

GROWTH OF THE NGO SECTOR IN CAMBODIA AS A  
RESPONSE TO THE NEOLIBERAL FORCES OF  
GLOBALIZATION

by

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NGOs are important agents of development throughout the world, and this is especially true in Cambodia. This study explores the growth of the NGO sector in the country by investigating the roles that globalization and the influence of neoliberal ideology played during the crucial period that was Cambodia's integration into the global marketplace following the end of Vietnamese occupation in 1989.

The creation of a space that would allow the NGO community to flourish began with the way the United Nations orchestrated Cambodia's reintroduction to the international community. This process was bolstered by the policy recommendations of the International Monetary Fund and by other international financial institutions. Into this context entered the Chinese business community, which has been supported by Chinese cultural institutions in Cambodian society. The influence of the Millennium Development Goals, like that of the previously mentioned entities, has also played an important role in helping to sustain the NGO community in Cambodia by encouraging continued NGO activity in the country and by preserving the neoliberal influence first introduced to Cambodia during the UNTAC period.

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# Chapter 1: Introduction

## Prologue

In discussions of Cambodia's modern history, one common topic of conversation, alongside that of the Khmer Rouge and Prime Minister Hun Sen's domination of the political scene, is the extensive presence of non-governmental organizations (NGOs) in the country. From its beginnings in the early 1990s, NGO activity in Cambodia has grown to play a major role in the country's day-to-day function. According to a 2011 census performed by the Cooperation Committee for Cambodia, no fewer than 3,492 local and international NGOs had registered with the government, leading Hun Sen to call the country a "heaven for NGOs" (Casy 2012, 19). These organizations address (or at the very least claim to address) a wide array of issues in Cambodian society, including HIV/AIDS treatment, children's education, laborers' rights, and others. The prominence of the NGO community in Cambodia has raised a number of questions about the benefits they provide to the country. NGOs have been criticized for ineffectiveness, for failure to properly incorporate local input into project procedures, and for being beholden to the interests of their (often foreign) chief donors. While these are all relevant issues that represent legitimate concerns for Cambodian society, there is a significant lack of discussion about the circumstances that helped to create this massive NGO presence in the first place. In order to understand the ways in which NGO work affects the country now it is important to determine what forces initially brought these organizations to Cambodia in such great numbers and why even today they remain so prominent in Cambodian society.

## **Research Objectives**

As with many issues Cambodia currently faces, the reliance (some might say overreliance) on NGO work is often traced back to the devastation wrought by the Khmer Rouge regime. Though the lasting effects of both the genocide and the dismantling of the country's infrastructure are undeniable and are sure to have played a part in the growth of NGOs in the country, it is overly simplistic to assume that it is the primary cause of this phenomenon. It is likewise misguided to assume that the presence of NGOs can be blamed on the 'traditionally problematic' Cambodian state. Though these factors have indisputably played a role in the process, this thesis argues they are not the chief instigators of the trend toward explosive growth in the NGO community.

The object of this research has been to examine the ways in which Cambodia's experience of globalization has created a space for the growth of the NGO sector. This thesis demonstrates that in the years following Cambodia's reintroduction to the international community after the end of the Khmer Rouge regime in 1979 and subsequent Vietnamese occupation (lasting until 1989), foreign involvement in the country has helped to facilitate the expansion of NGO operations and has served to increase state reliance on international organizations and other foreign resources. Especially important is the role that institutions guided by neoliberal ideology engaged in the globalization project have played in this process. The state dependency that this intervention has created in turn encourages further growth of the NGO sector, which leads again to increasing state reliance and thus forms a cyclical pattern of dependency. This investigation furthermore serves to contradict claims (such as those made by the

Academy for Educational Development's website [HumanTrafficking.org](http://HumanTrafficking.org) and by the Cambodian League for the Promotion and Defense of Human Rights) that the growth of NGO activity in Cambodia and the nation's dependence on foreign intervention resulted from the Khmer Rouge regime's thorough deconstruction of the country's core institutions ("Cambodia"; "About Cambodia"). Rather, this thesis argues that the devastation wrought by the Khmer Rouge created a sort of blank slate upon which the country's relationship to members of the international community could have been formed in any number of ways. By contrasting the argument of this research with a more Khmer Rouge-centric theory this thesis highlights the ways in which other players served a more influential role in the country's experience of globalization.

The reasons for investigating the phenomenon of the NGO sector's rapid expansion are numerous. One of the most significant of these is to better understand the impact that neoliberal policies can have on state development. The world's foremost development institutions—including the United Nations (UN), the World Bank, and the International Monetary Fund (IMF), among others—wield enormous power and thus the principles underlying their worldviews require strict scrutiny. Based on past actions it is clear that they are in many ways guided by a neoliberal approach to the economics of development, and so it becomes crucial to analyze the effects that the resulting policies may have on the countries to which they are applied. In the case of Cambodia neoliberal ideology contributed to the creation of a massive NGO community and it is not unreasonable to suspect that this has happened elsewhere and may yet happen again in the future.

Another reason for engaging in this topic of research is to explore further the problem of Cambodian state reliance on foreign aid. As discussed by Sophal Ear (2013) and alluded to in interviews with NGO employees, the work done by these organizations can at times increase reliance, by the government and by everyday citizens, on the flow of foreign aid. Thus it is important to determine what factors helped facilitate the influx of NGO work and allowed for this dependent relationship to first develop. As is shown in this research, for Cambodia the process began with the introduction of neoliberal theory to what was at the time a fledgling state, which helped to foster a divide between the state and its citizens. It was because of this division that NGOs have found such ample space for their operations and so the sector was allowed to grow rapidly in order to fulfill the unmet needs of many of Cambodia's citizens, inciting a dependency that continues into today.

Although this research draws inspiration from the work of Sophal Ear, especially his book *Aid Dependence in Cambodia: How Foreign Assistance Undermines Democracy*, it does not fail to contribute new arguments and findings to the field. This research takes the conclusions reached by Ear as a jumping off point, and extends them by asking how globalization has contributed to the Cambodian state's reliance on foreign intervention. This thesis connects Ear's arguments to global forces and institutions and other international entities in hitherto unseen ways. While Ear's research has been influential, it is by no means the end-all be-all of discussion regarding NGOs, Cambodia, and foreign aid. This research demonstrates that in order to better understand the current concerns of reliance on foreign resources it is vital to determine what circumstances helped to create this situation in the first place.



## **Methodology**

This thesis begins by defining key terms and concepts used in the presentation of its central argument. It continues with a concise summary of Sophal Ear's findings from his book (for the purpose of contextualizing the research in this paper), followed by a brief description of Cambodia's history as relevant to research. The argument itself first proceeds with an analysis of the ways in which Cambodia's reintroduction to the global economy was influenced by neoliberalism through the policies of international institutions like the UN and the IMF, conducted via a synthesis of previous studies and official documents. The argument continues by demonstrating how the forces of globalization continue to sustain an environment for the NGO sector by investigating the role that China has come to play in the country. This is done through examination of the relationship between Chinese investment and NGO activity and by analyzing the contents of the Khmer Chinese Association in the Kingdom of Cambodia's 20<sup>th</sup> anniversary celebratory anthology, translated from Mandarin Chinese to English by this researcher. As the argument progresses it presents evidence indicating that the UN's Millennium Development Goals (MDGs) have in some ways reinforced the neoliberal influences present in the country since the transition period of the early 1990s. Finally this thesis presents interviews demonstrating that in some cases the work that NGOs themselves engage in helps to perpetuate the need for their own existence.

The interviews were composed of a series of 11 questions regarding the involvement of local partners in Cambodian NGO work. Interviews were solicited via requests sent to contact emails provided on the official websites of both local and international NGOs. The only personal information recorded in the interviews was a

single question asking participants to identify themselves by nationality, with this information being used to analyze responses to subsequent questions in the proper context. The names of respondents and the employing NGOs have been removed from the results, while respondent nationality and the general concentrations of the affiliated NGOs remain. Owing both to the low number of respondents and to changes in the direction of research these interviews have not been utilized to make sweeping assumptions about the NGO industry in Cambodia, but rather to provide insight into the operations of specific NGOs as reported by those who work in the field.

## **Context and Background**

### *Key Terminology*

Discussion of the development of Cambodia's NGO sector requires outlining a number of key terms and concepts, the first of which is NGO itself. NGOs, as evidenced by the phrase 'non-governmental', are non-profit organizations that, in theory, operate as entities independent of government intervention (although in Cambodia's case government interference is not uncommon). NGO activities address a wide array of fields and their presence is felt worldwide. In Cambodia the chief contributions of NGO efforts go toward rural development, with 22 percent of the sector working in the field, followed by operations in education and training, health and social development (Ear 2013, "Costs of Aid Dependence in Cambodia"). Additionally, NGOs engage in "capacity building and institutional development; sharing information among NGOs, government and donors; sectoral analysis; policy advocacy; and monitoring and evaluation of large-scale development activities" (ibid.). Given the large number of

NGOs at work in Cambodia, it comes as little surprise that they are involved in work in nearly all realms of society.

An important, but difficult, distinction to make when discussing NGOs is that of local versus international NGOs (INGOs). Ostensibly the key difference between the two comes down to an organization's relationship to the region in which it operates, with local NGOs being those that work in their home countries and INGOs working in countries outside their base of operations. However, the distinction between the two becomes difficult to determine when leadership of these organizations is an amalgamation of the local and the international. In Cambodia the legal difference between local NGOs, which register through the Ministry of Interior, and INGOs, which are required to file a Memorandum of Understanding (MoU) through the Ministry of Foreign Affairs, significantly hinders the operations of INGOs through additional requirements including obtaining the aforementioned MoU and ensuring that it is periodically renewed. Consequently NGOs are sometimes officially registered as local organizations with local leadership, while in practice they are headed by foreigners.

It is also important to elaborate on the concept of globalization as it appears in this research. Generally globalization is described as the expansion of influences, economic, political, cultural, or otherwise, to the international scale and the effects that this process can have on the cultures that it touches. Crucial to this paper is the notion that globalization can be thought of as what Philip McMichael calls the "globalization project." By referring to globalization as a project McMichael counteracts the naturalization of the phenomenon and reintroduces the notion that globalization has

been carried out in a deliberate manner by international entities, such as states and multinational corporations, that promote a certain kind of globalization in order to further their own agendas. Use of the term 'globalization project' recognizes the deliberate influence of actors over the course of globalization and precludes the possibility of looking at the historic development of global networks as a natural and inevitable process. In this paper globalization will be examined through the lens of McMichael's globalization project.

The final concept that requires introduction is neoliberalism. Neoliberalism refers to an economic ideology that believes in the free market's ability to efficiently and effectively distribute resources among the population ("Neo-Liberal Ideas"). With respect to development and globalization, when Margaret Thatcher and Ronald Reagan took office, in 1979 and 1980 respectively, neoliberal economic theory became the dominant guiding influence over global development policies (Palley 2005). This dominance was spurred later on by the 1989 Washington Consensus, a set of 10 neoliberal economic policies prescribed by economist John Williamson that both the US government and many global financial institutions took to be the strategy that all countries should employ to encourage economic growth ("Washington Consensus"). Neoliberal theory promotes privatization, free trade, export-led growth, the deregulation of labor markets, financial capital mobility, and policies of macroeconomic growth (ibid.). In the so-called developing world, policies guided by these principles deemphasized government's role in society under the claim that the unhindered free market would successfully address a population's development needs. Even in the current post-Washington Consensus era, neoliberal economic theory sees the state as a

tool to help promote the growth of the free market by integrating existing markets into the global economy, by deregulating labor, and by encouraging increased privatization (Birdsall and Fukuyama 2011). Policies guided by neoliberalism have been massively influential in shaping the dominant development paradigms of the past and continue to affect thinking about development, globalization, and the world economy. It would be impossible to properly address the growth of NGOs in Cambodia without understanding the ideological context in which this growth has taken place.

### *Literature Review*

Sophal Ear's research into the phenomenon of Cambodia's reliance on foreign aid often points to the NGO sector as a major player in creating this relationship of dependency. One facet of his argument relates to NGO work's tendency to cause a kind of 'Dutch disease' in the country. The term Dutch disease is a reference to the deindustrialization of the Dutch economy in the 1960s after an inflow of foreign exchange (Ear 2013, "Costs of Aid Dependence in Cambodia"). In Cambodia's case, as noted by Ear, the force of aid in the country, particularly aid channeled through NGO work, alters the economy by pulling a large number of educated persons toward work in the NGO sector. As employment in the aid sector draws in educated Cambodians, relatively low civil servant salaries of around \$.45 per day per person (at the time of Ear's writing in 2012) push them away from government work. As Ear discovered in a 2008 interview with the vice president of Cambodia's top private university, the general feeling toward state work is as follows, "If you look at government salary, unless you plan to be corrupted, you have no future in that" (ibid.). Ear argues that in siphoning

away educated talent from the government, the NGO sector encourages continual state reliance on international aid.

Another facet of his argument is aid fungibility, with fungibility being “the possibility for aid recipient countries to reduce investments of their own resources in the sector that receives aid and transfer them to other sectors of the budget,” potentially moving these funds to areas like defense and security (ibid.). With the massive NGO presence in Cambodia it becomes possible for the government to cut back on spending in important sectors of society, such as health care or education, simply because the need for these services is already fulfilled. Furthermore, Ear contends that the services rendered by NGOs reduce the need for taxation by lessening the government’s need for funding derived from the citizenry. This creates a situation wherein the relationship between the state and its citizens is warped such that there is little obligation for the state to provide for the needs of everyday people. This in turn creates a continual need for NGO work and other forms of foreign aid to attend to these unfulfilled needs and thus the cycle repeats itself. By elaborating on the effects of the high amount of foreign aid that enters Cambodia, Ear demonstrates the problems that the NGO sector can create in terms of increasing state reliance on these resources.

### *Historical Overview*

Before addressing the circumstances and influences that have helped create the rapid growth of NGOs in Cambodia it is important to briefly discuss the country’s history leading up to its integration into the global marketplace. This succinct history lesson also provides opportunity to describe the aforementioned ‘traditionally

problematic' Cambodian state, which helps to explain the foundations of claims by other sources that NGO growth is based on a legacy of poor governance.

In its pre-colonial form, the region now known as Cambodia was the center of the vast Khmer empire. Even today, Khmer is the name given to the largest ethnic group in Cambodia and to the country's official language. According to David Ayres (2000), some of the most significant features of pre-colonial Khmer society were the importance of patron-client relationships to the country's power dynamics and the lack of mutual obligation between those at the top of the social hierarchy and those on the bottom (11-12). In other words, those with power felt no sense of duty to those below them. It can and has been argued that these facets of traditional Khmer society still hold sway today, with patron-client relationships playing a significant role in interpersonal interaction and with the Cambodian state's seeming lack of obligation to its citizens.

France's colonization of Cambodia began with a treaty between the French and King Norodom in 1863, an agreement that was reached in part to prevent further annexation of the country by the Thais and Vietnamese (18). The period of colonial rule was largely characterized by the so-called *mission civilisatrice*, a policy that encouraged "the elimination of parochial cultures and the creation of men who are peers and culturally undifferentiated" (19). This mission, however, applied only to the elite and so for the members of the Cambodian peasantry, efforts at education "were never pursued with any vigor, and resulted only in undermining a system of semiformal instruction perceived by its users to be both successful and relevant" (30). The neglect of the peasantry under the French colonial system was not the last time that foreign intervention in the country would ignore the interests of the underprivileged.

Cambodia's life as a sovereign state began in 1953 when Cambodian nationalists finally achieved the independence for which they had been grappling with the French. After Cambodia's transition to independent statehood, the monarch Prince Sihanouk made education a priority in the hopes that it would lead to rapid economic growth and modernization (32). Though Sihanouk led the country through a Buddhist socialist ideology, his prioritization of economic growth and modernization through education still demonstrated the influence of Western concepts of development.

In large part Cambodia's more recent history can be examined beginning with the Khmer Rouge regime's takeover of the country lasting from 1975 until 1979. The reason for this is the thoroughness with which the Khmer Rouge upset the country, even going so far as to rename it the Democratic Republic of Kampuchea and to declare the start of Khmer Rouge rule as the new Year Zero (*Year Zero*). The existing banking, education, and bureaucratic systems were nearly completely dismantled and the country's people were reorganized into a labor force that was set to work enacting the Khmer Rouge plans for an economy focused on agricultural production. This strategy is exemplified by a statement from Deputy Premier Ieng Sary, who declared that the Regime was "pursuing radical transformation of the country, with agriculture as the base. With revenues from agriculture we are building industry which is to serve the development of agriculture" (Ross 1987). To achieve this goal the Khmer Rouge forcibly moved the majority of the country's population out of the cities and onto farmland where they were tasked with increasing Cambodia's rice production.

Because the Khmer Rouge essentially reset the economy in Cambodia and did away with much of the infrastructure, the post-Khmer Rouge period is a crucial point of



focus in assessing how state development created a reliance on NGOs. When the Vietnamese army forced the Khmer Rouge and its leaders into hiding, it was reported, “There were no institutions of any kind—no bureaucracy, no army or police, no schools or hospitals, no state or private commercial networks, no religious hierarchy, no legal system” (Blunt and Turner 2005, 76). This began a 10-year period of Vietnamese occupation during which time the rebuilding of the country was conducted along socialist lines and the government became a centralized and autocratic, though not particularly powerful, entity. By the time the Vietnamese occupation ended in 1989 Cambodia had stabilized, but little progress had been made in terms of rebuilding the state.

With the exodus of the occupying Vietnamese forces came the entrance of major international institutions, namely the UN, in the form of the United Nations Transitional Authority in Cambodia (UNTAC). The goal of the UNTAC mission, according to the UN itself, “was to establish a system of laws, procedures and administrative measures necessary for the holding of a free and fair election in Cambodia” (“United Nations Transitional Authority”). However, UNTAC’s methodology and impacts on Cambodia have been criticized for a number of reasons, including claims that UNTAC workers helped encourage the spread of AIDS in the country through relations with prostitutes (Ear 2013, “Costs of Aid Dependence in Cambodia”). Beyond its effects on disease prevalence, though, this research shows that UNTAC had a lasting impact on the Cambodian economy and on its reintroduction to global networks of trade. In attempting to help the Cambodian state prepare for democratic elections and in facilitating its transition to a market economy UNTAC unwittingly exasperated the

government's dependence on foreign aid and other foreign spending, helped prevent a necessary reconstruction of infrastructure, and encouraged liberalization and privatization in the Cambodian economy. Many of these effects have lasted until today and have in part created the Cambodian state's reliance on foreign aid and the contributions of civil society.

## **Chapter 2: Roots of the Issue**

### **UNTAC and Cambodia**

UNTAC's presence in Cambodia does seem to have created some level of economic growth; the country's GDP growth jumped from 1.2% to 7.6% from 1990 to 1991 as noted in the 1993 report "Rebuilding Cambodia's Economy: UNTAC and Beyond" (Irvin 1993, 9). However much of this growth occurred in the urban services sectors and was spurred on by the buildup and continued presence of the UNTAC operation (ibid.). It therefore represented only a temporary boost to the economy. As Irvin reports, "The presence of nearly 20,000 UN troops has undoubtedly boosted the earnings of many Cambodians too, but much of that injections leaks directly and indirectly into imports" (ibid.). Additionally, the UN, alongside private direct investment, became the country's primary source of foreign exchange, replacing the Soviet economic organization the Council for Mutual Economic Assistance (CMEA) (10). The importance of UN aid and the presence of UNTAC in Cambodia during its transition to a market economy helped to create a continual reliance on foreign capital that persists today.

Though it was clear that Cambodia's infrastructure had been thoroughly devastated during the reign of the Khmer Rouge regime and ostensibly reconstruction would have been a clear target for a the establishment of an effective state, UNTAC's actions in Cambodia did not facilitate this process. Instead, while UNTAC was present the IMF came to an inflation stabilization agreement with the government in 1992, an agreement that helped to undermine reconstruction of much-needed infrastructure.

According to Irvin's report on UNTAC, "Capital spending on infrastructure ceased, maintenance expenditure was cut to the bone and payments to SOEs for services were deferred" (11). This led to problems of excess sewage, polluted water, and powerless hospitals in rural areas and declining access to health and education in rural regions (ibid.). Though the IMF's goals of decelerating high rates of inflation were reached, the consequences to Cambodia's already frail infrastructure were massive. By prioritizing stability in currency, a seemingly well-intentioned goal intended to encourage long-term economic efficiency and reliability, the IMF severely impact reconstruction efforts.

Irvin's report comments on this, saying,

A rapid unreflective transition to the market economy has driven a relatively weak state into fiscal crisis...and weakened the country's social and economic infrastructure, particularly in the rural areas. In this sense Cambodia's poor, punished by years of isolation, are now being asked to pay the further costs of re-integration into the international mainstream (22-23).

This failure to help the Cambodian state properly rebuild its infrastructure at a crucial point in the country's recent history created a huge need, and it was the burgeoning NGO community that would rise up to fill in the gaps.

A key event during the period of UNTAC occupation was Cambodia's transition to a market economy. The project consisted of three target transformations: shifts in the agricultural sector, pricing policy, and the decentralization and privatization of the SOEs. The first and third changes especially affected the conditions of the country's underprivileged and helped to expose the state to vulnerabilities from which it has yet to recover.

As suggested by the unfavorable movement of agricultural prices relative to services and overall GDP, and corroborated by evidence of deteriorating educational,

health, and other social services in rural regions, the positions of agricultural producers saw a constant decline between 1987 and 1993. This decline has been attributed to a combination of changes to Cambodian agriculture, including the distribution of private land titles, the abolishment of mandatory deliveries of rice to the state, the liberalization of foreign trade in many agricultural commodities, and the lifting of restrictions on the interprovincial movement of products (Irvin, 12). These changes demonstrate a crucial aspect of Cambodia's economic transformation under UNTAC, the adherence to a post-Washington Consensus neoliberal ideology that encouraged privatization, liberalization, and unrestricted exposure to the global marketplace. Though the proponents of neoliberal theory claim that taking steps to open markets to foreign trade and engaging in deregulation will lead to universal improvements in lifestyles, the evidence on the ground in Cambodia would beg to differ. As Irvin declares in a summary of the agricultural changes that Cambodia underwent in the early 1990s, "the data-series suggests that service workers (largely private trade plus government employees) have gained at the expense of peasants and industrial workers" (13). The concerns that the liberalizing of Cambodian agriculture created for the peasants and industrial workers alike, and the state's inability in many ways to address these concerns, allows for and encourages the continued involvement of NGOs working toward the improvement of life for Cambodia's poor.

With respect to the economic transformations effects on the SOE sector, these enterprises were allowed to operate autonomously under a system that set eventual privatization as the goal. Under this framework budgetary subsidies for operating costs and capital expenditure were terminated and prices were freed (13). The result was that

SOEs' shares in industrial and services value added fell while capital investment in the sector was essentially absent. It was clear by 1993 that in these circumstances privatization had "made little headway as a revenue-spinner" (14). The drop in SOE activity created budgetary problems for the state. Between 1989 and 1992 while budgetary expenditure stayed around 8.5 percent of GDP budgetary revenue declined from 7.7 percent of GDP to just over 4 percent, largely as a result of receding contributions from SOEs (14). The widening of the fiscal gap was in no small part responsible for the problems UNTAC created for Cambodia's already weakened infrastructure. As the report on UNTAC's effect on the economy summarizes it,

In a word, the main economic consequences of the peace accords has been to divert foreign exchange from the public to the private sector and from capital to consumption expenditure...in a consequence, the problem of rehabilitating Cambodia's basic infrastructure is more acute in 1993 than it was in the late 1980s (11-12).

The consequences for state development are not difficult to grasp, with the failure to reconstruct a frail infrastructure and increases in the fiscal gap it requires no great stretch of the imagination to see that the privatization of the economy that took place under UNTAC helped set the stage for a rise in NGOs and other civil society organizations in the country.

### **Under the Influence of the IMF**

Following the 1993 elections and the departure of UNTAC, the state in Cambodia finally regained sovereignty. Its development in subsequent years, especially regarding economic developments and involvement in global trade, can be traced through examination of IMF reports on the country beginning with the first published report in 1998. From this document, published in June of 1998 and entitled "Cambodia:

Recent Economic Developments,” it is possible to observe how dominant development theories—those theories pushed by organizations like the IMF and the World Trade Organization (WTO) that encouraged GDP growth as a the main target of development and argued for liberalization through thorough integration into the global market and steps toward deregulation—continued to affect the country’s involvement in international trade and perpetuated a reliance on NGO activity and foreign aid.

Unsurprisingly, the 1998 IMF report highlights Cambodia’s integration into the global economy as a positive in terms of development. In an overview of the country’s external sector the report notes that the Cambodian economy, under a framework of liberalized exchange, foreign investment, and trade regimes, had been opened to international trade and financial relations (Quintyn and de Zamaróczy 1998, 15). The report comments that this policy of outward orientation had “served the country well and attracted foreign direct investment as well as foreign concessional financial assistance” (ibid.). These comments demonstrate clearly the IMF’s belief in opening up Cambodia’s markets to the international community. However, in an assessment analyzing the effects of the Asian Financial Crisis published in September the following year, the IMF remarked that both Cambodia and the Lao PDR were protected from the “sharp credit crunches and rapid flight of portfolio investment” that were seen in other countries in the region due to the fact that they were “not well integrated into global financial markets and received virtually no volatile, shorter-term capital inflows” (Okonjo-Iweala et. al 1999). While the 1998 report claims that liberalizing markets and orienting the Cambodian economy outward would serve the country well, the report on the Asian Financial Crisis notes that a relative lack of integration was a key factor in

insulating Cambodia from the effects of the crisis as felt by many of its neighbors. Barely a year later in October 2000, the government of Cambodia prepared an *Interim Poverty Reduction Strategy Paper* (IPRSP) for the IMF that explicitly targeted integration into the global marketplace as a vital aspect of poverty reduction, saying “Growth is the most powerful weapon in the fight for higher living standards. Faster growth will require policies that encourage macroeconomic stability, shift resources to more efficient sectors, and integrate with the global economy” (2). The government’s stance on poverty reduction, indicative of its overall approach to development, demonstrates its confirmation of the 1998 IMF report’s evaluation and its adoption of a neoliberal approach to international trade.

The promotion of a globally integrated Cambodian economy by both international institutions like the IMF and by the Cambodian government itself has had serious implications for the country’s poor, particularly those in its rural areas. The IMF has continually espoused a trend of growth in the Cambodian economy, as evidenced by the introduction of a 2013 report which states, “Economic activity remains strong driven by robust exports, with garment exports helped by preferential access to European Union (EU), and tourism with more diversified destinations” (*Cambodia Article IV Consultation 2013*, 3). Yet this expansion of wealth has not reached many within the country. Alongside a documented growth in GDP, rising inequality has also been observed. In an article on human rights and industrial relations in Cambodia, authors Daniel Adler and Michael Woolcock (2009) note that GDP improvements have chiefly favored the wealthy in Cambodia, leading to greater inequality. They also state that much of the growth in the country has been driven by industries like tourism and



garment manufacturing that are centered in urban areas, while the majority of the population—especially the poor—lives in rural regions (167). Regarding NGO involvement in the issue, a majority of organizations have been focused on serving the needs of the country's poor. Some 70 percent of NGOs in Cambodia concentrate on development and service delivery, and therefore they tend to focus on rural areas and the poor (Sivhuoch and Sedara 2013, 8). The rise of inequality, which is tied to increased GDP (itself a result of integration into the international marketplace through the garment and tourism industries), has become a focus of NGO work, has fostered the sector's growth, and has allowed for the government's reliance on these organizations to provide necessary services to the poor.

The IMF's proposed solution to the problem of growing inequality has been to encourage improvements in human capital. The 2013 report claims that enhancement of education outcomes will help the country to move up value-added chains and will make growth more inclusive (*Cambodia Article IV Consultation 2013*, 15). Yet the prominence of NGO activity in the country, which is linked to policies and actions encouraged by the IMF, is responsible for a pattern of drawing human capital away from the state. As discussed earlier, the aid sector in the country has acted as a sort of brain drain, enticing many of Cambodia's most talented away from the bureaucracy (Ear 2013, "Costs of Aid Dependence in Cambodia"). Consequently, the state becomes weaker, and therefore more reliant on the NGO community. Furthermore, Ear states that in working for donors, these examples of Cambodia's best and brightest "will naturally be donor driven, and although the goal of aid may be development, with bilateral aid it is more often than not the donor country's foreign policy and national interest that take

precedence” (ibid.). As demonstrated by this statement, bilateral aid—often given through NGOs as official development assistance (ODA)—helps to preserve government dependency. Thus the state’s reliance on NGOs not only leads to a loss of human capital, but also increases the likelihood that many of its most promising citizens may end up working to further the goals of foreign nations.

### **The Garment Industry in Relation to Global Commodity Chains**

A recurring topic of conversation in a number of the IMF reports, including those from 1998 and 2013, is Cambodia’s participation in the garment industry. A hallmark of its transition to a liberalized market economy and its involvement in international trade, the Cambodian garment production sector is often credited with much of the economic growth that the country has experienced since the early 1990s. The 1998 IMF report notes that in Cambodia in 1997 “garment output, most of which was for exports, continued to grow rapidly [due to] relatively low labor costs [and] the availability of unfulfilled quotas of exports to the European Union” (6). Years later in the 2013 report the IMF noted that because of relatively low wages in world markets Cambodia has a comparatively strong advantage in ready-to-wear garments (16). In addition to its impact on the country’s economic growth, the garment industry has been significant in that it has thoroughly involved Cambodia in global commodity chains. This process has been especially meaningful because many of the players involved in the garment industry are Chinese corporations, and thus the industry has also been a component of the growing Chinese influence in the country, a topic that will be discussed in detail further on. Adler and Woolcock’s (2009) research on labor rights remarks that “In Cambodia (as elsewhere), international markets exist in a tension with

local regulatory and other factors, all of which offer the prospect of what Karl Polanyi described as the reembedding of labor market relations into a range of social, cultural, and regulatory structures” (164). This reembedding process has involved a number of players, including both the state and NGOs.

The current importance of the garment industry to Cambodia’s economy and its involvement in global trade places the country at a crossroads of opposing goals pushed by different local and international institutions. The 2013 IMF report notes that Cambodia’s competitive advantage in the garment industry is due mainly to the low wages of workers (16). Yet, according to a 2014 report by the NGO Cambodian Center for Human Rights, even after a recent minimum wage increase from \$75 to \$100 per month garment workers’ wages remain insufficient to cover basic expenses (“*Workers’ Rights Are Human Rights*” 2014, 1-2). This conflict between preserving a competitive pricing advantage while also responding to demands by NGOs and institutions like the International Labor Organization (ILO) for workers’ rights highlights the contradictions that have emerged from Cambodian involvement in international trade and global commodity chains. While institutions like the IMF emphasize the importance of the garment industry others criticize the very factors that give Cambodia an edge in the global marketplace. The discrepancy in the message being conveyed to the Cambodian state makes it less likely to accede to demands for workers’ rights, which in turn perpetuates the need for NGOs to advocate for these rights.

## **Chapter 3: The Continuing Impact of Globalism: Chinese Influence in Cambodia**

### **The Costs of Chinese Business**

Amongst the foreign influences at work in Cambodia, China ranks within the top contributors especially in terms of sheer dollar amount. China is Cambodia's largest foreign investor, having spent a grand total of US\$9.17 billion between 1994 and 2012, is a primary source of donor aid, acts as a key trading partner, and, as mentioned earlier, is a major player in the Cambodian garment industry (Pheakday 2013). This extensive economic investment in Cambodia is significant in that, as a consequence of globalization, China's involvement in Cambodia has been a major contributor to the expansion of NGO activity. The opening of the Cambodian economy as orchestrated by international institutions during the country's transition to sovereignty has allowed for extensive Chinese economic activity in the country, including participation in the problematic Cambodian garment industry, which has in turn helped contribute to the explosion of NGO operations.

One way in which Chinese involvement in Cambodia has generated this influx of NGO work is through the controversial nature of Chinese investment projects. Numerous NGOs have lodged complaints against Chinese dam construction jobs in Cambodia. In April 2004, the newspaper *The Cambodia Daily* published an article describing local Cambodian NGO Fisheries Action Coalition Team's opposition to Chinese dam construction in the Mekong River, a major Cambodian waterway (Chandara and Leung 2004). Mak Sothirith, director of the NGO, accused the

government of prioritizing Chinese interests over local ones, saying, “The government thinks much more of making international relations with China than pressing environmental concerns” (ibid.). In response to these claims Prince Norodom Sirivudh, who doubles as secretary-general of the political party Funcinpec, stated, “China is a big friend of Cambodia and also ensures stability in the region, Chinese aid is not for any individual, but for the whole of Cambodia to develop the country” (ibid.). In pursuing projects that upset local communities and generate environmental concerns, Chinese investors create the need for some other party to argue on behalf of the neglected, and thus they encourage increased NGO activity.

The actions of Chinese businesses also often encourage the phenomenon of NGO growth. In February 2015 a group of local NGOs condemned a Chinese company’s “serious human rights abuses” because of accusations that since 2010 it had illegally evicted over a thousand families from a 45,000 hectare tract in Koh Kong province (Peter and Reaksmey 2015). These NGOs felt the need to combat the actions of the Chinese company, which plans to construct a \$3.8-billion tourist complex, because the rights of local communities were being continuously violated. The NGOs allege that the company’s actions breach a 2014 letter from the Cambodian Council of Ministers that orders the company to cease razing the homes of families that refused offers of compensations. The seeming violation of human rights by the Chinese corporation and the government’s silence on the issue demonstrates how Chinese investments sometimes create a call to action, one to which NGOs often respond.

Furthermore, the immense influence of Chinese aid over the Cambodian government produces a disconnect between the government, which seeks to promote

Chinese interests, and the citizens, who often rely on NGOs to advocate for their own desires. This Chinese influence on the fractured state-citizen relationship also makes space for NGOs and other civil society organizations that fight for democratization in Cambodia. As money from China continues to pour into Cambodia through aid and investments it facilitates the continued need for NGO work in the country and may even encourage further growth of the NGO sector.

### **Cultural Impacts**

An undeniable aspect of globalization and its effect on Cambodia is the way this process has altered the Chinese community in the country. Historically, a significant Chinese population has lived in Cambodia for the past 800 years (Fillipi 2015). These Chinese in Cambodia have often been considered economically active and are generally regarded as particularly adept in the realm of commerce. As put by an article in the *Phnom Penh Post*, “In spite of their small number in Cambodia, the Chinese are very much present in all the sectors of the economy” (ibid.). Regarding the effects of globalization on the Chinese community, China’s expanding influence has resulted in the population of Chinese in Cambodia, as well as other Chinese communities abroad, becoming more integrated into the culture and economy of the growing world superpower. The influence of Chinese aid and investment in Cambodia has helped to insulate the Cambodian Chinese community from Cambodian culture while conversely expanding Chinese influence into the greater Cambodian community.

Nowhere is this trend toward establishing a separate Chinese sphere more evident than in the Khmer-Chinese Association in the Kingdom of Cambodia’s (KCAKC) own summary of its history as detailed from its foundation in 1990 to its 20<sup>th</sup>

anniversary in 2010. The KCAKC's celebratory anthology collects letters written by numerous high-ranking Cambodian government officials, chronicles of the association's achievements over the years, and descriptions of various regional Khmer-Chinese associations branches affiliated with the KCAKC. Examination of these documents demonstrates how the cultural influence of China affects the Khmer-Chinese community and the Cambodian community at large.

The Khmer-Chinese Association in the Kingdom of Cambodia describes itself as the "highest leadership organization of Khmer-Chinese persons," seemingly positioning itself as the ultimate authority in the lives of the Khmer-Chinese population (*The 20<sup>th</sup> Anniversary*, 7). The association, as evidenced by its title, works to promote the interests of the Khmer-Chinese community within Cambodia. In theory the association might seek to integrate both parts of the Khmer-Chinese identity into a wholly unique community that draws support and influence from both Chinese and Cambodian culture. In practice, however, the KCAKC seems intended to distinguish the Chinese from the Khmer and to promote the preservation and expansion of Chinese culture in Cambodia. This mission isolates the Chinese community from the Cambodian society in which it is situated and thereby diminishes the contribution of Khmer-Chinese to the greater Cambodian community. Furthermore, investment, both in terms of finances and manpower, that might be directed toward the local Cambodian community is often diverted to projects that prioritize Chinese interests. Analysis of the KCAKC through the celebration of its 20-year history reveals the ways in which it has acted as a force of globalization and has helped to sustain an environment that perpetuates NGO activity in Cambodian society and even encourages further growth of the sector.

In the KCAKC anthology's introductory message the association asserts its position as a central player in the lives of Khmer-Chinese, calling itself "the leading nucleus of Chinese in Cambodian society" (6). This message outlines the association's understanding of its own position in Cambodian society and reveals its perspective on the role of the Khmer-Chinese community. In it the association lays out its key guiding principles: unity, organization (of the Khmer-Chinese community), leadership of the Khmer-Chinese people and community groups, commitment to the stability and prosperity of the homeland, commitment to the economic and cultural exchange between China and Cambodia, commitment to the passing forward of fine Chinese traditions, development of the Chinese educational system, and commitment to the global Chinese community. As demonstrated by these goals the association is principally guided by a devotion to its Chinese heritage and is intent on preserving the Chinese identity in Cambodia.

As the introductory message continues, the KCAKC declares its intent to zealously promote Chinese culture. The association claims to be operating on a large scale with many students and wide distribution of influence, making it the number one such organization in Southeast Asia. Furthermore, the KCAKC claims to have expanded Chinese culture in Cambodia while simultaneously contributing to the building of Cambodia's economy by facilitating the transport of large numbers of talented (presumably Chinese) persons to the country.

Further on, the message addresses the association's relationship to the Cambodian government, saying that it supports certain principles and policies of the government of the Kingdom of Cambodia. It claims that these policies help to restore



the country's harmony, to realize the reconciliation of minority groups (though it doesn't specify to what they are being reconciled), to reconstruct the country's economy, and to open the country further to the outside world. This last point is key in that it highlights the association's contribution to exposing Cambodia to the forces of globalization. In viewing the opening up of the country as a key part of encouraging economic growth and domestic harmony the KCAKC, whether intentionally or not, expresses a form of support for the neoliberal ideology that has helped to create and sustain a significant NGO presence in the country. Additionally, its praise of the government in implementing these policies reveals a commitment to seeing Chinese influence increase in the country through greater exposure to the world at large.

The subject of Chinese schooling is a core focus of the KCAKC, and a major factor affecting Cambodian society. The association repeatedly declares its dedication to the cause of supporting the existing Chinese schools in Cambodia as well as to expanding the system further. The benefits of Chinese education and culture are extolled in the anthology's abbreviated biography of association President Lord Yang Qiqiu (会长杨启秋勋爵). In this brief excerpt it is written that Chinese culture and a fine traditional education instilled in Yang Qiqiu an appreciation for the beauty of upholding the five Confucian virtues (humaneness, righteousness, ceremony, knowledge, and integrity), for the earnest cultivation of character, for the governing of a household, for the management of state affairs, and for aspirations of peace (100).

This focus on traditional Chinese education is a key component of the KCAKC's interpretation of the Khmer-Chinese identity. In its nine-point rundown of the association's contributions, the KCAKC lists developing Chinese education and

passing on Chinese culture as point number three and dedicates several pages to describing the association's accomplishments in this realm. These achievements include language education initiatives and projects focused on cultural preservation. For example on August 27, 2010 the KCAKC hosted a welcome banquet for 38 volunteers who had been appointed by the Office of Chinese Language Council International to assist in Chinese language education in Khmer-Chinese schools, and on April 14, 2001 the association hosted a ping pong championship for students of the Khmer-Chinese community (78, 72). The influence of this focus on Chinese education extends beyond just the Khmer-Chinese community to Cambodian society as a whole. In addition to encouraging Khmer-Chinese students to appreciate and perhaps even prioritize Chinese culture these schools also draw students from outside the Khmer-Chinese community. In a 2012 article *Radio Free Asia* reported that Chinese schools in Cambodia are seeing more and more non-Chinese students enroll as Cambodian parents look for ways to give their children advantages in the future. As one ethnic Khmer parent put it, "I can see my children are learning there. I placed them in the school partly because of the Chinese markets here," (Serey and Keo 2012).

The association's influence in not only the Khmer-Chinese community but also Cambodian society as a whole should not be underestimated. The anthology's opening pages are filled with letters from members of the Cambodian government all conveying their congratulations to the KCAKC for the achievements it has made over the course of its history. Current President of the National Assembly of Cambodia, Heng Samrin (2010), wrote one such letter espousing the significance of the KCAKC's work in the Khmer-Chinese community. He speaks glowingly of the association on behalf of

himself and the entire parliament of the Kingdom of Cambodia, demonstrating a tacit sense of approval of the association and its activities. Notably, Heng Samrin makes it a point to convey his “extraordinary admiration” for the ways in which the KCAKC has contributed to “the promotion and development of Cambodia’s economic enterprises.” Furthermore he exhibits support for the association’s goals of continuing to develop Chinese education.

Another letter, written by former President of the National Assembly of Cambodia and current President of the Senate Chea Sim (2010), expresses similar sentiments. In this message he writes about his support for the many Khmer-Chinese businessmen conducting legal business in Cambodia, wishing them good health and good luck in their ventures. Chea Sim also compliments the association for its active participation with the Cambodian government and people and for its assistance in the construction of the country’s development policies.

These letters of support from high-ranking officials in the Cambodian government are significant in what they symbolize. The explicit encouragement of the KCAKC’s promotion of Khmer-Chinese business underscores patterns of Cambodian reliance on China as a business partner. The reinforcement of the KCAKC’s focus on Chinese education demonstrates support for the expansion of Chinese cultural influence. The celebration of the KCAKC’s achievements reveals an implicit acceptance of its role as the self-declared highest ruling authority of the Khmer-Chinese community. From these letters it is possible to glimpse evidence of general trends in the relationship between China and Cambodia, a relationship that, as discussed earlier, is a major instigator of NGO activity in a number of areas.

## **Chapter 4: Cambodia and the Millennium Development Goals**

This thesis would be remiss in its duties if it did not at some point address the impacts of the rampant NGO growth that is being discussed. In this instance, the UN's Millennium Development Goals (MDGs) make for a useful tool in measuring the effects of NGO work in the country due to the fact that they track development across a number of indicators (health, education, poverty, etc.) and because of the uniformity and universality of their measurements. Established in 2000 with an end date of 2015, the MDGs shape "a blueprint agreed to by all the world's countries and all the world's leading development institutions" ("Background"). These goals set development targets for the world's poorest nations and assist in measuring their progress toward these goals.

Though their intent may appear noble, however, the MDGs have been criticized for approaching development from a foundation built on neoliberal ideology. International director of Philippines-based non-stock non-profit development organization IBON Foundation Antonio Tujan Jr. (2004) declared in a presentation titled "The Millennium Development Goals: Reducing poverty or deodorizing neoliberal globalization?" that the objectives of the MDGs combine "neoliberal goals with the agenda of good governance and transparency" and "call for an 'open, non-discriminatory multilateral trading and financial system' as realized through the World Trade Organization and the International Monetary Fund." Similarly, David Hulme (2010), Director of the Brooks World Poverty Institute and CEO of the Effective States and Inclusive Development Research Centre, pointed toward one negative indicator for MDG contribution to more effective poverty reduction, "The MDGs tend to lead to an

exaggerated focus on the role of foreign aid in global poverty reduction and a consequent neglect of other issues (such as international trade and quality of domestic governance)” (152). Considering the impact that the MDGs have had on the course of development in the 21<sup>st</sup> century, recognizing their underlying ideologies is a matter of paramount importance.

Cambodia’s own success in MDG achievements has made it a sort of poster child for the system. From the beginning of the analysis period to the latest measurements in 2010, Cambodia made significant progress towards realizing a majority of its goals (“MDG Progress Index”). Literature discussing the country’s success makes it clear that NGOs have played a major role in ensuring such high rates of progress. A report on MDGs prepared by the Cambodian Ministry of Planning acknowledged this involvement, saying, “The participation of the NGOs in the process of socio-economic development is an expanding area through which the civil society contributes directly to poverty reduction in Cambodia” (*Progress 2007*, 9). Beyond the government, the UN itself has noted the significant role that NGOs have played in MDG progress. In a report titled *MDGs Success Stories from Asia and the Pacific: Accelerating Achievement of the MDGs* (2010), the Asia and Pacific Regional Office of the UN Millenium Campaign highlighted the System of Rice Intensification (SRI) project, an initiative first started by the NGO Cambodian Center for Study and Development in 1999 (14). The report comments on the importance of both the founding NGO and the further support of other NGOs and donors in helping the project to achieve its success in improving SRI farmer output by 92% over ordinary practice (ibid.).

These achievements, however, must be seen more as qualified successes when the question of their sustainability without NGO assistance is brought into question. The SRI program, for example, is highly labor intensive and in areas of poor soil fertility requires farmers to use chemical fertilizers. Both of these requirements are factors that locals may be unable to address without the continued intervention of NGOs to support them (15). This is especially true given the government's self-proclaimed reliance on ODA, which makes up "a very large proportion of public financial resources" (*Progress 2007*, 7). Being that the government is already heavily dependent on foreign funding in the form of official bilateral aid the likelihood that it will be able to support the initiatives that have made the country successful in MDG progress without the assistance of NGOs is low. Thus the cause of development through fulfilling the MDGs further entrenches Cambodian reliance on NGO operations and ensures the ongoing prominence of the NGO sector in the country.

This reliance is further encouraged by the government's prioritizations in response to MDG 8, which calls for the development of a global partnership for development. The Cambodian government has interpreted this goal, perhaps accurately so, as encouragement to focus on aligning its trade and economic policies with those of the world's most prominent financial institutions, including the WTO, an entity renowned for its neoliberal trade protocols. In the report *Achieving Cambodia Millennium Development Goals: Challenges and Opportunities* (2007), the government calls both the domestic and foreign private sector "the engine of growth" in a subsection focusing on MDG 8 (9). The report highlights the government's decision to remove the "critical bottlenecks impeding the development of the private sector" through the

establishment of a Government-Private Sector Forum in 1999 (9-10). Moreover, the report notes the country's efforts to its revise customs code to conform to WTO standards and to carry out policy and legal reforms with the intent of realizing "the potential of the private sector" and of promoting increased foreign direct investment (10). These commitments make it clear that the Cambodian government views the MDGs as a mandate to intensify economic liberalization, a process that helped to carve out a space for the NGO sector in the first place and one that continues to justify its existence.

## **Chapter 5: Inside Perspectives on the NGO Sector**

Further complicating matters is the way in which the NGOs themselves conduct their operations. Information gleaned through email interviews with NGOs working in Cambodia reveals that though their endeavors may contribute meaningfully to the communities in which they function, the work that they do is not always oriented toward the long-term. One such example was discussed in an interview conducted with a Canadian employee of a U.S.-based NGO working alongside a Cambodian NGO to provide educational opportunities to Cambodian youth. When asked how local involvement in NGO work affects dependence on foreign aid the respondent remarked, “Unfortunately, my experience is that locals are not looking at sustainable solutions or they see the regular donations from visitors as sustainable which generally, they aren’t. So, the locals are heavily dependent on foreign aid and they are not working hard enough to find solutions to their problems without this input” (“Interview A”). When asked how local involvement in NGOs can be problematic the respondent elaborated further, saying,

They tend to focus on foreign donations to keep the projects going which is not a good long-term solution. The locals know the culture well so there should be more grassroots efforts at home to build sustainable projects without this foreign aid. Unfortunately, foreign money is “easy” and the locals tend to think that it will forever flow. The other problem is transparency. Locals don’t always understand the importance of sharing information with their western counterparts. For example, it took me a long time to get simple receipts because the locals didn’t see the value in them. Without full transparency (and proper accounting), it’s difficult to get donors excited about the projects—especially when there are so many other people asking for money. There is also the issue of costs. When locals tend to purchase items, they don’t seem to shop around for the best price. “The NGO will pay for it” seems to be the attitude which raises the cost of doing business.



These responses demonstrate that in some scenarios approaching issues with community self-sufficiency in mind is not always an organization's priority.

Another respondent, this time a Cambodian employee of an NGO designed to connect volunteers to worthwhile projects, addressed the problem of aid funds being mishandled. The respondent wrote, "Aid [is] very important for all NGO that help people in Cambodia...but it base on the project Manager [whether] they are honest or not and [whether] they are good at about how to use aid or not" ("Interview B"). The response makes clear the potential for resources to be applied ineffectively, thereby failing to fully resolve whatever problems the organization has chosen to address and making it more likely that either additional efforts from the same organization or the assistance of other NGOs may be required.

The above statements represent the perspectives of two individuals involved in NGO work in Cambodian, and are not, therefore, representative of the entire community. In fact a third respondent, a British project manager for an NGO operating a school for rural children, responded to the question of how local involvement affects Cambodian dependence on foreign aid by saying, "Dependance' [sic] is an abstract work - these families will be more 'dependant' [sic] in the future if their children receive no basic education, which is what we provide. And we work consciously to transfer skills between foreigners and locals, reducing the dependence on outside staff" ("Interview C"). According to the respondent, NGO work that properly involves local partners is actually a practice in preparing future generations for self-sufficiency in the hopes of ensuring that someday the NGO will no longer be needed.

## Chapter 6: Conclusions

The question of what exactly created the rapid NGO growth in Cambodia has no simple answer. Yet examination of the country's relationship to key forces of international development, when undertaken with an eye for the influence of neoliberal ideology, reveals that the policies promoted by entities guided by such an ideology have carved out a space for NGOs in Cambodian society. It would be naïve not to acknowledge that the Khmer Rouge regime did play a role in this process, but the assumption that the regime was the main contributing factor adopts an equally shortsighted perspective. The Khmer Rouge reduced Cambodian infrastructure to almost preindustrial conditions, and it was upon this blank slate that the new Cambodian state was founded. Foreign actors guided by neoliberal principles focused the newly emerging state's attention toward matters of economic deregulation and integration into the global marketplace, assuring the government that privatization would attend to the needs of the people. The result, as has been shown, was the Cambodian government's neglect of its citizens and the establishment of a space ripe for the explosive growth of the NGO sector.

Had the outside world not intervened in the way that it did, it is possible that the Cambodian government might have built a different kind of state. One wonders what might have been had institutions like UNTAC and the IMF prioritized the establishment of a responsible and capable state over goals of open markets and rapid economic growth. In doing so Cambodian state development may have been characterized by good governance (not the rampant corruption currently found in Cambodia), a robust state-citizen relationship, and a governmental capacity to ensure that the needs of its

citizens are met without the continued intervention of the outside world. Though targets of economic growth may have been intended to assist in Cambodia's development, their consequences helped instead to create a state of widespread NGO activity in Cambodia.

What attracts so many of these organizations to the country in the first place is another question entirely. One credible theory is that the legacy of the Khmer Rouge regime, while not the primary force in creating the space for NGO growth, forms part of a narrative portraying the country as a sort of hapless victim of circumstance. It is this image of a helpless country still recovering from a devastating genocide that draws in so much NGO activity, or so the theory goes. Regardless, the presence of these organizations in the country has become an integral part of day-to-day life for many Cambodians.

This research has shown that when it is applied to emergent states, neoliberal economic theory can have drastic effects on the state-citizen relationship and can seriously impact a country's future development. Furthermore, it has demonstrated the role of globalization in creating the foundations of the NGO community. Knowing the root causes of state reliance on foreign aid, especially aid in the form of NGO activity, is a vital step toward addressing the core issues causing this dependency. By identifying the sources creating a need for NGO intervention, efforts can be made to improve local capacity in order to one day eliminate this need altogether.

Cambodia's relationship to its NGO community is in many ways a unique one. The legacy of the Khmer Rouge regime (including the devastating impact it had on intellectualism in the country), the rampant corruption of the government, and the timing of the country's reintroduction to the global community are all distinguishing

factors; any research analyzing the growth of NGO activity in Cambodia cannot be understood independent of these dynamics. Having said this, however, it must also be acknowledged that Cambodia is not alone in terms of both the prevalence of its NGO sector and in its having been so heavily influenced by neoliberal policy recommendations. These are circumstances present in much of what is known as the developing world, and thus the lessons learned from this study are applicable worldwide, so long as they are framed within the proper context.

The NGO community in Cambodia has seen its fair share of praise and of criticism. Despite the sector's prominence, however, questions of how it first came to the country, what allowed it to flourish so readily, and why it continues to play such a major role in Cambodian society are relatively uncommon topics of discussion. As demonstrated above, the forces of globalization have been integral to the creation of the burgeoning NGO community in Cambodia. Institutions guided by neoliberal economic theory helped to open the country up to the global community and the result was an explosion of NGO activity. By understanding the ways in which such phenomena occur through examination of the policies and ideologies that encouraged them we are forced to reevaluate the current priorities of key global development institutions and to ask how alternate approaches, perhaps ones that give greater care to the construction of strong and responsible governments, might shape development efforts into the future.

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