
Trade (goods) balance	-308.3	-391.8	-119.4	-112.4	-62.2	-97.8	-76.1	-79.7
Exports, fob	784.2	705.2	143.8	164.9	192.1	204.4	212.7	235.0
Domestic exports	534.3	578.6	111.0	131.7	164.5	171.4	183.8	197.6
Re-exports	249.9	126.6	32.9	33.2	27.6	33.0	28.8	37.4
Imports, fob	-1,092.4	-1,097.0	-263.3	-277.3	-254.3	-302.1	-288.8	-314.7
Retained imports	-842.5	-970.4	-230.4	-244.1	-226.6	-269.2	-260.0	-277.3
Service balance	-43.5	-79.9	-17.7	-20.9	-20.3	-21.0	-13.2	-16.1
Balance of goods and services	-351.7	-471.7	-137.2	-133.3	-82.4	-118.8	-89.3	-95.8
Net income	-53.4	-50.3	-3.2	-13.7	-21.8	-11.6	-24.8	-18.0
Private transfers	59.9	66.0	16.5	16.5	16.5	16.5	17.5	17.5
Balance of current accounts ^b	-345.2	-456.0	-123.9	-130.5	-87.8	-113.9	-96.7	-96.3
Official transfers (net)	288.5	292.9	73.3	73.3	73.3	73.0	67.7	67.7
Balance of current accounts ^c	-56.7	-163.1	-50.6	-57.2	-14.5	-40.8	-34.2	-33.8
Official sector loans (excluding IMF; net)	41.2	42.5	17.3	9.7	6.2	9.3	14.2	11.6
Non-official sector investment	122.6	80.5	24.7	28.2	24.8	2.8	27.7	16.0
Direct investment (net)	168.1	120.7	19.7	32.9	47.9	20.1	53.0	38.3
Other investment (net)	-45.6	-40.2	5.0	-4.8	-23.1	-17.3	-25.3	-22.3
Net errors and omissions	-73.7	57.4	9.1	5.3	-16.2	59.2	19.8	43.9
Overall Balance	33.3	17.3	0.5	-14.1	0.4	30.4	27.5	37.8
Financing	-33.3	-17.3	-0.5	14.1	-0.4	-30.4	-32.8	-43.0
Net foreign assets of National Bank of Cambodia	-33.7	-28.0	-1.7	13.9	-6.3	-33.9	-33.7	-43.2
Exceptional financing	0.4	10.7	1.2	0.2	5.9	3.5	1.0	0.2

a = 1999 figures are provisional. b = Excluding official transfers. c = Including official transfers. Source: NBC

large amount of foreign currencies that are held outside the banking system.

The growth of money supply (M2), which reached a low in June 1998, increased slowly from July to October, and then began increasing more rapidly from January to April 1999 (see *Economic Indicators* on page 18). The increase was induced by the rise in foreign currency deposits, which accounted for 95 percent of total deposits in May 1999. The growth rates of foreign currency deposits with commercial banks have risen gradually since January 1999, and reached two-digit levels in April (Table 8). This was mainly due to the significant improvement in political and economic stability.

Similarly, total commercial bank credits grew by 6

percent between January and May 1999 (Table 9). Year-on-year growth rates also increased steadily from January to April 1999, before falling to 1.2 percent in May. Credits to the service sector continued to be high, accounting for 75 percent of total credits, followed by 19 percent for the manufacturing sector. Credits to the agricultural sector were low relative to those to other sectors, and accounted for only 6 percent of total credits, even though agriculture is the largest sector in the Cambodian economy.

*Economy Watch was prepared by
Long Vou Piseth and Pon Dorina*

Table 8. Deposits with Commercial Banks, June 1998 - May 1999

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
	Millions of dollars											
Riels	11	10	11	12	12	13	13	14	14	15	15	16
Foreign currencies	207	182	186	195	206	211	222	227	227	246	269	267
Total deposits	218	192	197	207	219	224	235	240	242	262	283	283
	Percentage change from previous year											
Riels	-22.7	-22.5	-22.1	-3.0	1.1	-0.4	7.7	13.8	22.8	31.9	16.5	33.9
Foreign currencies	-22.3	-15.1	-16.1	-6.8	-4.6	-9.5	-6.1	-7.4	-6.5	9.8	17.9	21.7
Total deposits	-22.4	-15.6	-16.4	-6.6	-4.2	-9.0	-5.4	-6.4	-5.1	10.9	17.9	22.3

Source: National Bank of Cambodia

Table 9. Credits from Commercial Banks, June 1998 - May 1999

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
	Millions of dollars											
Agriculture	7.2	7.0	8.2	8.4	9.0	9.7	10.3	9.7	10.0	9.9	9.5	10.9
Manufacturing	30.1	30.8	29.9	30.9	31.5	32.4	31.8	30.0	33.1	31.2	36.3	35.2
Service ^a	144.1	148.6	137.3	138.8	129.9	134.7	131.6	134.0	135.8	134.3	137.7	137.6
Total	181.4	186.4	175.4	178.1	170.4	176.9	173.7	173.7	178.9	175.4	183.5	183.6
	Percentage change from previous year											
Agriculture	-26.1	-8.1	4.6	12.5	10.1	32.8	31.9	30.4	22.2	6.8	25.1	44.2
Manufacturing	1.5	1.0	-9.4	-3.8	-8.9	-1.9	-2.3	-10.4	9.0	-0.6	32.4	28.0
Service ^a	-3.3	9.2	-1.0	1.2	-4.7	-1.6	-8.8	-8.2	-8.6	-1.9	-2.2	-6.0
Total	-3.7	7.0	-2.3	0.8	-4.9	-0.2	-5.9	-7.1	-4.4	-1.2	4.4	1.2

a = Service sector includes construction, wholesale and retail trade, import and export, finance, real estate, and public utilities, service and personal consumption. Source: National Bank of Cambodia

Economic Indicators

1. Consumer Price Index (CPI) in Phnom Penh and the Provinces, July 1998 – June 1999

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
	Monthly CPI											
Phnom Penh	142	140	143	144	143	143	141	141	141	141	143	144
Provinces	165	162	168	165	167	169	168	165	165	165	170	167
	Monthly CPI (seasonally adjusted)											
Phnom Penh	139	139	140	139	140	143	141	143	145	144	146	148
Provinces	158	150	164	157	167	169	168	165	183	170	176	171
	Inflation based on seasonally adjusted monthly CPI (month to month)											
Phnom Penh	-1.3	-0.6	1.4	-1.0	0.9	2.2	-1.8	1.6	1.5	-0.6	1.5	1.1
Provinces	-7.6	-5.3	9.9	-4.6	6.4	1.7	-1.1	-1.3	10.7	-6.7	3.1	-2.5
	Inflation based on seasonally adjusted monthly CPI (year on year)											
Phnom Penh	14.8	14.0	13.0	12.4	12.2	13.6	9.0	8.6	8.0	7.9	6.4	4.9
Provinces	17.6	15.1	13.9	10.9	16.6	15.6	11.3	6.8	22.8	10.5	5.0	0.3

CPI for Phnom Penh is taken from the *Monthly Bulletin of Consumer Price Index* (National Institute of Statistics/Ministry of Planning); CPI for the provinces is constructed by CDRI based on the prices of 12 essential items in 12 provinces. (Base year of indices: July-September 1994 = 100)

2. Foreign Exchange Rates and Gold Prices, August 1998 – July 1999

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
	Exchange rate (riel/dollar)											
Market rate	3,873	3,888	3,878	3,772	3,791	3,791	3,811	3,821	3,821	3,823	3,821	3,834
Official rate	3,730	3,800	3,870	3,775	3,770	3,776	3,780	3,790	3,790	3,800	3,800	3,820
(Market rate/official rate)	(104)	(102)	(100)	(100)	(101)	(100)	(101)	(101)	(101)	(101)	(101)	(100)
	Exchange rate (index)											
Market rate	150	151	150	146	147	147	148	148	148	148	148	148
Official rate	144	147	150	146	146	146	146	147	147	147	147	148
	Gold price (riel/chi)											
Value	117,665	124,545	124,852	125,174	123,236	123,253	123,961	123,558	121,328	118,860	113,098	109,581
Index	102	108	108	109	107	107	107	107	105	103	98	95

Source: National Bank of Cambodia and the *Cambodia Daily*. (Base year of indices: July-September 1994 = 100)

3. Money Supply, June 1998 – May 1999

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
	Billions of riels											
Broad money (M2)	811	1,004	1,050	1,080	1,134	1,207	1,230	1,266	1,270	1,315	1,357	1,357
Money (M1)	429	460	467	474	479	549	543	544	535	527	510	501
Currency outside banks	395	429	436	441	445	516	509	510	500	490	471	461
Demand deposits	33	30	31	33	33	33	34	34	35	37	39	40
Quasi-money	383	544	582	606	656	658	687	722	734	788	847	857
Time and savings deposits	14	12	14	15	16	20	20	19	19	22	21	23
Foreign currency deposits	369	532	568	591	640	637	667	702	715	765	826	834
	Percentage change from previous year											
Broad money (M2)	-10.1	17.2	18.8	19.7	20.0	16.7	15.7	14.3	16.0	22.2	23.1	19.1
Money (M1)	29.6	35.7	36.7	36.0	30.6	43.9	41.2	41.3	40.6	25.7	17.1	14.4
Quasi-money	-33.0	5.1	7.5	9.5	13.2	0.8	1.3	0.0	2.9	20.0	27.1	22.0

Source: National Bank of Cambodia

4. National Budget Operations, May 1998 – April 1999

	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
	Billions of riels											
Total revenue	65.5	90.6	70.4	55.5	61.7	89.9	68.5	118.3	88.5	84.9	127.2	106.6
Tax revenue	53.9	60.8	43.4	41.1	50.8	68.4	53.9	88.0	74.5	66.0	98.7	83.5
o/w customs duties	29.1	35.5	22.7	21.4	29.8	38.2	28.0	50.7	26.9	31.0	46.8	41.4
Non-tax revenue	8.1	25.0	21.5	14.3	10.9	21.5	12.8	21.0	13.3	18.4	28.5	12.5
o/w forest exploitation	1.1	2.0	3.6	0.6	0.9	2.7	1.2	5.5	1.1	1.4	0.2	0.7
o/w telecommunications	1.9	10.1	9.9	7.5	6.5	9.7	7.7	6.3	7.6	9.5	10.2	6.4
o/w royalties	0.3	0.0	1.8	0.2	0.1	0.0	0.1	0.0	0.1	0.4	0.0	0.0
Capital revenue	3.6	4.8	5.5	0.1	0.0	0.0	1.8	9.3	0.7	0.5	0.0	10.6
	Billions of riels											
Total expenditure	127.2	113.5	130.3	87.0	88.7	110.5	93.4	130.6	89.7	107.9	181.0	123.0
Capital expenditure	39.6	34.5	37.3	24.9	21.9	31.8	27.3	34.8	14.1	44.2	57.8	51.4
Current expenditure	87.6	79.0	93.0	62.1	66.8	78.7	66.1	95.8	75.6	63.7	123.2	71.6
o/w defence	31.3	56.2	36.4	32.6	13.0	55.7	25.4	36.6	0.9	27.8	70.8	41.4
o/w civil administration	56.2	22.8	56.6	29.5	53.8	23.0	40.7	59.2	74.7	35.9	52.3	30.2
Overall deficit	-61.7	-22.9	-59.9	-31.5	-27.0	-20.6	-24.9	-12.3	-1.2	-23.0	-53.8	-16.4
	Percentage change from previous year											
Total revenue	-8.2	43.5	33.8	-17.9	8.2	32.0	-27.7	-18.0	45.6	33.3	38.7	31.0
Total expenditure	33.2	1.6	60.7	-17.5	-23.1	-6.7	-28.3	-34.7	34.9	42.3	16.2	-2.1

Source: Ministry of Economy and Finance

Glossary

Land Tenure Terms

Alienable Domain (ការផ្ទេរកម្មសិទ្ធិដាច់ណាត់)

Alienable is a legal term meaning that the ownership of something can be transferred to another. One meaning of domain is private property. Alienable domain is therefore land that can be possessed, owned and transferred.

Cadastre (ស៊ុរិយាដី)

Cadastre is a technical French term meaning the “registry of property,” which shows the extent, value, possession and ownership of land. The cadastre is kept for government purposes such as taxation.

Common Property Resources (ទ្រព្យសម្បត្តិសាធារណៈ)

Common property resources (also known as CPR) are areas such as forests, pastures, rivers and river banks to which all members of a village have access.

Concession (សម្បទាន)

In the context of land tenure, a concession is the granting of exclusive occupation rights (but not ownership rights) to an individual or organisation to use an area of land for a specific purpose, such as establishing a rubber or commercial timber plantation.

De facto (តាមព្រឹត្តិការណ៍)

De facto is a Latin term describing a situation that exists in reality but which may not have legal recognition (this is described instead as *de jure*). The privatisation of common property resources, for instance, is taking place even though there is no legal basis for it.

Distress Sale (ការលក់ដីរដ្ឋានពេលមានធុរៈបន្ទាន់)

A distress sale is the selling of land or other assets by a household in response to an emergency or shock, such as hunger, illness, lack of assets, flooding, an accident, etc.

Land Concentration (ការប្រមូលផ្តុំដីធ្លី)

Land concentration is the process by which a decreasing number of individuals take ownership of an increasing proportion of land. This can take the form of poor households in a village selling their land to richer neighbours or to outside interests.

Land Speculation (បរិកប្បដីធ្លី)

Land speculation is the purchase of areas of land with no intention of developing them, but instead in the hope of selling them at a later date for a large profit. Land speculation tends to increase in areas where widespread development is taking place.

Land Title (កម្មសិទ្ធិដីធ្លី)

A land title is an official document conferring legal ownership rights to an area of land on an individual. Land in much of Cambodia is occupied by households (land possession) that have no land titles, and hence no legal right of land ownership.

Set Aside (ការរក្សាទុកដីធ្លី)

In the context of Cambodia, a set aside tends to be a small area of land (1–2 ha) left vacant in each village after the 1989 land distribution for returning refugees.



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CDRI Update

Research

Work on the *Technical Assistance and Capacity Development* project has continued, with the completion of institutional case studies of the Prek Leap School of Agriculture, the National Institute of Statistics and the National Institute of Management, and a review underway of the project approach to technical assistance based on case studies of the HIV/AIDS and malaria sub-sectors, with particular reference to Battambang province. Work has also started on a study of land issues, beginning with a review of existing databases. Per Ronnäs and Nina Orlova from the Nordic Institute of Asian Studies visited in June to collaborate in the preparation of a research proposal on *Global Integration and National Fragmentation: Risks and Opportunities for Cambodia and Laos in ASEAN*. Sok Hach joined the research section in August as Economic Adviser, bringing the total number of researchers to 10. He will be reviewing and upgrading CDRI's approach to macro-economic monitoring and forecasting. Toshiyasu Kato attended a meeting of the Asian Development Research Forum in Seoul in June, and presented a paper on the *Impact of the Asian Financial Crisis on the Southeast Asian Transitional Economies and Their Policy Responses*.

English Language Programme

Full-time English for Academic Purposes training is ongoing for two groups of lecturers and administrators in preparation for the Ateneo de Manila masters course in education administration. This intensive training programme will continue until December 1999. In August, the programme began a part-time TOEFL Preparation Course for individuals from the Archaeology Department at the Royal University of Fine Arts, which will run until October. The next TOEFL test will be held on 23 October at the Royal University of Phnom Penh.

Library

The Library now holds almost 5,500 titles on economic and social development. He Hin began work as Librarian at the beginning of July, following the departure of Eng Po at the end of June. Be Kalyanna attended the International Federation of Library Associations and Institutions conference in Bangkok in August. Work on the fourth edition of the *Catalogue of Library Holdings* will begin towards the end of the year.

Cambodian Centre for Conflict Resolution

Following June's conference on *Conflict Prevention in the Commune Election*, the CCCR in August hosted an informal meeting of people involved in the preparation of the commune election, which is scheduled to take place in the first half of 2000. Research into the roots of gender-related conflict is beginning, and an illustrated version of *Mindful Mediation* is being prepared for publication. Soth Plai Ngarm left the CCCR in July.

Publications

Recent publications include: Khmer editions of *Interdependence in Household Livelihood Strategies in Two Cambodian Villages* (Working Paper 7), *Cambodia: The Challenge of Productive Employment Creation* (Working Paper 8), *Gender and Development in Cambodia: An Overview* (Working Paper 10); English and Khmer editions of *Cambodian Labour Migration to Thailand: A Preliminary Assessment* (Working Paper 11), and the English edition of the *Impact of the Asian Financial Crisis on the SEATEs: The Cambodian Perspective* (Working Paper 12). A full volume of conference papers on the *Impact of the Asian Financial Crisis on the Southeast Asian Transitional Economies* is also available. Oum Chantha began work at the beginning of July as Editorial Assistant.

Cambodia Development Review is also available in Khmer

ទស្សនាវដ្តីអភិវឌ្ឍន៍កម្ពុជា ក៏មានជាភាសាខ្មែរផងដែរ



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Cambodia Development Review welcomes correspondence and submissions. Letters must be signed and verifiable and must include a return address and telephone number. Prospective authors are advised to contact CDRI before submitting articles, though unsolicited material will be considered. All submissions are subject to editing. CDRI reserves the right to refuse publication without explanation.

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