CAMBODIA RISING: NEOLIBERAL VIOLENCE AND DEVELOPMENT

Alvin Cheng-Hin Lim
American University of Nigeria
(alvin.lim@aun.edu.ng)

Abstract

On February 20, 2012, Chhouk Bandith, then the governor of Bavet in Cambodia’s Svay Rieng province, was reported by multiple witnesses to have opened fire on a crowd of protesters at a Puma factory, injuring three. Despite the severity of the crime, the Svay Rieng Provincial Court sentenced the former governor to the light sentence of 18 months in jail for the “unintentional” causing of injury. Human rights watchdog groups have observed that this case exemplifies Cambodia’s culture of impunity and the disinterest of the judicial system in pursuing justice for victimized labor activists (Khuon, 2013, paras. 1-13). This and similar cases of violence, including the 2012 murders of the environmental journalist Hang Serei Oudom and the environmental activist Chut Wutty, reflect the violence of Cambodia’s neoliberal development, which has intensified with the country’s spectacular economic growth (Licadho, 2012, para. 6; Kuch & Chen, 2013, paras. 1-10). In this paper I shall consider the violence that has accompanied Cambodia’s transition to neoliberalism with its adoption of the Washington Consensus policy prescriptions after the signing of the Paris Peace Accords in 1991, and I shall conclude with a reflection on what the 2013 general elections portend for the country.

Keywords: Cambodia, Corruption, Development, Neoliberalism & Violence

Rising Cambodia

The World Bank economist Stéphane Guimbert (2010) observes that Cambodia’s decade of rapid growth between 1998 and 2007 was “unusual vis-à-vis the global experience of development,” in that over that decade, Cambodia’s growth was the sixth highest in the world, and Cambodia was “one of only 46 that have achieved 7 percent annual growth on average for 14 consecutive years” (p. 2). While Cambodia’s economy suffered a contraction in 2009 from the global economic crisis, it has since enjoyed a recovery, with the Asian Development Bank (ADB)
forecasting “further robust growth, with trajectory expected to steepen slightly in 2014” (Guimbert, 2010, p. 2; Singh, 2013, para. 3). ADB figures show that the Cambodian economy “expanded at an annual rate of 7.2% in 2012, up from 7.1% in 2011 and 6% in 2010” (Singh, 2013, para. 4). The World Bank has increased its 2013 GDP growth estimate for Cambodia from 6.7% to 7.0%, thanks to the “robust garment, tourism, and agriculture sectors” (Kaslow, 2013, §§“In U.S. involvement, hope for good jobs’’). This growth is expected to continue. The International Monetary Fund (IMF) (2012) projects Cambodia’s GDP growth to reach 7.7% in 2017 (p. 194), with only “Bhutan (10.7 per cent), Timor-Leste (9.0 per cent), China (8.5 per cent) and Laos (7.8 per cent)” projected to have faster growth in the region (“Cambodia among fastest-growing,” 2012, paras. 4-5).

During its decade of rapid growth, Cambodia’s annual per capita income “more than doubled from US$285 in 1997 to US$593 in 2007” (Paling, 2012, p. 3). In 2012 its per capita income had increased to $946, which however was still lower than those of the so-called Southeast Asian “Tiger Cub” economies. Thailand’s per capita income in 2012, for example, was $5,474 while Indonesia’s was $3,557 (Singh, 2013, §§“Poverty concerns’’). Paling (2012) notes that despite its impressive growth statistics, “Cambodia is one of the poorest countries in the region and remains classified by the United Nations as a least developed country (LDC)” (p. 3). Indeed, most Cambodians have not enjoyed the benefits of their country’s rapid growth. The International Labor Organization (ILO) (2012) notes that “although the official unemployment rate is low – at 1.6 per cent – more than 80 per cent of workers are in vulnerable employment, such as unpaid family work and own-account work” (para. 7). However, this could be set to change. Guimbert, writing in 2010, observes that “at the rate of growth of the past decade (7 per cent per capita per annum), it will take only another ten years for Cambodia to double its income per capita, reaching middle-income status” (p. 2). Cambodia’s rapid recovery from the 2009 slowdown could enable it to leave LDC status sooner. Earlier in 2013, Cambodian Prime Minister Hun Sen announced that Cambodia was expected to “move from the status of a low-income to a lower-middle-income nation by the end of this year” (“Cambodia to become,” 2013, para. 1).

Neoliberalization

Cambodia’s current growth trajectory emerged from its adoption of neoliberalism in 1991 (Lim, 2013, p. 30). Hitherto, its socialist regime (led by the same group of politicians who would go on to lead Cambodia’s current neoliberal regime) suffered the economic effects of the collapse of the Soviet Union: triple-digit inflation, exchange rate instability, and an “unsustainable budget deficit” in the early 1990s (Ear, 2007, p. 74; 2009, p. 151). The loss of Soviet bloc aid was soon ameliorated by the arrival of Western aid. After the signing of the Paris Peace
Accords by the warring Cambodian factions in October 1991, United Nations (UN) Secretary-General Perez de Cuellar “appealed to the international community to support Cambodia’s rehabilitation efforts,” leading to “pledges and other commitments totaling $880 million at the first International Conference on the Rehabilitation of Cambodia (ICORC) in Tokyo in June 1992,” with an additional $119 million pledged the following year (Ear, 2007, p. 74). Following its 1993 UN-sponsored general elections, Cambodia became “one of the most aid-dependent countries in the world, with half of its national budget funded from ODA” (p. 69). With this acceptance of Western aid, Cambodia accepted the structural adjustment conditionalities imposed by donor agencies such as United States Agency for International Development (USAID), the IMF and the World Bank. The policy prescriptions imposed by this structural adjustment program, known as the Washington Consensus, aimed at transitioning Cambodia from a socialist planned to a neoliberal market economy (Ear, 1997, pp. 73-74). These structural adjustment measures, including “the privatization of state-owned enterprises (SOEs), the creation of a body of regulatory statutes, and the downsizing of the military and civil service sectors,” helped reduce inflation “from a high of 112% in 1992 to under 10% in 1995-96,” stabilized the exchange rate and reduced the budget deficit from 4.6% of GDP in 1992 to 0.6% of GDP in 1995 (Ear, 1997, pp. 91-92; 2007, p. 74).

Jamie Peck (2013) observes that neoliberalism is an “unloved, rascal concept” (p. 133) stemming from the variegated nature of the paths of neoliberalization that can be observed to unfold in different countries, such that “incomplete or partial neoliberalization is not some way-station on the path to complete neoliberalism, so it represents a category error to evaluate neoliberalism against the yardstick of absolute market rule” (p. 140). Cambodia’s path of neoliberalization has characteristics which may be unique to Cambodia’s experience, but which nonetheless represent one form in which neoliberalism might emerge. Ear Sophal (1997) reminds us that Cambodia’s structural adjustment occurred in its unique context of the “absence of effective regulation due to decades of war, revolution and foreign occupation” (p. 92). This allowed the process of neoliberalization to be captured by the ruling elite for its self-enrichment. As Simon Springer (2010) explains:

Indeed, what makes “actually existing” neoliberalism in Cambodia distinctly Cambodian is how local elites co-opted, transformed, and rearticulated neoliberal reforms. This has been done in such a way that it reinforces existing patron-client relations through a framework which “asset stripped” foreign resources brought in to support the building of the liberal peace, thus increasing the exposure of the average citizen to corruption, coercion, and violence (p. 4).
The elites who captured Cambodia’s process of neoliberalization hence have solidified their political power through a double movement: on one hand deploying their control over economic resources, including foreign aid, into strengthening their patron-client networks; and on the other, translating their control over patron-client relations into centralization and control over the state. While it may seem strange that the former leaders of the socialist People’s Republic of Kampuchea would be so enthusiastic to embrace neoliberal capitalism, Springer (2009b) reminds us that the leaders of the Cambodian People’s Party (CPP) recognized that neoliberal governmentality would allow them to “amass extraordinary wealth whereby their position of political power was guaranteed by their rising economic power as patron-client networks were reinforced” (p. 132). This has had a stabilizing effect on the polity, with the ruling CPP, led by Hun Sen, “winning all general elections,” including 2013’s controversial election. This in turn has created a stable environment for economic development to occur (Guimbert, 2010, p. 3). Guimbert (2010) connects this economic growth to the successful implementation of the Washington Consensus policy prescriptions in the early 1990s, and adds that Cambodia’s inclusion in “ASEAN in 1999 and the WTO in 2004” have helped to boost its export sector, which expanded from “less than a third of GDP in 1998 and almost two thirds in 2008” (p. 8).

Precarity

Springer (2009a) observes that “what is particularly problematic about Cambodia’s neoliberalisation has been its proclivity to promote inequality” (p. 313). The rise of a class of precarious industrial workers should not be seen as an unfortunate side effect of neoliberal development, but rather the expected result. Maurizio Lazzarato (2009) observes that under neoliberalism, competition becomes “the organizing principle of the market, specifically, competition between enterprises and between workers” (p. 116). The resulting insecurity is amplified across the state. Lazzarato reminds us of Deleuze and Guattari’s notion of the “micro-politics of insecurity,” in which “the administration of a major organized ‘molar security’ has as its correlate a micro-politics of little fears, a whole ‘molecular insecurity’ which is permanent, so much so that the formula of ‘home affairs’ ministries could be: a macro-politics of society for a micro-politics of insecurity” (p. 120). Precarity, as I have argued elsewhere, can be exemplified in the figure of the Cambodian garment worker (Lim, 2013, p. 135). With the expansion of the garment sector in the Cambodian economy, precarity has become normalized. This reflects the precarization of “current postfordist societies,” where “precarious living and working conditions are increasingly normalized at a structural level” (Lorey, 2011, §“Precarization as Governing Technique”). The garment manufacturing industry, which includes the manufacture of footwear, has grown to become Cambodia’s
“leading export sector... growing at an average of 28 percent per annum: exports went from almost zero in 1994 to US$2.8 billion in 2007” (Guimbert, 2010, p. 4). In 2012 garment exports amounted to $4.6 billion (Sun & Chun, 2013, para. 9). The sector continued its growth in the first half of 2013, earning “$1.558 billion, up 32 percent on the same period last year” (Lewis & Hul, 2013, para. 3). Estimates of the number of workers in Cambodia’s garment factories range from 400,000 to 600,000, most of whom are women (Sun & Chun, 2013, para. 9).

The success of the garment sector is conditional on Cambodia’s “low-cost structure” (Guimbert, 2010, p. 8). This includes the low cost of labor, which is reflected in the wages earned by garment workers being below the official minimum wage. According to Ken Loo, the head of the Garment Manufacturers Association in Cambodia (GMAC), “the harsh reality is that garment factories just cannot afford to pay their workers more because they’re under so much pressure themselves” (Vaswani, 2013, para. 22):

“You say our wages are low, but the productivity in Cambodia is low too ... Vietnam’s wages might be double that of Cambodia, but their productivity is about double. So cost per unit output is the same. If you compare against countries like Bangladesh - their wages are half, but their productivity is probably slightly lower but not a huge percent lower. So our unit cost per production is higher” (para. 23-24).

Indeed, garment workers stated in one report that they were earning “$74 (£48) a month,” which is “less than Cambodia’s official minimum wage of $80 a month. With overtime, the women can sometimes bring home $100 a month - still far less than what garment workers in other parts of Asia earn” (Vaswani, 2013, paras. 11-13). Garment workers did recently receive a raise of $14 per month, but this was “still well short of a living wage”; significantly, this wage increase did not deter garment manufacturers from establishing factories in Cambodia, as had been predicted by the Cambodian government and GMAC (Lewis & Hul, 2013, paras. 14-15). Indeed, since 2008 “overall monthly compensation for industrial workers has increased as much as 65 percent,” however this was “from such a low base that workers here remain among the poorest in Asia” (Bradsher, 2013, para. 17). Alluding to the April 2013 Rana Plaza garment factory collapse in Bangladesh, Srey Chanthy, interim president of the Cambodian Economic Association explains the sudden increase in the establishment of garment factories in Cambodia:

“I think it must be the Bangladesh issue, and also China—where labor costs are very high now... Many new factories have been coming in the last
six or seven months or so. They set up very quickly and start exporting” (Lewis & Hul, 2013, para. 10).

Recent building collapses at the Wing Star Shoes factory in Tream Tbal and the Top World Garment factory in Phnom Penh, both of which followed the disaster in Bangladesh, have highlighted concerns about worker safety in the garment sector (Fuller & Bradsher, 2013, para. 1; Worrell & Chhay, 2013, para. 1). Infamously, “heat, bad ventilation and poor nutrition” have led to a series of mass faintings of workers in garment factories (Sun & O’Keeffe, 2013, para. 8). The situation is not improving. The ILO’s Better Factories Cambodia program (2013b) notes that working conditions have been deteriorating in key areas including “fire safety, child labor, and worker safety and health” (p. 1). In particular, “non-compliance in areas related to the industry’s fainting problem and in worker health and safety issues remains significant” (ILO-Better Factories Cambodia, 2013a, para. 5). In 2013, garment workers “mounted 83 strikes from January to July, compared with 121 strikes logged in the whole of 2012,” reflecting their “discontentment with meager salaries, poor working conditions and lax enforcement of labor laws” (Sun & Chun, 2013, paras. 10-12).

Accumulation by Dispossession

Apart from the under-remunerated extraction of labor from Cambodia’s garment workers, accumulation by dispossession can be more directly observed in the forcible extraction of land (Davis, 2013, paras. 1-11). In Cambodia this can be observed in the violent evictions of slum dwellers from valuable urban properties, and in the plague of land grabbing in the countryside (Lim, 2013, pp. 38-39). David Harvey (2008) reads accumulation by dispossession as “the mirror-image of capital absorption through urban redevelopment, and is giving rise to numerous conflicts over the capture of valuable land from low-income populations that may have lived there for many years” (p. 34). Springer (2013) reminds us that the victims of violent evictions have “virtually no recourse, as their ‘ownership’ claims are not reflected in official documentation or legal entitlement but in traditional understandings relating to occupation, community consensus, and actual use,” and that violent evictions “always seen as legitimate within the logic of capital, which in contemporary practice, and via historical example, has trumped all other concerns both in Cambodia and on the larger world stage” (p. 610). Indeed, the transfer of land from the dispossessed to the powerful through the judicial organs of the Cambodian state “affords a monumental opportunity for enrichment through the circuits of patronage, as this system’s networks percolate through the judiciary, ensuring that legal processes are always interpreted in ways which benefit well-connected powerbrokers” (Springer, 2011, p. 2560).
The numbers of people who have been dispossessed of their land is large and growing. The human rights watchdog organization Licadho has tracked “654 disputes involving the land of about 85,000 families, or about 400,000 people, in 12 provinces” since 2003. In 2011, “11,000 families were newly affected by disputes with companies over land.” Adhoc, another human rights group, has tracked “150,000 families—or about 700,000 people—nationwide involved in disputes over land since 2000” (Vrieze & Kuch, 2012, p. 7). Observers warn that the sudden surge in government land concessions to mining and agro-industrial companies in 2011, which amounted to “3.9 million hectares of land, or more than 22 percent of Cambodia’s total surface area,” will “dramatically worsen land disputes—already Cambodia’s most pressing human rights issue—and exacerbate the destruction of the country’s shrinking forests” (Vrieze & Kuch, 2012, p. 6).

Government collusion with forced evictions can be observed in the sugar sector, which human rights monitors identify as being “among the worst sectors for land-related human rights abuses, marked by violent evictions, the use of the military against civilians, and attacks and arrests of community activists” (Pilorge, Yeng & Eang, 2013, para. 4):

In Koh Kong, for example, police destroyed villagers’ crops and houses by bulldozer, attacking villagers who resisted. Similarly, in Kampong Speu province, 2,000 hectares of farmland belonging to more than 1,000 families were bulldozed under the protection of armed soldiers (para. 5).

The Cambodian human rights groups Licadho and Equitable Cambodia have highlighted government involvement in human rights violations in concessions held by Thailand’s Mitr Phol Sugar Corporation, in which “local police, military and security forces, have resulted in the illegal confiscation of land from local people; the destruction of their homes; killing of livestock; arson; looting of crops; beatings, threats, intimidation and arrests of villagers” (Licadho & Equitable Cambodia, 2013, paras. 1-3). Springer (2009b) sees the participation of the policing organs of the state in land grabbing as manifesting “the contradictions of neoliberalism,” since instead of the withdrawal of the state from the market, “the engagement of the state is required to go beyond governmentality to the realm of violence in enforcing the market’s vaunted position” (p. 139). Likewise, as Peck (2004) notes, contrary to what some theories of neoliberalism predict, neoliberalization does not entail the “shrinking of the nation state,” for “‘privatized’ or ‘deregulated’ markets still have to be managed and policed (often by a new breed of neoliberal technocrats) and because, more fundamentally, ‘markets’ themselves are not, never have been and cannot be spontaneously occurring and naturally self-regulating” (p. 394).
Whither Cambodia?

As of this time of writing, Cambodia has concluded its 2013 General Election, and the National Election Committee has ratified the victory of the CPP over the opposition Cambodia National Rescue Party (CNRP) (Meyn & Khuon, 2013, paras. 1-2). Kheang Un (2013) observes that “these results are a serious setback for Hun Sen’s party: a loss of 22 seats — it used to hold 90 — and of a two-thirds majority, the threshold for amending the Constitution” (para. 2). The possibility of political instability is heightened by the CNRP’s threat to stage a series of mass protests against alleged electoral irregularities (Meyn & Khuon, 2013, para. 1). A coalition of local NGOs and election monitors have alleged that “the entire election process was neither free nor fair, as it was marred by the interference of government officials and evidence of more than 10,000 cases of voting irregularities” (Kuch, 2013, para. 1).

Initial fears of post-election violence manifesting as “mass looting” and “social disorder” have not been borne out, and for the time being Cambodia’s GDP appears to be on track to grow by 7.6% in 2013 (Hul, 2013, para. 1; “Cambodia says economy,” 2013, paras. 1-3). However, in the longer run, the political alignment of Cambodia’s disenchanted youth with the political opposition raises the prospect of future instability. Kheang Un (2013) notes that “approximately 50 percent of eligible voters are under 25, and many of them rallied behind the CNRP” (para. 4). These youth are increasingly disconnected from Prime Minister Hun Sen’s evocations of the CPP rescuing Cambodia from the Khmer Rouge period (Prak, 2013, para. 11). One reason for this is the limited education among Cambodia’s youth of the Democratic Kampuchea period, which has also contributed to the spread of anti-Vietnamese scapegoating and xenophobia which the CNRP has successfully capitalized on (Lim, 2013, pp. 109-110; Un, 2013, para. 9). More importantly, these youth feel that they are not beneficiaries of their country’s rapid economic growth. Observers note that “the best prospects for most high school graduates” is “work in a factory where repetitive tasks require low skills and the pay is roughly $70 to $90 a month” (Kaslow, 2013, § “In U.S. involvement, hope for good jobs”). Still, many of these youth are technologically savvy, utilizing “smart phones and the Internet... to sidestep the government’s strict control of television, radio and newspapers,” and disseminating their political messages in the Khmer language on Facebook and across the internet to reach non-English-speaking Cambodians (Prak, 2013, § “Social Justice”). As Leopard Capital’s Douglas Clayton warns:

“Time is on the opposition’s side. Cambodia’s voter base gets younger every year, as the population’s average age is just 22... The CPP has to
figure out how to connect with the postwar generation, or start planning their retirement” (Chun & Sun, 2013, para. 17).

Bibliography


Alvin Cheng-Hin Lim