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Exploring Factors that Influence the Success of Farmer-managed Irrigation Systems: A Case Study in Kompong Speu Province¹

“We cannot decide things without discussion with farmers, or we would end up doing the work alone.”—a farmer water user community leader, Kompong Speu

Introduction

A global trend in resource conservation now sees users' roles as a solution, rather than a problem. This has paved the way for the recent approach of redistributing centralised management authority to community groups in order to achieve sustainable natural resource management (Gibson *et al.* 2000). Such an approach has also been visible in Cambodia. Under the decentralisation reform, after the first election of commune/sangkat councils in 2002, the government transferred a degree of authority to manage irrigation from the Ministry of Water Resources and Meteorology (MoWRAM) to farmer water user communities (FWUCs). The FWUCs take responsibility for routine operation and maintenance of irrigation in their district, although large-scale maintenance is still retained by the government.

FWUCs, however, face implementation challenges, especially in a context of a fairly high poverty rate, poor irrigation infrastructure left from the Pol Pot period (Perera 2006), a weak civil society and decentralisation in process (Kim



Good irrigation, a good crop and a happy farmer in Kompong Speu province

& Öjendal 2007). A case study of an FWUC in Kompong Chhnang, for instance, found that it has failed to promote participation from farmers, build a sense of ownership among members or ensure the leadership's power to manage irrigation (Chea, forthcoming). In Takeo, the failure of FWUCs appears to have stemmed from a lack of financial resources, poor leadership and incentives and a

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¹ This article was prepared by Ros Bandeth, research associate at CDRI. It is based on the author's MAppSc thesis on “Participatory Irrigation Management and the Factors that Influence the Success of Farmer Water User Communities: A Case Study in Cambodia”, 2010.

lack of intervention from commune councils (Thun 2008).

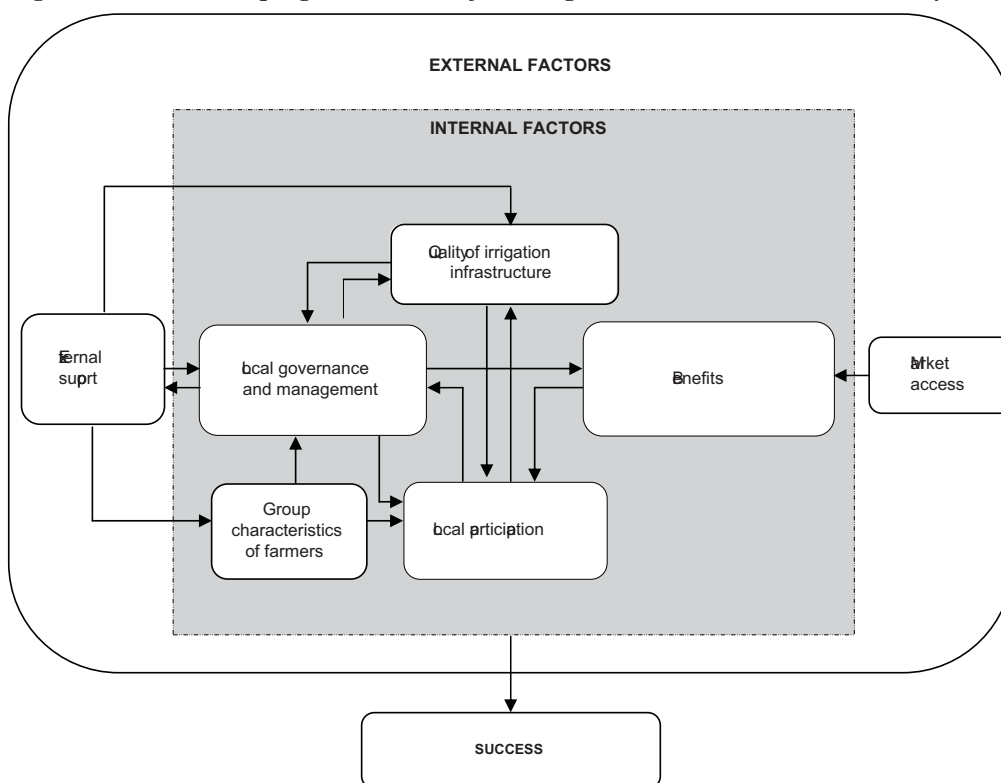
There are a few FWUCs, however, that have been reasonably successful in irrigation management.² This study sought to look into the factors that influence FWUCs' success to supplement previous studies seeking to improve the performance of less successful schemes. Selected as the subject was the O-treng Farmer Water User Community, classified as the most successful scheme in Cambodia by the MoWRAM in 2008. Located in Chongruk and Prey Nheat communes, Kong Pisei district, Kompong Speu province, the community improved farmers' livelihoods and has achieved self-reliance in its everyday operation and irrigation maintenance.

and 5) the group characteristics of the farmer members. The two external factors were external support and market access. Figure 1 illustrates the complex interactions and feedback loops between the seven factors.

Local participation: Farmers' participation in irrigation management was high, ranging from contributions of cash, labour and other resources to sharing decisions. Participation was found in four different modes: payment of irrigation service fees, distribution of water, scheme maintenance and community meetings.

Farmer participation was important because it influenced the quality of the scheme and governance and management by the leaders. Payment of the irrigation service fees ensured the availability of

Figure 1: Factors Shaping the Success of O-treng Farmer Water User Community



financial resources for the scheme's operation, which meant less reliance on external support. Participation in water distribution ensured a timely and adequate supply of water to farmers. This implied a reduced input from the leaders, allowing them to remain actively involved. Moreover, when farmers participated in distributing water, the community was less likely to have flooding, overflows and wastage. Local participation in maintenance, including reporting

damage and contributing labour and/or cash, also helped reduce the input required from leaders in monitoring and patrolling and paved the way for better maintenance, thereby contributing to the improved quality of irrigation infrastructure. Finally, local participation in community meetings ensured awareness of irrigation management, a sense of ownership of the decisions, transparency and trust between leaders and farmers, all of which

Research Findings

Five internal and two external factors underpinned the success of the O-treng FWUC. The five internal factors were: 1) local participation, 2) local governance and management, 3) the benefits from the scheme, 4) the quality of irrigation infrastructure

² Interview with staff of MoWRAM, 3 October 2008.

led to greater participation and effectiveness in management and governance.

Local governance and management: This was also critical because it ensured local participation, the benefits from the scheme, the quality of infrastructure and external support. Elements that come under local governance and management may be usefully separated into decision-making structure, leadership capacity, the formation of the community and the processes to adopt, enforce and adapt rules.

- a. The decision-making structure consists of three layers: the committee, groups and sub-groups. This structure worked well because it made each village and group of villages responsible for the management and maintenance of the infrastructure that supplied them with water. It also meant that the number of farmers in each sub-group was small, making it easy for the leaders to enforce the rules.
- b. Leadership capacity comprised a number of attributes: 1) attitudes, 2) knowledge and skills and 3) authority. Attitudes that the farmers associated with good leadership included a positive work ethic, commitment to the irrigation scheme, honesty and transparency and a willingness to put the interests of the community ahead of their own, work alongside the farmers, accept responsibility and continue to learn in order to improve the performance of the scheme. The farmers also identified their leaders' important skills and knowledge as a thorough understanding of irrigation management, the ability to motivate and lead the community and the ability to solve problems creatively. Leaders also had well-developed organisation, delegation and communication skills. Leaders' authority was defined as responsibility and the power to mobilise farmers and manage the scheme.

Leadership capacity contributes to success by first ensuring trust of farmers based upon leaders' honesty and transparency. Because of the leaders' positive attributes, they were respected by the farmers. This trust and respect made the leaders popular with the farmers, who were then more willing to participate in scheme activities.

The knowledge and skills of irrigation management also led to trust by the farmers and then to participation. With their effective communication skills, the leaders could also ask for external support. Moreover, because the leaders held the authority to manage the irrigation scheme with very limited interference from MoWRAM or local authorities, they could respond promptly to maintenance problems and local requests for improvements. This authority also allowed the leadership to enforce rules and gave both leaders and farmers a sense of ownership of the scheme.

- c. The community was organised on democratic principles, and because of this, farmers could select suitable leaders and design rules for the scheme. This made the farmers more willing to comply with the rules. Leadership capacity was enhanced too by a focus on the selection of suitable leaders: farmers voted for leaders who they thought could govern and manage the scheme effectively.
- d. Rules were adopted covering four areas: water allocation and distribution, scheme maintenance, fee collection and financial management. The decision-making process had six criteria: consensus, inclusiveness, responsiveness, effectiveness, transparency and fairness. This ensured a low level of conflict, a sense of ownership by farmers, compliance with rules, financial resources for operating the scheme, efficient water supply to farmers and, more importantly, a well-founded trust in the leadership.
- e. Enforcement—making sure that the rules are obeyed through the punishment of those who disobey—was frequently applied to water distribution. Only those farmers who filed a request and received committee approval could obtain water, and those who did not follow this rule were denied water. Consistent rule enforcement helped reduce water theft and ensured fairness among members. This then led to greater participation.
- f. Rules were adapted in response to specific situations based on five factors: 1) crop failure, 2) leadership commitments or workload, 3) farmer workload, 4) water availability and 5) the level of water access. The leadership adapted rules in four areas: 1) collection of irrigation fees, 2)

responsibilities of leaders, 3) farmer attendance at community meetings and participation in maintenance and 4) water access. Such adaptation helped promote fairness. This increased farmers' trust in the leadership and their participation.

Benefits: These served as a major incentive for farmers to participate. The scheme provided two benefits: enhanced food security and additional revenue. Farmers relied on rainfall to grow rice during the wet season. Because rainfall was often inadequate, irrigation water ensured high yields. Farmers needed irrigation water to sow seeds and transplant seedlings in some years, while in others they irrigated their land until their rice was ready for harvest.

Most farmers viewed the enhanced wet season rice yields as the most important benefit, because farmers in the community grew wet season rice primarily for own consumption. Wet season rice ensured food security. Some families that did not have other sources of revenue sold a portion of their wet season rice to cover other expenses.

The other benefit was revenue from the sale of dry season crops, such as watermelons, wax gourds or pumpkins. Because there was little rainfall over this period, the farmers relied almost entirely on irrigation water. Importantly, the earnings from these crops were two to four times the total cost of production, including the irrigation fees (Table 1). This meant dry season crops were a good source of revenue.

This revenue was important to farmers since there were few jobs during the dry season, and the farmers lacked the skills to work in other areas. Other farmers said that they could find work during the dry season, but the income from it was not as

much as they could generate from growing crops.

Quality of irrigation infrastructure: An important factor was the quality of irrigation infrastructure. The large reservoir (2,563,750 m³) available to capture rain is well constructed, with little leakage. These characteristics ensured sufficient water storage and hence a low likelihood of crop failure during the wet season, along with surplus water for dry season crops.

The irrigation infrastructure also includes a large number of well-built canals and control gates. This enhanced efficient water allocation. Because the infrastructure provided farmers an adequate and timely water supply, they were willing to pay the fees.

Group characteristics: Four group characteristics emerged as important: 1) size, 2) homogeneity, 3) dependence on cropping and 4) experience with self-organisation in irrigation management. Because the size of farmer groups and sub-groups was small, the leaders could adopt and enforce community rules easily. Small groups also ensured frequent interactions among the members and allowed them to monitor each other's water distribution and scheme maintenance.

Farmers in the community are relatively homogeneous, sharing culture, ethnicity, interests, cultivation practices and a medium level of poverty. The farmers' similar beliefs, views and perceptions facilitated cooperation in managing the scheme.

The farmers' high dependence on cropping convinced them that the irrigation scheme was critical to their livelihoods. Because of this, they participated actively. Also, the farmers were familiar with self-organisation in irrigation management because the community was initially self-organised and then informally organised from

Table 1: Examples of Costs and Revenue of Dry Season Crop Production, 2008

Land size (ha)	Crop	Total costs (USD) (including irrigation fees)	Total revenue (USD)	Total revenue (% of costs)
1.00	Watermelons	75	500	769
0.30	Watermelons	43	160	400
0.10	Watermelons	64	125	198
0.35	Wax gourds	104	250	250
0.20	Wax gourds	152	300	200
0.15	Wax gourds	62	150	250
0.30	Pumpkins	43	150	375

1995 to 2000. This familiarity affected the success of the community in three ways. First, local leaders had pre-existing leadership capacity in irrigation management. Second, local farmers had experience developing suitable rules. Third, the farmers were aware of the importance of their participation.

External support: The O-treng FWUC obtained a high level of support from MoWRAM, district and commune authorities and the World Food Programme, including scheme rehabilitation and development, assistance with formation of the community, training, financial resources as shared expenses in the first two years, consultation and assistance with rule enforcement and conflict resolution.

The external support improved the quality of irrigation infrastructure by rehabilitating the scheme. It strengthened the knowledge and skills of farmers and leaders through training and capacity building. It enhanced governance and management. The support provided by the government and local authorities was ongoing, and tended not to interfere with local autonomy.

Market access: Because the farmers had access to good markets for their produce, they obtained revenue from which they could pay their irrigation service fees and which improved their livelihoods.

Farmers either sold their produce directly at market or sold it to middlemen. The price farmers received at market was normally double what they received at the farm gate. However, most farmers preferred to sell their produce at the farm gate because they could sell it all at once. This was good for their cash flow, and they did not need to worry about storage and losses. The middlemen were also willing to pay for the produce before harvest and cover the farmers' growing costs until harvest. The middlemen would also harvest and transport the produce to market. Farmers who sold their produce at market had to be in regular contact with retailers, and this incurred both time and financial costs that most preferred to avoid.

The majority of middlemen were outsiders, but some were local farmers. The middlemen came to the community because it was close to local markets and to Phnom Penh and the roads were good. Moreover, the community was one of a few places in Kong Pisei district that produced a large crop of watermelons and wax gourds during the dry season.

Conclusions

This research suggests that the successful implementation of a FWUC requires a focus on the seven factors and the relationships between them. These relationships create requisite factors such as trust, fairness, a sense of ownership and compliance that are critical for the functioning of the FWUC.

The success of the FWUC requires farmer participation, which is enhanced when farmers obtain benefits, either food security or revenue from crop sales. Without these benefits, there is little incentive for farmers to engage in the scheme. Access to markets is important to obtain these benefits. It is also critical that the irrigation infrastructure is of high quality to ensure the delivery of an adequate and timely water supply. Local governance is another critical factor, particularly leadership capacity and decision-making processes.

Success requires a level of external support from government, NGOs and district and commune councils. Group characteristics of farmers are also important. Success is enhanced by a community history of self-organisation, relative homogeneity and the members' dependence upon farming for their livelihoods.

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A Rapid Assessment of the Impacts of the Economic Crisis on Cambodian Households and Vulnerable Workers¹

Introduction and Methodology

Since the global financial crisis became apparent in September 2008, it has hit Cambodia's main growth sectors—garments, tourism and services, construction—the hardest. Contraction in these sectors resulted in the loss of thousands of jobs, dwindling savings and remittances and systemic risks among poor and vulnerable people. Pressure on the rural economy, mainly on agriculture, which was already stretched by a lack of investment, underdevelopment and a yield largely determined by natural conditions, has inevitably increased. Furthermore, Cambodia's narrowly based and less than vibrant rural economy leaves a large proportion of rural people with few livelihood options or means to survive the income and consumption shocks from the global recession. Although the government employed sound macroeconomic policies, Cambodia did not escape the global downturn. Ex-ante and ex-post coping strategies of poor and vulnerable people are relatively minor in comparison to the impacts. Particular policy responses to the impacts of the global financial crisis on Cambodia are likely to be slow, and uncertain development of its growth sectors will continue to affect people's livelihoods in the foreseeable future.

This assessment seeks to review: (1) the nature, causes and scale of changes in individual and household circumstances as the Cambodian

economy began to recover from the crisis, (2) the changes in coping strategies among different vulnerable groups and (3) the effectiveness and coverage of social safety nets.

This assessment is the fourth and final round of a study commissioned by the World Bank and conducted by CDRI in February 2010. The first three rounds were undertaken in May, August and November 2009 for a three monthly panel study, also in the provinces of Siem Reap, Battambang, Prey Veng, Kampot, Kandal, Kompong Speu, and Phnom Penh. It is a qualitative study that involved 17 focus group discussions (FGDs) with rural households in six different villages and 11 vulnerable worker groups in the three growth sectors: garments, tourism and services and construction. Due to the small sample size, the findings and interpretations cannot be extrapolated to all poor and vulnerable workers in Cambodia. However, they offer glimpses and insights into how recent economic shocks have impacted on vulnerable workers and poor households.

Key Findings

Major Changes in Livelihoods and Implications

Both positive and negative changes were reported within the past three months by the FGDs. These changes appear to derive from three main sources: (1) recent economic developments and the high cost of living, (2) natural conditions and (3) seasonal livelihood changes.

The recovery of garments, tourism and construction is emerging in parallel with the global economy. The FGDs reported positive change in work availability for garment workers in three of the visited factories, except for those working in the Mithona factory,² who said overtime work was not available.³ The increased number of tourist arrivals in Siem Reap province suggests rising job availability and income for those in services (except for restaurant workers in Phnom Penh), tuk-tuk drivers and small traders.⁴ There was a slight improvement in jobs for skilled construction workers due to an increase

1 This article was prepared by Kem Sothorn is a research associate, Theng Vuthy is programme coordinator and Chhim Chhun is a research assistant in CDRI's Poverty, Agricultural and Rural Development programme. The authors would like to thank Ms Khiev Pirom, Ms Phann Dalis and Mr Khieng Sothy for their contributions.

2 Located in sangkat Tuek Thla, Sen Sok district, Phnom Penh.

3 Garment exports in November 2009 totaled almost USD250 million, compared to around USD60 million in September 2009 (Economic & Monetary Statistics, NBC). The ongoing recession in the USA has huge implications for this industry (CDRI 2009 Nov).

4 The number of tourist arrivals in Cambodia by December 2009 was around 200,000 (CDRI 2009 Dec).

in small building projects and in activity on some major construction sites. However, no improvement was reported for unskilled construction workers, and some were even worse off. And, although all respondent groups and their families continued to endure a high cost of living and increased food prices, the food prices impacted more severely on cyclo drivers and unskilled construction workers.

High rice yields due to good rainfall were found in Kompong Tnaot, Ba Baong and Krasang.⁵ Good harvests lead to increased agricultural income such that farmers are able to repay some outstanding loans and improve their consumption. It was consistently found in these three villages that the capital built up from agricultural income helped villagers to diversify their livelihood activities. But not all villages shared the same fortune. Unfavourable natural conditions, i.e. heavy rainfall during the harvest season and pest infestation, caused devastating rice losses. In Trapeang Prei⁶ alone, the loss of rice to rats was around 30 percent compared to the yield in 2008. Inevitably, low rice yield and low agricultural income draw households into deeper hardship and make them susceptible to heavy debt. Off-farm paid work and remittances from family members working in garments or construction or in Thailand are another source of family income.

“Those who have sons or daughters or other family members working in the city are far luckier than us. At least they have someone sending some money to buy food and pay for other family expenditure, so they are not so afraid of having nothing to eat even when there is not enough rice.”— Women in FGD in Trapeang Prei village.

People in the study villages are mainly employed in local seasonal off-farm work in or near their village after the harvest. These are largely traditional forms of work in the villages and were not significantly impacted by the recession. For example, people in Kompong Tnaot could have a bigger catch from sea

fishing because there are no strong winds; others could work in salt production during the dry season. In Ba Baong and Trapeang Prei, people sold their labour carrying rice sacks, carrying soil and in palm sugar production. In the dry season there is a mass movement of skilled and unskilled construction workers from the countryside to urban areas; others migrate to work on farms in Thailand.

Two conditions appeared to impact on these migrant groups. First, as more people arrived in the city and sought work, job competition became greater, particularly among cyclo drivers and skilled and unskilled construction workers. This further lowered wages already affected by the economic crisis. Second, migrant workers in Andoung Trach (in Kompong Preah commune, Sangkae district, Battambang) and Krasang said that the increased use of agricultural machinery on Thai farms threatened their jobs. The global recession has also meant lower demand and prices for agricultural produce. This caused Thai farmers to abandon their crops and reduced their need for Cambodian farm labourers. These events affected both migrant workers and their families.

Changes in Employment, Income and Savings Job Availability

In the study period, economic recovery, while modest, has had more direct impact on garments and tourism and some parts of construction. Garment and services workers confirmed that work availability barely changed compared to previous rounds. The resumption of some major construction sites in Phnom Penh benefited skilled construction workers. By contrast, the lower demand for unskilled construction workers in February continued, while the number of workers increased. Most had fewer than 10 days' work per month. There was no change in the number of working days for cyclo drivers and restaurant workers in Phnom Penh, but they reported fewer customers.

Wages

Cyclo drivers and restaurant worker earned the same daily income as in round 3 if they worked an additional two hours every day. Unskilled construction workers received lower wages: 13,000 riels per day, or 10 percent less than in the previous three-month assessment. Similarly, migrant workers from Andoung Trach and Krasang employed on

5 Kompong Tnaot village is located in Koun Satv commune, Kampot district, Kampot province; Ba Baong village is in Ba Baong commune, Peam Ro district, Prey Veng province; Krasang village is in Ta Meun commune, Thma Koul district, Battambang province.

6 Trapeang Prei village is in Khsem Khsan commune, Odongk district, Kompong Speu province.

farms in Thailand received 40 percent less than in round 3. Tuk-tuk drivers and small traders interviewed in Siem Reap province gained income of around USD5 and USD3, respectively, because of increased tourist arrivals. Hotel and restaurant workers in Siem Reap reported a slight increase in salary and tips.

Savings and Remittances

The recent economic recovery appears to have had a strong effect on the availability of jobs and incomes for garment workers and tourism and services workers. Garment workers managed to send USD30–60 to their families each month. However, savings and remittances continued to shrink for cyclo drivers, unskilled construction workers and migrant workers because of fewer jobs and lower wages. FGDs in six rural villages suggested a general seasonal increase from round 3 in household income due to the availability of off-farm jobs. The change was not significant, however, compared to the same period in the previous year. For example, people in Kompong Tnaot earned around 140,000 riels per month in salt production work and in Ba Baong, around 20,000 - 30,000 riels from making and selling cakes. The high food prices and high living costs were a primary cause of the decline in savings and remittances.

Labour Allocation within Families

Seasonal job availability and the recent economic recovery seemed to determine labour allocation within families. As in the previous round, adult household members, especially parents, did both farm and non-farm paid work. These rural job opportunities change with the state of the economy and the season. In this round, there was no indication that the economic recession made rural people work harder, but FGDs revealed that the search for work had been intense. Women in the villages continued to do the majority of household chores with some assistance from their young children, including collecting products from common property resources (e.g. food items from the fields).

There was evidence from Kompong Tnaot that children had been taken out of school to assist with housework or to work in salt production (among the worst forms of child labour, according to the Ministry of Labour). Most grown children or youths do some kind of paid work in garment factories,

construction, farms in Thailand or fishing. They are among the key income earners in the family. Their hours depend on available work, which is largely contingent on the state of the economy. Skilled and unskilled construction workers claimed to have searched for jobs intensively, while cyclo drivers did other work such as carrying goods.

Coping Strategies

Actions to cope with shocks from unfavourable natural conditions or economic recession were almost the same as before, but there was a slight change in the patterns.

Changes in Consumption Patterns

Minimising non-food consumption was still the major strategy to cope with the price increases, the high cost of living and other possible shocks. Changes in non-food consumption were found such as emergency health expenditure and spending on children's education, compared to round 3 at the beginning of the new academic year.

Reducing food consumption was not a common coping strategy in this round due to the recent harvest and economic upturn. Thus workers and rural households maintained adequate food intake even if the food was of lower quality. There was a slight increase in food expenditure among all groups. This does not necessarily signify better quality food but rather reflects the increase in prices. Cyclo drivers in particular noted a 500–1000 riels increase in food expenditure per meal compared to round 3. However, in this round, the quality and quantity of food consumed by unskilled construction workers remained unchanged. Other coping strategies raised by garment workers to manage the increase in food prices included sharing food—buying food and cooking and eating meals in a group—and asking their parents to send rice from home.

“Eating low quality food is not always good for us because our work takes physical strength ... before, we would usually have other snacks as well as our meals, but now we feel more exhausted after work.”—FGD with skilled construction workers

Coping with Labour Market Shocks and Low Demand

Different strategies in response to labour market shocks and low demand were adopted by unskilled and skilled construction workers, garment workers, cyclo and tuk-tuk drivers, small traders, restaurant workers and migrant workers. In addition to accepting lower wages because of increasingly tight competition, unskilled construction workers frequently had to follow up and maintain good relations with foremen to get work. Many skilled construction workers admitted seeking jobs at other construction sites where pay was better. Garment workers were more likely to move from a small factory to a bigger one for better job opportunity. Besides accepting lower fares, cyclo drivers rode around to find customers and worked an additional two hours a day compared to the previous year. Small traders and tuk-tuk drivers competed for customers by reducing prices and fares to a minimum. Small traders diversified their products to attract customers.

Restaurant workers in Phnom Penh said that, with fewer customers, their restaurant had run promotions, e.g. giving an extra amount of food for free, reduced prices, been meticulous about hygiene and strictly regulated workers' punctuality, meal breaks and leave. Migrant workers appeared to have no clear mechanisms to cope with the decline in demand for farm labour in Thailand. Some stayed idle in the village awaiting a job; others found work in other areas. Anecdotal evidence indicated that in Andoung Trach, people's livelihoods were increasingly less dependent on resources from the Tonle Sap.

Borrowing Money and Selling Assets

Borrowing money was still an important coping strategy for livelihood-related difficulties. The reduced number of jobs forced migrant workers to take more loans from micro-finance institutions (MFIs) for living costs or for migrating to seek work. Unskilled construction workers and restaurant workers approached friends, relatives, moneylenders or even foremen to borrow for their daily expenses. Some cyclo drivers took loans from a moneylender or MFI, using their land as collateral, to buy a motorcycle and upgrade to moto-taxi. Several rural

households accrued debts due to family events such as children's weddings. Buying agricultural inputs on credit at high interest caused farmers to lose money to the traders who gave them loans. Low rice yields also bring almost certain prospects of increased indebtedness for households in villages that will be struck by drought, heavy rain and/or pests in the coming year. Families unable to repay their loans to an MFI or bank sought other sources of loans, e.g., a local moneylender, even at a high interest rate, in order to repay their loan for fear of losing their house or land. Shoring up one loan with yet another caused additional difficulties.

Asset selling was rarely reported in the FGDs, suggesting two possibilities. First, households may not have had any further assets to sell, as in the case of Donvong, located in Kandal Stung district, Kandal province, and Andoung Trach. Second, the rebound in job availability in the garment sector may have benefited rural households through remittances, and this added to the seasonal off-farm income they earn at this time of the year. Selling livestock when the household needs money is a normal practice according to many rural villagers.

Social Assistance and Social Relations

As in the previous rounds, no new formal social assistance had emerged from government or development agencies to help people cope with the crisis during the study period (December 2009–February 2010). Existing social services include vaccinations and distribution of nutritional supplements for children and pregnant women. In Trapeang Prei, villagers benefited from a World Vision International integrated rural development programme that includes provision of livestock and community sanitation. For garment workers, membership in a labour union offers them support in negotiations with factory owners. This reflects the limited social protection programmes for the poor and vulnerable. Informal social safety nets substituted for or complemented formal nets. All FGDs revealed that mutual help, kinship and group solidarity are a dependable social safety net in difficult times or when they need immediate assistance.

Continued on page 21

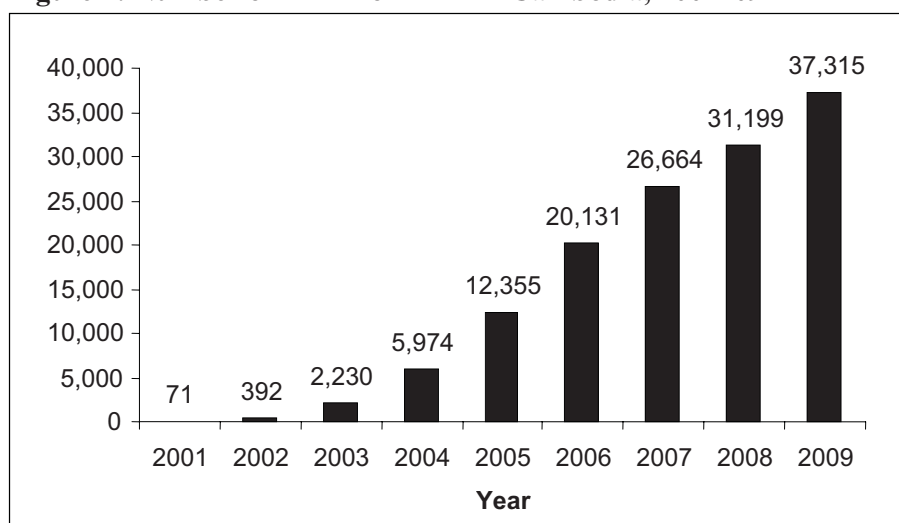
Older People Support Anti-Retroviral Treatment Adherence Programmes in Banteay Meanchey Province¹

Introduction

In Cambodia, access to anti-retroviral therapy (ART) accelerated rapidly in the past decade, altering the circumstances and experiences of those dealing closely with the AIDS epidemic. Until very recently, HIV-infected persons in Cambodia who had contracted opportunistic infections associated with AIDS were destined to endure debilitating illnesses leading inexorably to death. Beyond those infected, the epidemic affected family members, including parents, who often bore the emotional, economic and social consequences of intensive care giving and the premature deaths of their children. Expanded availability of ART drastically reconfigured the situations of those affected by the disease. With ART, AIDS-related infections could now be treated effectively and the health of the patient restored. Meanwhile, increased testing for HIV enabled ART treatment to begin before opportunistic infections like tuberculosis became symptomatic and started to take their toll. As persons living with HIV/AIDS (PLHA) experienced improved health on ART, family members similarly benefited as the adverse effects of the disease were mitigated or at least substantially delayed (see ADI 2010).

ART was piloted in Cambodia in 2001 by the NGOs Medecins Sans Frontieres, Medecins du Monde and Centre for Hope. Although the government and donors were initially reluctant

Figure 1: Number of PLHA on ART in Cambodia, 2001–09



Sources: NCHADS (2009), *Treatment Care for PLHA in the World and Cambodia*; NCHADS (2010), *Facility ART Report from All Sites, 2009*

to support ART provision, the early outcomes convinced the Ministry of Health that the ART programme could be viable. The National Centre for HIV, AIDS, Dermatology and STI (NCHADS) assumed management of the programme which expanded rapidly with generous donor support. The number of PLHA on ART increased from 71 in 2001 to 12,355 in 2005 to 37,315 in 2009 (Figure 1). According to the NCHADS director, the 2009 figure represented about 95 percent of the PLHA in need of ART (Mean Chhi Vun 2009). With Cambodia still in the process of developing a viable public health system, this was truly a remarkable accomplishment.

Research Objectives

Older persons are largely ignored in the discourse concerning the AIDS epidemic despite the fact that they are intimately involved. This article focuses on older persons' support to HIV-positive children and household relatives on ART in Banteay Meanchey province. More specifically, the study seeks to examine the role and involvement of elders in care giving and assistance with treatment adherence, to assess the financial and health impacts of care giving

¹ This article was prepared by Hak Sochanny, Khuon Candore, Dane So and John McAndrew of the Analysing Development Issues (ADI) Project of the Cooperation Committee for Cambodia. The researchers acknowledge the advice and support of Professor John Knodel, Population Studies Center, University of Michigan.

on the older people, to identify the consequences of ART use for the elders and their children/household relatives and to explore the incidence and importance of training provided to the elderly care givers.

Research Methods

The research employs quantitative and qualitative methods. In May 2008 a one-page questionnaire was used to gather information on 382 ART recipients in six purposively selected communes of Banteay Meanchey. This ART recipient survey helps to place the more comprehensive results of the older persons' survey in context.

In May 2008 in the same communes, a total 108 respondents 50 years and older with ART recipient children living in the same or different households or with ART recipient relatives living in the same household were purposively selected and surveyed about their care-giving experiences. In July 2008, 10 of the 108 survey respondents were approached again for qualitative in-depth interviews. In Phnom Penh and Banteay Meanchey, the study also interviewed government officials involved in the provision of ART and NGOs involved in home-based care support.

ART Recipients Report Assistance from Parents

The ART recipient survey reveals that three-fifths of the 382 respondents had at least one living parent and that nearly three-fourths of those with a surviving parent lived in the same household or location as

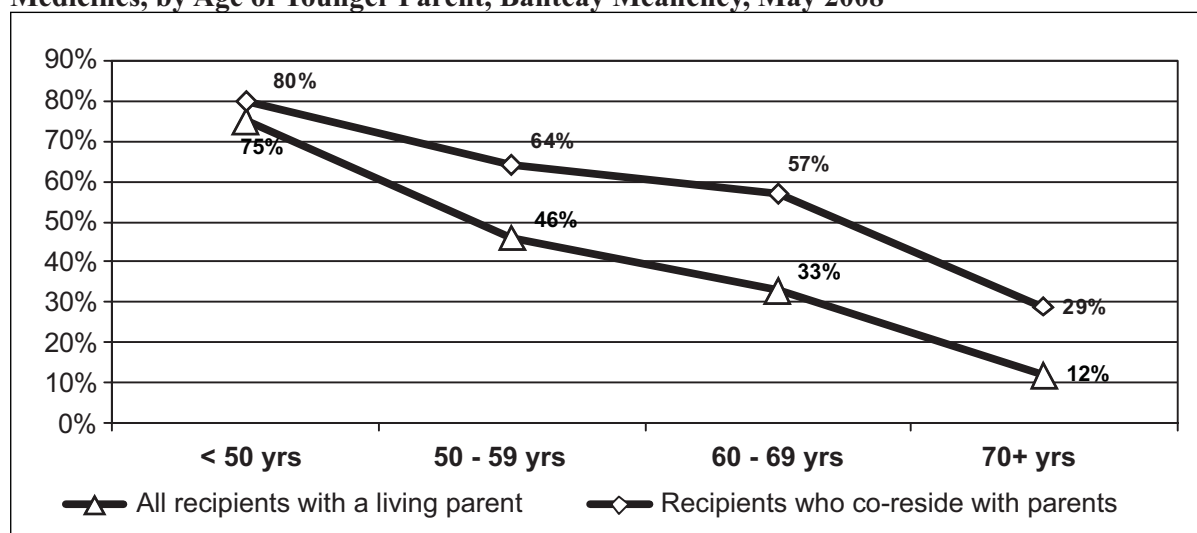
their parents. This placed parents in an advantageous situation to monitor and support ART use. More than two-fifths of the ART recipient parents, and almost two-thirds of the ART co-resident parents, often or daily reminded their children to take their ART medicines. Younger parents and especially co-resident younger parents more than older parents reminded their children often or daily to take ART (Figure 2). Moreover, among ART recipients who had a living parent, more than three-fifths had a parent who reminded them to get their medicines from the hospital or health centre. Similarly, almost one-third had a parent who had actually taken or accompanied them to get medicines.

Older People's Commitment to Care Giving

The older people's survey reveals that elderly respondents and/or their spouses in 101 (94 percent) of the 108 households interviewed provided care to HIV-positive children and household relatives. Moreover, in these households elderly women were 82 percent of the primary care givers. The involvement of women as care givers was greater than that of men. In total 97 (91 percent) of the 107 women and 35 (67 percent) of the 52 men provided some care to their HIV-positive children or household relatives (Figure 3). Reasons given by elders surveyed for not providing care were commonly that their spouse did so or that the ART recipient's spouse or children did so.

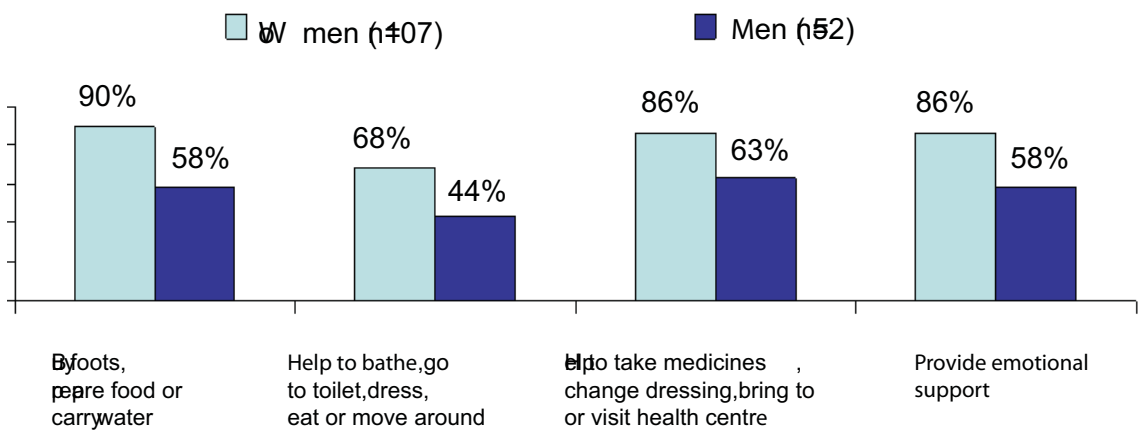
The pronounced role of elderly women in care

Figure 2: Percent of ART Recipients Whose Parents Remind Them Often or Daily to Take Their Medicines, by Age of Younger Parent, Banteay Meanchey, May 2008



Source: Survey of 382 ART recipients

Figure 3: Elderly Respondents and their Spouses Engaged in Four Areas of Care Giving, Banteay Meanchey, May 2008



Source: Survey of older persons

giving was striking considering their demographic and social characteristics. A majority were separated, divorced or widowed without partners to rely on, nearly half had never attended school, two-thirds were still working to support their households, and just over half were 60 years of age or over. Despite these constraints, elderly women generally assumed primary responsibility for the care of HIV-positive children and household relatives.

While older persons' and especially older women's commitment to caring for HIV-positive children and household relatives was strongly evidenced in the research, their care giving came at a cost. Slightly more than 90 percent of the elderly respondents incurred expenses for the care and treatment of their HIV-positive children and household relatives, apparently before receiving the ART medicines for free. Of those elders with expenses, 71 percent had depleted their savings and 62 percent had borrowed money; 32 percent had sold land and 43 percent had sold gold or jewellery. Of the 41 respondents who had experienced the death of a family member to HIV/AIDS, 28 had paid some of their medical expenses, while 25 had paid some of their funeral expenses. While more than 40 percent of the elderly respondents complained of poor or very poor health, the elders generally did not associate specific health complaints with the consequences of care giving.

Consequences of ART Use

"ART is a sacred medicine provided by God." These words spoken by an 81-year-old grandmother who was among the 108 respondents surveyed

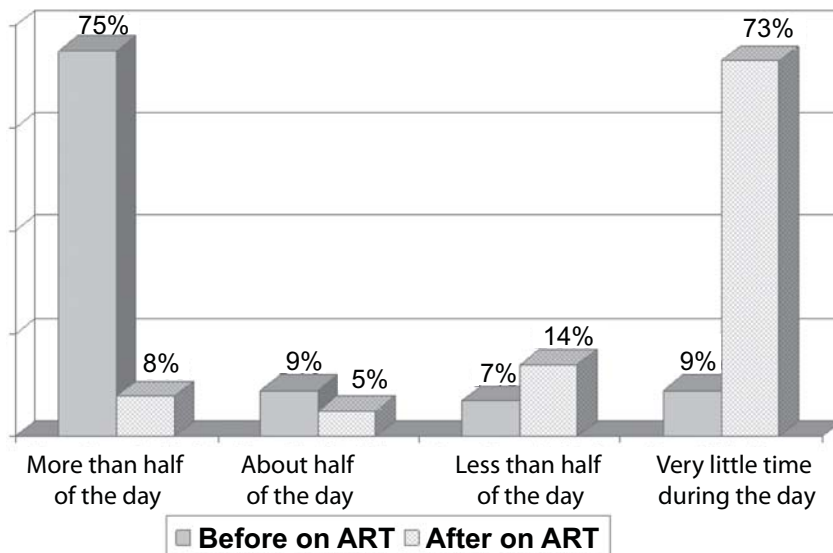
captured the sentiments of many of the older persons interviewed. Many who had experienced their children and household relatives literally dying before their eyes now witnessed miraculous recoveries once the patients started to take ART.

My daughter had treatment for tuberculosis for eight months before receiving ART. She had lost a lot of weight, from 48 kilograms to about 30 kilograms. She was all skin and bones. She was in the hospital when they told me she had gotten worse. I rushed back to the hospital and saw her motionless on the bed just like a dead body. I prayed for her to live. The doctors gave her intravenous fluids. I begged them to help her. Now, after taking ART for a long time, her condition has improved. She is working again, doing some light work. (57-year-old divorced mother of daughter on ART, Kompong Svay commune, Banteay Meanchey)

Last year my daughter who is HIV-positive was so weak. She could not take care of her child. I helped her. She went to the hospital and was given ART. One month after taking the medicine she was much better and had no more fatigue. She was able to walk around, clean dishes and look after her child. Now she looks healthy and works like other people. She wears jewellery and good dresses. I am thankful to the people who made the medicine to cure this disease. (68-year-old widowed mother of daughter on ART, Tuek Thla commune, Banteay Meanchey)

Figure 4: Percentage of Time Spent in Care Giving before and after Antiretroviral Therapy, 101 Households, Banteay Meanchey, May 2008

Taking ART has helped save my son's life. He has gained weight, sleeps better and has more strength. He takes the ART two times a day. He remembers to take the medicines himself and goes to the hospital regularly to get more supplies. Soon after he left the hospital, he began to teach school again. Last year he remarried. His wife is a widow with three children. I did not know that they were in love. She says that she has pity for him and does not mind that he has HIV/AIDS. Having a companion makes his life easier. (63-year-old mother of son on ART, Kompong Svay commune, Banteay Meanchey)



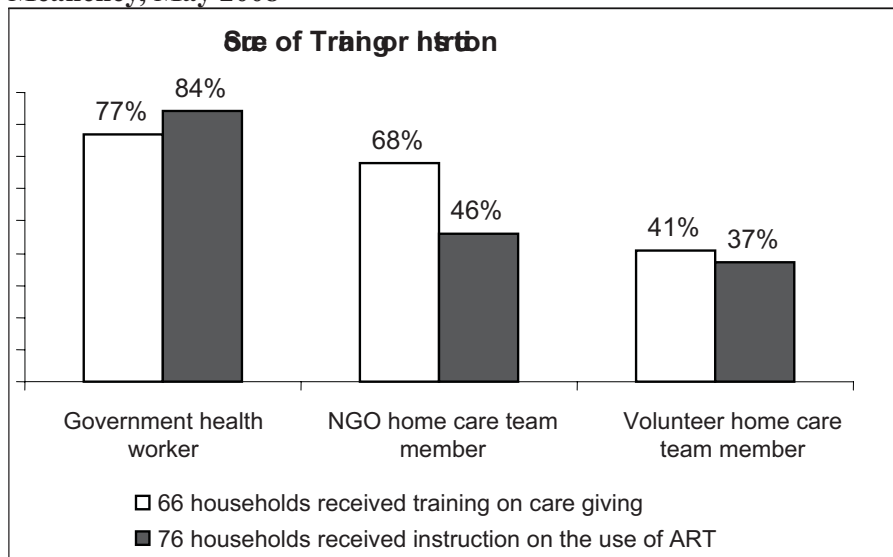
Source: Survey of older persons

ART use resulted in improved health for almost all of the elders' children/household relatives and enabled them to care for themselves. Nearly three-fourths of the elderly respondents reported that ART recipients were able to return to work and more than half had ART recipient children/household relatives who were able to contribute to the household income. While the time spent by the elders in care giving dropped sharply after ART use (Figure 4), the elderly respondents remained actively involved in reminding the ART recipients to take their medicines.

Older Care Givers and Training

While elders were actively engaged in care giving, they were not specifically singled out to receive advice or training on how to care for PLHA. Indeed, respondents and/or their spouses in only 66 (61 percent) of the 108 households interviewed received advice or training on this highly relevant matter. Care givers in these 66 households received training mostly from government health workers and NGO home-based care teams and less so from volunteer home-based care teams. By contrast, slightly more elders received training on how to care for ART recipients. Respondents

Figure 5: Percentages of Households Reporting Source of Instruction on HIV/AIDS Care Giving and Use of Antiretroviral Therapy, Banteay Meanchey, May 2008



Source: Survey of older persons

and/or their spouses in 76 (70 percent) of the 108 households received instruction on the use of ART. Care givers in these 76 households received instruction predominantly from government health workers and less so from NGO and volunteer home-based care teams (Figure 5).

To provide effective assistance with ART treatment adherence, elders must have sufficient understanding of the treatment regimen. The study examined the association of ART knowledge and the extent to which older persons received instruction from the ART treatment programme. The result indicated a strong association between instruction received and ART knowledge. This suggests that receiving advice from programme sources considerably improves older persons' knowledge and, by implication, the quality and effectiveness of their support (see Knodel *et al.* 2010).

Policy Implications

Cambodia's response to its AIDS epidemic has been remarkably effective albeit highly dependent on donor funding. Rigorous lifelong adherence to ART regimens is crucial to sustain the health benefits achieved and lessen drug resistance associated with treatment failure. The ongoing success of Cambodia's response to the disease relies on developing culturally appropriate, pragmatic and cost-effective approaches to long-term ART adherence. This entails not only continued provision of drugs and medical personnel to dispense them but also persons to supply social and psychological support. The formation of PLHA support groups and home-based care teams to augment treatment adherence constitutes the prevailing strategy to address this challenge. The results of this study, which empirically document the contributions by elders in response to HIV/AIDS, suggest opportunities for expanding this strategy to include older persons and other family members.

Compelling arguments emerge from the research for involving older persons and other family members more inclusively in ART adherence programmes. Elderly persons often live with or near ART patients and have deep emotional reasons for wanting the patient to restore and maintain health. They are highly committed to caring and are often present at the specific times that medicines need to be taken. Moreover, they neither ask nor expect to be paid for their assistance. In short, older persons represent

a largely unrecognised resource in Cambodia's organised response to the AIDS epidemic.

The underutilisation of older persons in Cambodia's ART adherence programmes is perhaps due to health professionals' perception that their advanced ages and general lack of formal education render them incapable of providing useful assistance. But as evidenced in this study, neither their ages nor their low levels of education and literacy prevented the elders from understanding the basic requirements of treatment adherence. Indeed, ART knowledge was strongly associated with the extent of instruction received, suggesting that training from programme sources substantially improved older persons' knowledge. This has implications for involving PLHA support groups more proactively in the education of older persons and other family members. Working in tandem, PLHA support groups and older persons could generate greater synergy and contribute significantly to Cambodia's response to the AIDS epidemic, which will likely confront the country for years to come.

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Economy Watch—External Environment

This section presents economic changes in some of the world's developed economies and Asian developing economies during the first quarter of 2010.

Word Economic Growth

In the first quarter, real GDP growth in Indonesia expanded by 5.7 percent year on year, the fastest pace since the third quarter of 2008. Indonesia has proved to be less exposed to the global recession than many of its neighbours, largely due to the relatively small proportion of the country's GDP that is accounted for by exports. Malaysia's GDP expanded by 10.1 percent, and growth in Singapore escalated by 16 percent, the fastest pace since records began in the mid-1970s; net exports contributed 10.2 percent of the overall rate of expansion. Singapore's imports of goods and services also increased. Personal consumption rose by 5.7 percent. Thailand's GDP grew by 12.0 percent over a year earlier due to an escalation in domestic demand and changes in stock levels, which accounted for 8.7 percent of GDP growth.

Year-on-year growth in China increased to 11.9 percent, while in Hong Kong it was 2.8 percent due to growth in imports by 28.8 percent to HKD227.5 bn and in exports by 21.7 percent to HKD242.2 bn. South Korea posted a rise of 2.1 percent due to domestic consumption, exports, facilities investment and increased government consumption. GDP in Taiwan grew by 13.3 percent. Its exports of goods and services rose by 42.2 percent, which contributed to the total real GDP growth of 24.5 percentage points. In addition, gross fixed capital formation rose by 26.3 percent. GDP in Japan rose by 4.2 percent and in the US by 2.5 percent.

World Inflation and Exchange Rates

During the first quarter of 2010, deflationary pressures remained evident in Japan, while inflation increased in many countries. Year-on-year inflation in Cambodia was 7.0 percent because the economy is beginning to recover, and the price of petrol,

diesel and other fuels rose in response to higher global oil prices. A recent depreciation of the riel against the US dollar also contributed to inflation by increasing the price of imported goods and services in local currency. In Indonesia, the inflation rate was 3.6 percent, Malaysia 1.3 percent, Singapore 0.9 percent, Thailand 3.7 percent, and Vietnam 7.5 percent. Consumer prices in China increased 2.2 percent, a result of the yuan's appreciation against the US dollar. Year-on-year consumer price in Korea accelerated to 2.7 percent from 2.4 percent in the previous quarter. Inflation in Hong Kong was 1.9 percent and in Taiwan 11.2 percent. Inflation in Japan remained negative at -1.2 percent, while in the euro zone it was 1.1 percent and the US 2.3 percent.

During the same period, the riel depreciated against the US dollar by 0.4 percent from the preceding quarter. The Singapore dollar depreciated by 0.7 percent, Vietnamese dong by 2.0 percent, Hong Kong dollar by 0.1 percent, euro by 6.0 percent, and yen by 1.0 percent. China's yuan was unchanged at 6.83 per USD. The Indonesian rupiah appreciated by 2.0 percent, Malaysian ringgit by 0.9 percent, Thai baht by 1.2 percent, South Korean won by 2.0 percent and Taiwan dollar by 1.0 percent.

Commodity Prices in World Markets

During the first quarter of 2010, the prices of maize, rice and soybeans dropped slightly from the previous quarter. Maize (US No. 2) decreased by 3.0 percent to USD162.9 per tonne. Rice (Thai 100%) went down by 0.6 percent to USD566 per tonne and soybeans (US No.1) by 4.5 percent to USD373 per tonne. Crude oil rose by 2.5 percent to USD76 per barrel, gasoline by 8.5 percent and diesel by 5.6 percent to USD0.54 per litre.

*Prepared by
Sry Bopharath*

Economy Watch—External Environment

Table 1. Real GDP Growth of Selected Trading Partners, 2004–2010 (percentage increase over previous year)

	2004	2005	2006	2007	2008	2008 Q4	2009 Q1	Q2	Q3	Q4	2010 Q1
Selected ASEAN countries											
Cambodia	7.7	13.4	10.6	10.2	6.8	-	-	-	-	-	-
Indonesia	5.1	5.6	5.4	6.3	6.1	5.2	4.4	3.9	4.2	5.4	5.7
Malaysia	7	5.2	5.9	6.3	4.6	0.1	-6.2	-3.9	-1.2	4.5	10.1
Singapore	8.5	5.7	7.7	7.7	1.1	-4.2	-10.1	-3.5	0.8	4.0	16.0
Thailand	6	4.5	4.8	4.9	2.6	-4.3	-7.1	-4.9	-2.8	5.8	12.0
Vietnam	7.5	8.4	8.1	8.5	6.2	-	-	-	-	-	-
Selected other Asian countries											
China	9.5	9.6	10.5	11.9	9.0	6.8	6.1	7.9	8.9	10.7	11.9
Hong Kong	8.3	6.5	6.6	6.4	2.4	-2.5	-7.8	-3.8	-2.2	2.6	2.8
South Korea	4.7	4.7	5.0	4.9	2.2	-3.6	-4.4	-2.2	0.4	6.1	2.1
Taiwan	5.7	4.1	4.6	5.2	0.1	-8.4	-10.2	-7.5	-1.3	9.2	13.3
Selected industrial countries											
Euro-12	1.8	1.5	2.7	2.9	0.9	-1.3	-2.5	-4.8	-4.7	0.1	-
Japan	3.4	2.5	2.1	2.0	-0.7	-4.6	-9.1	0.6	-4.7	-1.4	4.2
United States	4.4	3.7	3.3	2.2	1.1	-6.3	-2.6	-3.9	-2.5	0.1	2.5

Sources: International Monetary Fund, Economist and countries' statistic offices

Table 2. Inflation Rate of Selected Trading Partners, 2004–2010 (percentage price increase over previous year—period averages)

	2004	2005	2006	2007	2008	2008 Q4	2009 Q1	Q2	Q3	Q4	2010 Q1
Selected ASEAN countries											
Cambodia	4.0	5.8	4.7	10.5	19.7	15.7	4.3	-4.8	-3.0	1.7	7.0
Indonesia	8.3	10.5	13.4	6.4	10.1	11.4	8.5	5.6	2.76	2.6	3.6
Malaysia	1.6	3.1	3.7	2.0	5.3	5.9	3.7	1.3	-2.26	-0.2	1.3
Singapore	1.7	0.5	1.0	2.1	6.5	5.5	2.1	-0.5	-0.4	-0.3	0.9
Thailand	2.7	4.5	4.7	2.2	5.5	2.2	-0.2	-2.8	-2.13	1.9	3.7
Vietnam	7.8	8.2	7.7	8.3	23.3	23.6	15.1	6.2	2.6	4.6	7.5
Selected other Asian countries											
China	3.9	1.8	1.5	4.8	5.9	2.5	-0.6	1.5	-1.26	0.7	2.2
Hong Kong	-0.4	1.1	2.2	2.0	4.3	2.3	1.7	-0.1	-0.86	1.3	1.9
South Korea	3.5	2.8	2.4	2.5	4.6	4.5	3.9	2.8	2.0	2.4	2.7
Taiwan	1.6	2.3	0.6	1.8	3.2	1.9	0.0	-0.8	-1.33	-1.8	11.2
Selected industrial countries											
Euro-12	2.2	2.2	2.1	2.1	3.3	2.3	1.0	0.9	-0.36	0.4	1.1
Japan	Nil	-0.3	0.5	0.1	1.4	1.0	-0.1	-1.0	-2.2	-2.0	-1.2
United States	2.7	3.4	3.2	2.9	3.8	1.5	-0.2	-0.9	-1.63	1.4	2.3

Sources: International Monetary Fund, Economist and National Institute of Statistics

Table 3. Exchange Rates against US Dollar of Selected Trading Partners, 2004–2010 (period averages)

	2004	2005	2006	2007	2008	2008 Q4	2009 Q1	Q2	Q3	Q4	2010 Q1
Selected ASEAN countries											
Cambodia (riel)	4016.30	4092.50	4103.20	4062.70	4054.20	4089.80	4108.00	4128.60	4164.40	4163.10	4180.109
Indonesia (rupiah)	8938.00	9705.00	9134.00	9419.00	9699.00	11,060.00	11,630.80	10,225.00	9887.00	9472.44	9266.93
Malaysia (ringgit)	3.80	3.80	3.70	3.30	3.30	3.60	3.60	3.50	3.50	3.40	3.37
Singapore (S\$)	1.69	1.66	1.59	1.51	1.48	1.49	1.51	1.45	1.44	1.39	1.40
Thailand (baht)	40.20	40.20	37.9	32.22	33.36	34.83	35.29	33.98	33.96	33.30	32.90
Vietnam (dong)	15,777.00	15,859.00	15,994.00	16,030.00	16,382.00	16,537.00	16,954.00	17,801.00	17,841.00	18,472.00	18,825.67
Selected other Asian countries											
China (yuan)	8.28	8.19	7.97	8.03	6.94	6.83	6.84	6.83	6.83	6.83	6.83
Hong Kong (HK\$)	7.79	7.78	7.77	7.80	7.78	7.75	7.75	7.75	7.75	7.75	7.76
South Korea (won)	1145.00	1024.00	955.00	929.04	1137.23	1367.20	1412.50	1273.90	1239.04	1167.77	1143.97
Taiwan (NT\$)	33.60	32.10	32.50	32.85	31.54	33.00	34.00	33.10	32.77	32.29	31.93
Selected industrial countries											
Euro-12 (euro)	0.80	0.80	0.80	0.70	0.84	1.32	0.76	0.71	0.70	0.68	0.72
Japan (yen)	108.20	110.20	116.40	117.80	102.46	96.10	93.72	95.95	93.58	89.78	90.73

Sources: International Monetary Fund, Economist and National Bank of Cambodia

Table 4. Selected Commodity Prices on World Market, 2004–2010 (period averages)

	2004	2005	2006	2007	2008	2008 Q4	2009 Q1	Q2	Q3	Q4	2010 Q1
Maize (USNo.2)—USA (USD/tonne)	110.65	89.19	111.04	149.08	218.15	181.22	183.12	171.16	146.85	168.13	162.88
Palm oil—north-west Europe (USD/tonne)	427.47	381.32	433.85	707.68	912.23	564.50	636.53	719.35	659.16	732.33	N/A
Rice (Thai 100% B)—Bangkok (USD/tonne)	221.67	262.88	282.00	305.36	615.32	519.41	522.13	499.45	307.31	569.00	565.67
Soybeans (US No.1)—USA (USD/tonne)	262.03	224.25	213.88	294.59	460.41	382.72	434.40	420.10	411.18	390.43	372.68
Crude oil—OPEC spot (USD/barrel)	33.50	50.14	61.58	69.25	95.44	55.23	42.34	57.46	68.32	73.86	75.73
Gasoline—US Gulf Coast (cents/litre)	30.90	42.19	47.70	53.58	62.22	34.52	31.97	43.11	46.92	49.64	53.87
Diesel(low sulphur No.2)—US Gulf Coast (cents/litre)	29.48	44.35	51.35	55.51	76.20	46.98	34.17	40.51	46.46	51.03	53.87

Sources: Food and Agriculture Organisation and US Energy Information Administration

Economy Watch—Domestic Performance

Main Economic activities

In the first quarter of 2010, fixed asset investment approvals decreased 91 percent from the preceding quarter. Agriculture approvals dropped by 62 percent to USD36 m. Industry approvals shrank by 64 percent to USD247.6 m. This was mainly due to a decrease of energy approvals by 97 percent from USD540 m to USD17.0 m, and food processing approvals dropping by 88 percent, from USD23.0 m to USD2.8 m. Services approvals declined by 97 percent to USD89.5 m, due to a drop of approvals of hotels and other services from USD3475.8 m to USD89.5 m and no tourism approvals.

During the same period, the total value of construction approvals dropped by 23 percent compared with the previous quarter. Villas and houses decreased by 48 percent to USD5.1 m, and flats by 60 percent to USD11.0 m, while other construction approvals were USD35.0 m, an increase of 21 percent.

Total visitor arrivals to Cambodia rose by 16 percent to 683,692. Arrivals by air were 371,506, an increase of 21 percent compared with the previous quarter. Visitors arriving via Phnom Penh International Airport expanded by 7.3 percent to 158,979, and via Siem Reap International Airport by 33 percent to 212,527. Arrivals by land rose by 12 percent to 246,442, and by boat 30 percent to 26,829. One-day visitor arrivals increased 2.5 percent to 38,915. Among ASEAN nationals visiting Cambodia in the first quarter, those from Vietnam increased by 6.0 percent from previous quarter to 92,605, the biggest increase, followed by Myanmar at 4.0 percent and Philippines 1.0 percent.

During the first quarter, garment exports dropped by 5.5 percent compared with the preceding quarter. Rubber exports decreased by 28 percent and fish by 42 percent. Wood rose by 83 percent. Total imports of petroleum went up by 3.7 percent, while construction materials declined by 4.1 percent and other imports by 5.2 percent. The trade balance in this quarter was a surplus of USD305.2 m.

Public Finance

In the first quarter of 2010, the budget deficit was KHR592.6 bn. Total revenue rose 14 percent to KHR1536.8 bn. Current revenue collection was KHR1526 bn, an increase of 14 percent compared with the previous quarter. Tax revenue decreased by 11 percent to KHR1094 bn; taxes on international trade dropped 9.8 percent to KHR273.7 bn, while domestic tax increased 1.5 percent to KHR820 bn. Non-tax revenue expanded by 92 percent: property income escalated nearly 16 times to KHR108.4 bn; sale of goods and services decreased by 11 percent to KHR108 bn; other non-tax revenue dropped 6.0 percent to KHR84 bn. Total expenditure increased by 13 percent, but current expenditure declined by 38 percent.

Inflation and Foreign Exchange Rates

In the first quarter of 2010, year-on-year inflation for all items in Phnom Penh was 7.0 percent. Food and non-alcoholic beverages rose 7.8 percent, clothing and footwear 3.6 percent, housing and utilities 4.6 percent, household furnishings and operations 5.1 percent, health care 4.3 percent, transport 12.9 percent, recreation and culture 0.1 percent and education 7.2 percent, while communications prices declined 5.7 percent.

The riel depreciated against the US dollar by 0.5 percent compared with previous quarter. It depreciated against the Thai baht by 0.8 percent, while against the Vietnamese dong it appreciated by 3.0 percent. The gold price rose by 0.07 percent compared with the preceding quarter to USD133.9 per chi. Diesel fuel price increased by 6.4 percent and gasoline by 5.6 percent.

Monetary Developments

In the first quarter, liquidity (M2) rose to KHR17,235 bn from KHR12,448 bn in the same quarter last year. Riels in circulation rose to KHR3028 bn and riel deposits increased to KHR121 bn. Foreign currency deposits were KHR13,756 bn, an increase of 6.6 percent from the previous quarter. Net foreign assets rose 6.0 percent to KHR15,515 bn and net

Economy Watch—Domestic Performance

domestic assets went up by 10 percent to KHR1720 bn. The increase in net domestic assets was affected by a rise in domestic credit to KHR8662 bn and in other liabilities to KHR6942 bn.

Poverty Situation

CDRI's vulnerable worker survey interviewed 40 randomly selected persons from each of nine working groups, plus 120 garment workers. Among the total 480 interviewees, 57 percent had attended primary education, 29 percent junior high school and 4.0 percent senior high school, while 10 percent had no education. In May 2010, compared to the same month last year, the survey found an increase in real daily earnings for four group: cyclo drivers, scavengers, waitresses and garment workers; the other six groups were worse off.

The average daily earning of cyclo drivers increased 7.6 percent from May last year to KHR9570. All the cyclo drivers interviewed were the main income source for their families. They worked on average 25 days per month and 11 hours per day. Although they worked almost non-stop, only 3.0 percent reported that their earnings were sufficient for the family's needs, while 97 percent made enough only for subsistence. The rise in earnings did not prevent their daily expenditure decreasing by 10 percent to KHR4536; 87 percent of cyclo driver respondents could not save for the future. Only 2.5 percent originally lived in Phnom Penh; the others were from other provinces, the largest number from Prey Veng (42 percent). Fifty-six percent of the provincial people slept on the road or in a pagoda, 28 percent in the cyclo owner's house, 8.0 percent with relatives and 5.0 percent in a rented house.

The real earning of scavengers rose by 12 percent to KHR7407 per day. This was due to a better price for rubbish even though number of scavengers increased. Consequently, their real daily expenditure rose sharply from KHR3182 in the same month last year to KHR4226. Large numbers of scavenger were from Prey Veng (38 percent) and Svay Rieng (20 percent). Among the provincial rubbish collectors, 65 percent were landless. Additionally, 75 percent of those from the provinces came to Phnom Penh with their whole family.

Garment workers' earnings increased by 12 percent to KHR7491 in May 2010. All the interviewees were from the provinces, largely from Svay Rieng (20 percent), Kompong Cham (19 percent) and Prey Veng (18 percent). They worked an average six days per week, a total of 60 hours. Every day, they spent an average of KHR4853, of which 35 percent was for food and 28 percent was for accommodation and other consumption. They saved KHR116,800 per month for home remittances. However, 63 percent of the interviewees were remitting; the others saved only to support their future needs.

The daily earnings of skilled construction workers fell by 13 percent from the same month the year before, to KHR11,928. Although there was a rise in construction activities, the number of persons employed was also up, according to 70 percent of respondents. Only 2.5 percent of skilled construction workers had their home in Phnom Penh; the rests were from the provinces, mainly Kompong Speu (33 percent) and Takeo (20percent). Ninety-three percent of the workers were a main income source for their families. Besides real daily spending, which dropped by 23 percent from the previous year to KHR4290, the workers saved an average KHR134,500 in May for remittances, the highest amount of any group. Fifty-eight percent of them said the living condition of their family had improved since they began this occupation. In addition, 32 percent of respondents expected to save some money for their future.

Vegetable traders were mostly from the provinces, especially Kandal (30 percent) and Svay Rieng (25 percent); only 17 percent lived in Phnom Penh. In May, their daily earnings dropped by 17 percent compared with the same month last year to KHR8062. Seventy-five percent of the interviewees reported an increase in competition and a smaller invested capital because their earnings were down. Eighty-two percent said they were important for family income, while the others were only a supplementary source. Eighty-two percent of the interviewees had no savings for an emergency.

*Prepared by:
Sry Bopharath and Pon Dorina*

Economy Watch—Domestic Economy

Table 1. Private Investment Projects Approved, 2002–10

	2002	2003	2004	2005	2006	2007	2008	2009	2010			
								Q1	Q2	Q3	Q4	Q1
	Fixed Assets (USD m)											
Agriculture	40.3	3.7	12.3	26.8	498.0	135.6	92	175.3	0.0	176.1	94.4	36.1
Industry	67.7	137.2	187.9	914.6	365.3	709.1	724.9	257.7	39.4	60.6	685.5	247.7
. <i>Garments</i>	27.2	68.1	132.6	174.4	89.4	170.7	142.8	16.4	35.0	21.9	14.2	13.1
Services	145.3	168.4	91.8	155.5	2939.1	1742.5	10003.2	495.6	0.0	150.2	3475.8	89.5
. <i>Hotels and tourism</i>	47.1	124.1	55.9	102.6	345.0	1048.3	8758.1	254.1	0.0	150.2	0.0	3.78
Total	253.3	309.3	292.0	1096.9	3802.4	2587.2	10570.9	928.6	39.4	386.3	4255.7	373.3
Total	-	-	-	-	-	-	-	-41.2	-95.7	882.0	1001.7	-91.2
Total	13.1	22.1	-5.6	275.6	246.6	-32.0	308.6	266.5	-99.0	-91.5	169.3	-59.8

Including expansion project approvals. Source: Cambodian Investment Board

Table 2. Value of Construction Project Approvals in Phnom Penh, 2002–10

	2002	2003	2004	2005	2006	2007	2008	2009	2010			
								Q1	Q2	Q3	Q4	Q1
	USD m											
Villas and houses	23.4	20.0	30.3	45.5	33.1	79.1	154.7	32.1	6.7	2.2	9.8	5.1
Flats	179.9	91.6	167.6	204.2	213.3	297.2	221.6	95.2	18.9	6.3	28.0	11.1
Other	16.6	87.3	65.6	109.1	76.8	259.6	740.9	53.7	36.7	12.2	29.0	35.2
Total	219.9	198.9	263.5	358.8	323.3	635.8	1117	181.1	62.3	20.7	66.8	51.4
Total	-	-	-	-	-	-	-	-48.5	-65.6	-66.8	222.7	-23.1
Total	12.0	-9.5	32.5	36.2	-9.9	96.7	75.7	31.9	-55.8	-95.7	-81.0	-71.6

Source: Department of Cadastre and Geography of Phnom Penh municipality

Table 3. Foreign Visitor Arrivals, 2002–10

	2002	2003	2004	2005	2006	2007	2008	2009	2010			
								Q1	Q2	Q3	Q4	Q1
	Thousands of visitors											
By air	523.0	456.0	626.1	856.5	1029.0	1296.5	1239.4	335.2	221.2	247.2	308.1	371.5
By land and water	263.5	245.0	428.9	565.1	672.9	718.6	881.9	287.1	243.0	240.2	279.5	312.2
Total	786.5	701.1	1055.0	1421.6	1701.9	2015.1	2121.3	622.3	464.2	487.4	587.6	683.7
Total	-	-	-	-	-	-	-	7.7	-25.4	5.0	20.6	16.4
Total	30.0	-10.9	50.5	34.7	19.7	28.4	5.3	-3.4	2.2	9.4	1.7	9.9

Source: Ministry of Tourism

Table 4. Exports and Imports, 2002–10

	2002	2003	2004	2005	2006	2007	2008	2009	2010			
								Q1	Q2	Q3	Q4	Q1
	USD m											
Total exports	1453.2	1708.1	2108.1	2352.8	2799.9	3097.0	3000.0	619.7*	433.5	245.3	671.5*	631.3
Of which: Garments	1355.8	1628.4	2027.0	2253.3	2698.9	2938.9	2784.8	606.9	377.3	240.0	652.9	616.7
Rubber	29.7	35.1	38.3	36.7	41.4	41.6	36.1	11.8	8.2	4.9	16.2	11.7
Wood	16.0	10.2	11.1	10.3	8.6	4.1	0.0	0.1	0.1	0.0	1.2	2.2
Fish	4.3	2.8	10.6	10.1	5.9	3.2	2.2	0.9	0.7	0.4	1.2*	0.7
Total imports	1707.8	1824.9	2149.0	2513.0	3057.0	3609.7	4105.7	987.7	1060.8	336.4	336.3*	326.1
Of which: Petroleum products	157.5	191.6	187.0	184.8	238.5	264.9	255.8	67.3	72.2	89.0	82.0*	85.0
Construction materials	12.9	80.8	95.3	134.7	154.4	143.1	145.9	41.4	30.9	9.9	9.8*	9.4
Other	1568.2	1601.3	1914.0	2245.0	2731.0	3216.6	3704	879.0	957.7	237.5	244.5*	231.7
Trade balance	-254.6	-116.8	-40.9	-160.1	-257.1	-511.2	-1105.7	-368.0*	-627.3	-91.1	335.2*	305.2
Total garment exports	-	-	-	-	-	-	-	-10.6	-37.8	-36.4	172.0	-5.5
Total exports	-	-	-	-	-	-	-	-9.5	-37.7	-36.5	173.7	-6.3
Total imports	-	-	-	-	-	-	-	7.8	7.4	-68.3	0.0	-3.0
Total garment exports	9.2	20.1	24.5	11.2	19.8	8.9	-5.2	-21.5	-18.6	-72.4	-3.8	1.6
Total exports	14.6	17.5	23.4	11.6	19.0	10.6	-3.1	-10.2	-28.4	-73.6	-1.9	1.5
Total imports	13.7	6.9	17.8	16.9	21.6	18.1	13.7	0.4	-10.0	-67.2	-63.3	-67.0

Import data include tax-exempt imports. Source: Customs and Excise Department, cited by National Bank of Cambodia *updated data

Table 5. National Budget Operations on Cash Basis, 2002–10 (billion riels)

	2002	2003	2004	2005	2006	2007	2008	2009				2010
								Q1	Q2	Q3	Q4	Q1
Total revenue	1744.0	1764.0	2126.0	2625.0	3259.2	1146.1	5290.0	1101.7	1252.7	1184.7	1346.1	1536.8
Current revenue	1728.0	1733.0	2107.0	2474.0	2881.8	1141.6	5210.7	1097.7	1245.7	1174.9	1337.7	1526.4
Tax revenue	1227.0	1220.0	1577.0	1911.0	2270.9	965.2	4409.9	947.4	1096.5	999.5	1224.1	1094.1
Domestic tax	-	-	-	-	-	661.8	3248.4	712.0	838.7	731.8	808.5	820.3
Taxes on international trade	-	-	-	-	-	303.5	1161.5	235.4	257.8	268.0	303.4	273.7
Non-tax revenue	501.0	513.0	530.0	563.0	610.9	176.4	800.8	150.3	149.2	176.1	225.7	432.4
Property income	-	-	-	-	-	13.6	78.0	13.1	9.7	27.5	14.3	237.0
Sale of goods and services	-	-	-	-	-	124.3	424.7	93.5	100.9	91.7	121.9	108.4
Other non-tax revenue	-	-	-	-	-	38.5	298.2	43.7	38.6	56.5	89.5	84.0
Capital revenue	16.0	31.0	19.0	152.0	377.4	4.5	79.3	4.0	7.0	9.8	8.4	10.4
Total expenditure	2948.0	2757.0	2932.0	3295.0	4174.7	1689.7	6297.8	1650.6	1766.1	2089.5	1877.1	2129.4
Capital expenditure	1388.0	1171.0	1163.0	1328.0	1638.1	807.4	2574.4	693.6	607.1	759.2	634.9	-
Current expenditure	1560.0	1586.0	1769.0	1967.0	2536.8	882.3	3809.0	752.4	1064.7	1290.4	1332.3	831.8
Wages	587.0	615.0	640.0	711.0	822.0	362.6	1397.0	327.4	515.5	526.6	642.5	-
Subsidies and social assistance	-	-	-	-	-	194.2	927.1	217.3	185.9	272.6	195.6	213.3
Other current expenditure	-	-	-	-	-	325.5	1384.9	207.7	363.2	491.2	494.3	449.6
Overall balance	-1204.0	-993.0	-806.0	-706.0	-915.6	-543.6	-1007.8	-548.9	-513.4	-904.8	90.2	-592.6
Foreign financing	1249.0	886.0	864.0	1127.0	1360.7	741.5	2055.1	507.8	326.7	484.5	-531.0	270.8
Domestic financing	-45.0	106.0	148.0	-396.0	-445.1	-185.8	-127	-310.3	236.5	316.4	406.4	422.8

Source: MEF web site.

Table 6. Consumer Price Index, Exchange Rates and Gold Prices (period averages), 2002–10

	2002	2003	2004	2005	2006	2007	2008	2009				2010	
								Q1	Q2	Q3	Q4	Q1	
(October-December 2006:100)								Consumer price index (percentage change over previous year)					
P. Penh - All Items	3.3	1.1	3.9	5.8	4.7	5.8	19.7	4.3	-4.8	-3.0	1.7	7.0	
- Food & non-alcoholic bev.	1.8	1.5	6.4	8.6	6.4	9.9	33.1	6.1	-5.2	-2.7	1.8	7.8	
- Transportation	0.3	4.9	9.7	11.4	9.1	5.8	19.4	-13.0	-16.5	-13.8	2.4	12.9	
								Exchange rates, gold and oil prices (Phnom Penh market rates)					
Riels per US dollar	3912.1	3973.3	4016.3	4119.7	4119.0	4062.7	4058.2	4111.6	4128.6	4164.4	4157.3	4180.1	
Riels per Thai baht	91.1	95.8	99.9	102.6	108.7	122.8	123.5	116.6	119.2	122.9	126.0	127.0	
Riels per 100 Vietnamese dong	25.6	25.6	25.5	25.8	25.1	25.0	24.8	23.6	23.3	23.5	23.0	22.3	
Gold (US dollars per chi)	36.8	41.4	46.3	54.0	70.6	83.2	105.9	105.6	110.7	123.2	133.8	133.9	
Diesel (riels/litre)	1521.0	1508.0	2088.0	2633.0	3140.0	3262.3	4555.2	2873.7	3056.9	3867.0	3381.9	3599.5	
Gasoline (riels/litre)	2084.0	2150.0	2833.0	3442.0	4004.0	4005.0	4750.8	3112.6	3452.4	3371.1	3940.2	4163.0	

Sources: NIS, NBC and CDRI

Table 7. Monetary Survey, 2002–10 (end of period)

	2002	2003	2004	2005	2006	2007	2008	2009				2010	
								Q1	Q2	Q3	Q4	Q1	
								Billion riels					
Net foreign assets	3737.0	4027.0	4,797.0	5,475.0	7,224.0	10735.0	10345.0	11,222.0	12,611.0	13,869.0	14,655.0	15,514.6.0	
Net domestic assets	-849.0	-698.0	-467.0	-450.0	-282.0	576.0	1513.3	1,266.0	1,249.0	1,042.0	1,573.0	1,720.0	
Net claims on government	-119.0	-128.0	-209.0	-421.0	-953.0	-1816.0	-2987.0	-3,048.0	-2,889.0	-2,463.0	-2,252.0	-2,484.8	
Credit to private sector	1059.0	1337.0	1,817.0	2,394.0	3,630.0	6386.0	9894.0	9,814.0	10,129.0	10,127.0	10,532.0	11,146.7	
Total liquidity	2888.0	3329.0	4,330.0	5,025.0	6,942.0	11311.0	11858.0	12,488.0	13,859.0	14,912.0	16,228.0	17,234.5	
Money	813.0	937.0	1,153.0	1,323.0	1,658.0	2052.0	2399.0	2,545.0	2,695.0	2,773.0	3,120.0	3,148.5	
Quasi-money	2075.0	2392.0	3,177.0	3,702.0	5,285.0	9259.0	9459.0	9,942.0	11,164.0	12,139.0	13,108.0	14,086.0	
								Percentage change from previous year					
Total liquidity	31.0	15.2	30.0	16.1	38.1	62.9	4.8	3.7	9.1	18.7	36.9	38.0	
Money	33.5	15.3	23.0	14.7	25.3	23.8	16.9	6.5	9.2	18.7	30.1	23.7	
Quasi-money	30.0	15.2	32.8	16.6	42.8	75.2	2.2	2.9	9.1	18.7	38.6	41.7	

Source: National Bank of Cambodia

Table 8. Real Average Daily Earnings of Vulnerable Workers (base November 2000)

	Daily earnings (riels)									Percentage change from previous year		
	2007	2007	2008	2009			2010			2009		
		Nov	Nov	Feb	May	Aug	Nov	Feb	May	Nov	Feb	May
Cyclo drivers	8075	9675	12628	8534	8896	7738	7446	9413	9570	-41.0	10.3	7.6
Porters	8588	9119	9005	10,476	10,319	8159	9566	9953	9340	6.2	-5.0	-9.5
Small vegetable sellers	8220	8552	9926	7614	9764	8323	7647	7826	8062	-23.0	2.8	-17.5
Scavengers	5422	5727	4652	5170	6637	7087	4693	6238	7407	0.9	21.7	11.6
Waitresses*	4482	4643	4327	4283	4346	4574	5568	5131	5380	28.7	19.8	23.8
Rice-field workers	5516	6426	8697	7044	7126	5785	5003	5358	6260	-42.5	-23.9	-12.2
Garment workers	7568	7240	6554	6754	6691	7410	7745	7557	7491	18.2	11.9	12.0
Motorcycle-taxi drivers	10,634	11,872	15,691	11,655	12,148	9569	9696	11,302	10,274	-38.2	-3.0	-15.9
Unskilled construction workers	6155	7777	8779	6115	9956	9444	8132	7699	9013	-7.4	25.9	-9.5
Skilled construction workers	11,154	11,286	12,710	11,771	13,688	11,918	13,011	11,924	11,928	2.4	1.3	-12.9

* Waitresses' earnings do not include meals and accommodation provided by shop owners. Surveys on the revenue of waitresses, rice field workers, garment workers, unskilled workers, motorcycle taxi drivers and construction workers began in February 2000. Source: CDRI

Continued from page 9... **A Rapid...**

Conclusions

In this fourth round assessment, steady growth in the garment and tourism sectors was confirmed and recovery in the construction sector was emerging. The rebound of these hardest hit sectors yielded some livelihood improvement for many vulnerable workers and their families. Although the recession had been winding down, its impacts still reverberated on unskilled construction workers, cyclo drivers, restaurant workers and migrant workers in the form of less job availability or lower income. There was no noticeable change in food or non-food consumption among them.

Different coping mechanisms against the crisis included: (1) minimising non-food consumption and reducing food quality, (2) continuing to search for jobs, working harder and adjusting business strategy and (3) borrowing money and selling assets. People sustained their livelihoods with only informal safety nets to fall back on during the time of great

hardship. The few available social services were not able to respond sufficiently to the economic crisis. This suggests that the scope of formal social safety systems needs to be increased. The slow recovery of the growth sectors potentially exposes people who depend on them to hardship. Hence, there is a critical need to diversify with additional growth sectors to ensure more sustainable growth. Ensuring that benefits of growth go straight to the majority of poor people, who live mostly in rural areas, and bolster the least developed sectors, such as agriculture, should be the foremost considerations.

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Research

The following research and research-related activities took place at CDRI over the period July–September 2010.

Democratic Governance and Public Sector Reform Programme

This programme undertook six projects and held one workshop during this period. For “Analysing the Cambodian State: In Search of a Path to Development Success”, the team has completed international and regional literature, the literature review on Cambodia is in progress. “Qualitative Impact Assessment of One-Window Service”, a commissioned project funded by the World Bank, has been completed and submitted to the World Bank; the report is being turned into a working paper.

For “Gender and Local Governance”, another commissioned project, funded by the International Centre for Local Democracy, Sweden, the team is writing the report and plans to be finished by the end of October. The team for the study “Public Sector Reforms in Building Good Governance of Irrigation Water in Cambodia: The Gap between Policy and Practice” is continuing the literature review and report writing. For “Deconcentration and Decentralisation in Cambodia: The Dichotomy between Centralisation and Decentralisation”, the team has completed a draft literature review and is beginning to write a chapter on D&D.

The project “Irregular Migration in Cambodia: Challenges and Policy Responses”, in collaboration with the Economy, Trade and Regional Cooperation Programme, has finished a stock-taking review and is conducting key informant interviews; the team expects to finish a draft report by the end of this year.

In addition, the programme organised a two-day dissemination workshop in Siem Reap on 22–23 September to share the research findings of previous work of the program and seek recommendations from concerned stakeholders for the future research strategic plan.

Poverty, Agricultural and Rural Development Programme

Five research projects were carried out. The *Poverty Dynamics Study* final draft report was completed. The results of the “Rapid Assessment of the Impacts of the Economic Crisis on Cambodian Households” project were synthesised for publication in *Cambodia Development Review*.

The synthesis report *Building Resilience of Community Fisheries in the Tonle Sap Lake: Collective Action and the Capacity to Manage Resources* was completed and a working paper has been finalised for publication. The final draft report of *Assessing the Socio-economic Effects of the Greater Mekong Sub-region (GMS-SCC and GMS-CDC Sub-projects)* was completed and sent to the ADB.

A new project of CDRI and The International Food Policy Research Institute (IFPRI) “Stock-Taking on Food Security, Nutrition and Agricultural Development Policy in Cambodia”, was officially started in August, and two short papers have been drafted. Another new project, “Development of Impact Assessment Methodology for Mine Action in Cambodia”, supported by UNDP, was awarded and will be officially started in mid-October.

Economy, Trade and Regional Cooperation Programme

Eight research projects were carried out. The “Vulnerable Worker Survey” and “Provincial Price Survey” are progressing well. For “Poverty and Environment Links: A Case Study from Rural Cambodia”, the second component of ADB’s “Poverty Network Project”, the first draft report will be ready for circulation for comments in October. The research team has been invited to present the preliminary findings on 24–26 November in a conference, “The Environment of the Poor”, in New Delhi.

Fieldwork for “Different Streams, Different Needs and Impacts: Managing International Labour Migration in ASEAN” has been completed, and the research team is now working on field notes and analysing primary qualitative and secondary quantitative data. *Assessing the Socio-economic Effects of the Greater Mekong Sub-region* has been

revised and finalised after receiving comments from the ADB. Following a workshop in Hanoi in June, a consultation and dissemination workshop on “Assessing China’s Impact on Poverty Reduction in the Greater Mekong Sub-region (DAN 8)” was held in Beijing on 26 August. CDRI, as project coordinator, is finalising and synthesising the six country reports for publication.

The three-month exchange programme between the Institute for Asia-Pacific Studies at the Chinese Academy of Social Sciences and CDRI has been successfully completed. During July–September, ETRC received four new projects—(1) Growth Diagnostic (2) Analysis of International Investments in the Agricultural Sector of Cambodia, (3) Major Challenges along the Growth Trajectory: Structural Transformation and the Role of Government, (4) Search for Growth Potential and Evaluation of Growth Potential in Cambodia—from the North-South Institute (Canada), Food and Agriculture Organisation and Korea Development Institute (for the last two projects). All four projects will run till December 2010.

Natural Resources and the Environment Programme

Three main research projects were carried out. The “Water Resources Management Research Capacity Development Programme” consists of governance, physical and economic components. A social assessment working paper, *Empirical Evidence of Irrigation Management in the Tonle Sap Basin: Issues and Challenges*, was published. For the governance component, a working paper on stakeholder analysis was completed and is now being edited.

For a second working paper, on irrigation governance, data collection is finished and a brief outline of introduction, literature review and research method has been written. In the physical component, a working paper on hydrological analysis has been finalised and is being edited. A working paper on land use change and catchment process analysis is being drafted. The team is collecting data for a third working paper on water allocation. For the economic component, a first working paper is being drafted while two more are being planned.

The first draft of a working paper, *Tropical Forests for Poverty Alleviation—from Household Data to Global Analysis*, is expected in early October. The team for “Building Community Capacity for Poverty Reduction Initiatives in the Tonle Sap Basin” completed the commune capacity and readiness survey. The team is also continuing its efforts on collecting research material for Tonle Sap Resource Center at CDRI library and making those materials more accessible.

Social Development Programme

Two projects were carried out. First, the health conference papers have been finalised, and publication of the conference papers, funded by University Research Co., LLC (URC), is expected to begin in October. Second, for the project “Equitap” funded by AusAID, the team is cleaning data and reviewing protocol analysis.

For the Peace Building Training Programme, five training courses were completed. They included “Working for Peace”, the core training programme offered to civil servants and staff from civil society organisations, labour unions and other non-profit organisations; “The Role of the Press in Peace Building”, conducted for journalists from the mass media and local press associations; and conflict resolution skills training offered to practitioners in Phnom Sruoch district, Kompong Speu, as requested by the district governor. A fruitful consultation workshop was also held, strengthening good relations with other organisations working in the same area. The results of the workshop will be developed for future training programmes.

Since 2007, CDRI has been holding bimonthly research workshops on development issues to share findings and strengthen research quality. The presenters in these workshops are both from CDRI and from various institutions and NGOs in Phnom Penh. During this period, Professor Guo Jiguang, a South-east Asia expert from the Institute for Asia-Pacific Studies at the Chinese Academy of Social Sciences who was doing research at CDRI, presented his research project “Chinese Investment in Cambodia”.

CDRI UPDATE

Management

CDRI's mid-year Board of Directors meeting was held on 20 August 2010. The board endorsed both the extension of the current appointment of the executive director, Mr Larry Strange, to the end of 2012, and a carefully managed succession plan for the position of chair of the board.

During July–August, CDRI undertook an intensive consultation with senior officials of Cambodian government ministries working in CDRI's five policy research areas to determine priorities for the further development of the CDRI Cambodia Country Research Strategy. The strategy, to be finalised over the remainder of 2010, will form the basis for CDRI's 2011–15 strategic plan, and be used to promote more coordinated longer term support for CDRI and its research programmes.

The Development Research Forum, supported by IDRC and co-hosted by CDRI and the Learning Institute, has undergone a review of its governance arrangements to strengthen its performance for the remainder of Phase 1 to September 2011. IDRC has announced its intention to support a three-year Phase 2 from 2011. The annual DRF symposium on the theme "Research and Policy Responses to Cambodia's Recovery and Development" was held on 9–10 September in Phnom Penh, with more than 200 participants from the Cambodian research community.

The position of CDRI director of research, which will become vacant at the conclusion of Dr Hossein Jalilian's term on 30 September 2010, has been advertised and circulated through CDRI national, regional and international networks. At its August meeting, CDRI's board expressed its appreciation to Dr Hossein for his significant contribution to the further development of CDRI's research programme, its products and the skills of its researchers.

On 3–5 September CDRI co-hosted in Phnom Penh the 2010 Asialink Conversations Cambodia programme, in partnership with Asialink at the University of Melbourne. The programme brought together 40 personally invited leaders from the countries of ASEAN and Australia for a "second track" discussion of major issues and trends in the region and in ASEAN-Australia relations. The opening keynote address was delivered by Prime Minister Hun Sen to an invited audience of 200 people on 4 September, including a special guest of honour, Professor Gareth Evans, chancellor of the Australian National University and former Australian minister for foreign affairs, who played a critical role in the Cambodian peace process and settlement.

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Responsibility for the ideas, facts and opinions presented in the Cambodia Development Review rests solely with the authors. Their opinions and interpretations do not necessarily reflect the views of CDRI.

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