How Foreign Assistance Undermines Democracy: Aid Dependence in Cambodia

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The views expressed do not reflect the views of the U.S. Navy / Government.
Gardening as metaphor.
The Illusion of Control

Gardeners have no illusion of control. We create the right growing conditions, nurture a healthy soil life, set up our lifestyles so we have time to tend our crops, and we plant a diverse variety of sturdy, healthy plants and watch them grow. **We adjust as we go along** - removing excess weeds, mulching, watering and fertilizing when necessary - and picking off pests. But ultimately - the end result almost always includes crop failures, and unexpected successes. And we will feel more like stewards, sometimes even observers, than masters of our domain.

http://cseaperkins.wordpress.com/tag/sustainability/
Why am I interested in Cambodia?
Sophal Ear: Escaping the Khmer Rouge

About the talk:
TED Fellow Sophal Ear shares the compelling story of his family’s escape from Cambodia under the rule of the Khmer Rouge. He recounts his mother’s cunning and determination to save her children.

About Sophal Ear:
Sophal Ear leads research on post-conflict countries—looking at the effectiveness of foreign aid and the challenge of development in places like his native land, Cambodia. Full bio and more links.

Thanks to our sponsor:
FILLED WITH PRIDE
TOYOTA
moving forward
MY WIFE, 8 MONTHS PREGNANT
“Pearl of Asia” and “Island of Peace”
April 1965: A French-style greeting by Prince Norodom Sihanouk in his palace in Phnom Penh. (SM Lee's Collection)
President Nixon describes the U.S. incursion into Cambodia, April 30, 1970. (Photo: Jack Kightlinger/National Archives)
There are no American combat troops in Cambodia. There are no American combat advisers in Cambodia. There will be no American combat troops or advisers in Cambodia. We will aid Cambodia. Cambodia is the Nixon doctrine in its purest form.

—President Richard Nixon, November 1971
IF YOU DON'T COME TO DEMOCRACY

DEMOCRACY WILL COME TO YOU
113,716 Sites Bombed by the US Air Force 1965—1973 (indicated in red)
April 17th, 1975

Phnom Penh, Cambodia
Evacuation of 2 million people from Phnom Penh in three days
Once upon a time ... there was a regime so evil that it created an antisociety where torture was currency and music, books, and love were abolished. This regime ruled for four years and murdered nearly 2 million of its citizens, a quarter of the population.
Vietnam Invades Cambodia in 1979
Occupies Cambodia until 1989
October 23rd, 1991

“Agreements on a Comprehensive Political Settlement of the Cambodia Conflict” aka “Paris Peace Accords”
UNTAC APRONUC

United Nations Transitional Authority in Cambodia
Autorité Provisoire des Nations Unies au Cambodge
Yasushi Akashi
Special Rep. of the UN Sec.-Gen. for Cambodia
A Coup in Cambodia
Hun Sen Takes Bloody Control of a Ravaged Nation
Fast-Forward to 2000-2010

and a couple of billion dollars in foreign aid later...
$300-500 million in corruption (est. mid-2000s)
Much more today, no doubt... but who’s asking?
**Cambodia**

<table>
<thead>
<tr>
<th>Receipts</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net ODA (USD million)</td>
<td>743</td>
<td>721</td>
<td>737</td>
</tr>
<tr>
<td>Bilateral share (gross ODA)</td>
<td>61%</td>
<td>65%</td>
<td>68%</td>
</tr>
<tr>
<td>Net ODA / GNI</td>
<td>7.6%</td>
<td>7.2%</td>
<td>6.8%</td>
</tr>
<tr>
<td>Net Private flows (USD million)</td>
<td>450</td>
<td>244</td>
<td>253</td>
</tr>
</tbody>
</table>

**Top Ten Donors of gross ODA (2009-10 average) (USD m)**

1. Japan 139
2. AsDB Special Funds 79
3. United States 78
4. Global Fund 54
5. Australia 51
6. IDA 43
7. Germany 40
8. EU Institutions 35
9. United Kingdom 29
10. France 29

**For reference**

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (million)</td>
<td>13.8</td>
<td>14.0</td>
<td>14.1</td>
</tr>
<tr>
<td>GNI per capita (Atlas USD)</td>
<td>660</td>
<td>690</td>
<td>760</td>
</tr>
</tbody>
</table>

**Bilateral ODA by Sector (2009-10)**

- **Education**
- **Health and population**
- **Other social sectors**
- **Economic Infrastructure & Services**
- **Production**
- **Multisector**
- **Programme Assistance**
- **Action relating to Debt**
- **Humanitarian Aid**
- **Other & Unallocated/Unspecified**

**Sources:** OECD, World Bank.
What happened in terms of “development”?
Maternal Mortality Increased

Maternal Mortality (national estimate per 100,000 live births)
Inequality Increased Dramatically

Gini Coefficient (now on par with Philippines and D.R. Congo)
And what happened to democracy (and governance)?
Case 1: Rule of Law
Case 2: Garment Sector
Case 3: Khmer Rouge Tribunal
Case 1: Rule of Law

The Capture of Property Rights
2008-2012

The Case of Boeung Kak Lake: 20,000 People Affected (3,000 to 4,200 families)
Land sharing for the people of Boeung Kuk Lake!

stop the eviction on Boeung Kok Lake
Heng Chantha, 14

Shot dead by security forces while trying to prevent her family’s eviction in May 2012
Case 2: The Garment Sector

A “Success” Story
Garments in Cambodia
From nothing in 1994, garments became 14% of the economy, provides ~350,000 jobs (as many indirect jobs), and helps 1 million

How did this happen?
In 1999, the US and Cambodia agreed to link labor to trade. Better labor = more exports.
3rd party labor standards monitoring of garments ➔ more export quotas.
The United Nation’s International Labour Organization was that 3rd party monitor.
480 point checklist; one of which is 97% compliance with Cambodia’s minimum wage.
But challenges remain...

<table>
<thead>
<tr>
<th>Year</th>
<th>Export (Million US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>27.71</td>
</tr>
<tr>
<td>1996</td>
<td>83.3</td>
</tr>
<tr>
<td>1997</td>
<td>227.14</td>
</tr>
<tr>
<td>1998</td>
<td>359.36</td>
</tr>
<tr>
<td>1999</td>
<td>600.1</td>
</tr>
<tr>
<td>2000</td>
<td>906.37</td>
</tr>
<tr>
<td>2001</td>
<td>1,156.84</td>
</tr>
<tr>
<td>2002</td>
<td>1,343.67</td>
</tr>
<tr>
<td>2003</td>
<td>1,609.69</td>
</tr>
<tr>
<td>2004</td>
<td>1,982.79</td>
</tr>
<tr>
<td>2005</td>
<td>2,190.31</td>
</tr>
<tr>
<td>2006</td>
<td>2,651.51</td>
</tr>
<tr>
<td>2007</td>
<td>2,866.32</td>
</tr>
<tr>
<td>2008</td>
<td>2,970.00</td>
</tr>
<tr>
<td>2009</td>
<td>2,160.35</td>
</tr>
</tbody>
</table>
Greater China’s Involvement

“In mid 1996, most of the garment investors, coming from such a diverse background as China, Hong Kong, Macau, Malaysia & Singapore, decided to form an ad hoc unit to represent them as a group instead of being singled out individually when dealing with officials from the … MoC, which has been charged … by the RGC … to oversee the export of garments and the issuance of Certificates of Origin.”

—Garment Manufacturers Association of Cambodia
Capture Avoidance
Thanks to Greater China?
GMAC Garment Factories in Cambodia by Nationality of Owner

- Australia: 1
- Bangladesh: 1
- Canada: 1
- Indonesia: 1
- Philippines: 1
- Thailand: 1
- UK: 1
- Macau: 3
- USA: 9
- Singapore: 10
- Cambodia: 13
- Malaysia: 14
- Hong Kong: 31
- Taiwan: 39
- Korea: 44
- China: 66
GMAC Executive Committee by Nationality

- Cambodia: 10%
- Malaysia: 10%
- China: 10%
- Taiwan: 28%
- Hong Kong: 14%
- Singapore: 7%
- Korea: 14%
- USA: 4%
- UK: 3%
- Korea: 10%
- USA: 4%
- UK: 3%
Hand-in-Hand Governance

“We negotiate with each government department ... you take $10 for inspection instead of $35... we agree. We tell all members the cost negotiated at $10. If not accepting, I refer to GMAC, and GMAC refer to your boss. Some in private sector don’t want their boss to know and cheat the boss.”

—Garment Factory Owner
Case 3: The Khmer Rouge Tribunal

Norm Penetration Gone Wrong
VERDICT: GUILTY
DEATHS: 12,273+
SENTENCE: 35 YEARS (REDUCED TO 19 FOR TIME ALREADY SERVED)
APPEALED. LOST.
MADOFF: 150 YEARS

KILLED: 0; US$65 BILLION FRAUD

NOT APPEALING.
Bernie Madoff, Monster
And the people who enabled him.

BY STEVE FISHMAN

ALSO:
Growing Up With a Supervillain
By John Maccabee
“Judge Denny Chin ... noted that 20 or 25 years would effectively be a life sentence, but he reasoned that the symbolism of the longer term was important, given the enormity of the crimes.”

—New York Times
28 June 2011
RELEASED DUE TO ALZHEIMER’S.
My mom, Cam Youk Lim
June 1936-October 2009
Saved 20 Lives (plus one more soon)
FORGIVENESS
The Kony 2012 video about Joseph Kony and his Lord’s Resistance Army in Africa has been viewed more than eighty-five million times on YouTube in twenty days. It implores viewers to make a difference. But as we have seen throughout this book, the path to disaster is indeed paved with good intentions. As Teju Cole has eloquently argued, “[T]here is much more to doing good work than ‘making a difference.’ There is the principle of first do no harm. There is the idea that those who are being helped ought to be consulted over the matters that concern them” (Cole 2012). A Hippocratic oath to development undergirded by a commitment to genuine participation would be a start.

See page 142 of Aid Dependence
Thank you