CAMBODIA IN 2004

An Artificial Democratization Process

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Abstract

Cambodia in 2004 continued its difficult labor of democratization. Elite infighting, the assassination of a prominent trade union leader, and the maneuvering of a king to ensure the safety of his dynasty dominated the political landscape during the year. Economic growth slowed, compared with previous years, and continued to be heavily concentrated in urban areas. While World Trade Organization accession in October was seen in elite circles as the key to preserving Cambodia’s position in the global garment trade, few resources have trickled down to the majority rural population. The widening distribution gap may be seen as evidence for the view that barriers have been erected to substantive democratization.

Politics

The stalemate created by the 2003 election results continued during the first half of 2004. The leader of the royalist party FUNCINPEC (United National Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia), Prince Ranariddh, spent several months outside the country during the first half of the year, thereby preventing any resolution of the dispute between himself and acting Prime Minister Hun Sen over formation of a new government. FUNCINPEC ministers continued to occupy their posts and carry out day-to-day administrative functions, but they boycotted meetings of the Council of Ministers, meaning that any new policy initiatives were necessarily put on ice. Government continued on the basis of the previous year’s
estimates of revenue and expenditure, and Cambodia’s accession to the World Trade Organization (WTO) was delayed by half a year, until October.

The fragility of Cambodia’s democratic system was further demonstrated on January 22 when Chea Vichea, a prominent trade union leader, was shot dead as he browsed a newspaper stall on a busy city street. Vichea had previously had links with the Sam Rainsy Party (SRP), and leading figures of both FUNCINPEC and the SRP were quick to accuse the Cambodian People’s Party (CPP) of organizing the assassination. Others accused the Garment Manufacturers’ Association of Cambodia (GMAC) or one of its members. Subsequent police actions and newspaper reports about GMAC only served to fuel such rumors. The police officer in charge of the investigation came under heavy opposition pressure to make an arrest within a week (ostensibly in order to demonstrate his impartiality vis-à-vis the CPP). He justifiably accused opposition leaders of prejudicing his investigation, but then published a sketch of the alleged assassin, reportedly without interviewing any eyewitnesses. Moreover, within days, two men were arrested, neither of whom remotely resembled the sketch and one of whom was later reported in the press as having been in a village near the Vietnamese border on the day of the murder.

It seems unlikely that the real circumstances of Chea Vichea’s murder will be uncovered soon. The “GMAC theory” appears one of the least likely, however. Although Vichea was considered a militant union leader and his death prompted a demonstration by 15,000 people in Phnom Penh, members of GMAC generally appreciated the role he had played. Although the garment industry, in its initial stages of development, had suffered from frequent wildcat actions by workers, the gradual emergence of a more organized union leadership was recognized as an important development. The last thing that garment manufacturers needed, on the eve of Cambodia’s accession to the WTO, was prolonged strife in their industry. GMAC leaders accordingly moved quickly to dissuade unionists from blaming them for the attack on Chea Vichea.

The formation of a new government was finally announced in June, some 11 months after the election. As in the previous government, the CPP was the senior party, with FUNCINPEC providing the junior coalition member. Other arrangements under the previous government were also followed, with the two coalition partners providing co-ministers of defense and interior. The main loser in the deal was the SRP, which had won a majority of the urban seats during the 2003 election. Its post-election alliance with FUNCINPEC—both parties had vowed not to cooperate with the CPP—fell apart. However, the CPP also lost its bid to abolish the cumbersome system of co-ministers in the key security-related ministries mentioned above. Moreover, in order to reach a settlement satisfactory to the coalition partners, over 200 ministries were created—a larger number than there are seats in the National Assembly!


Sihanouk Abdicates

During October 2004, a further crisis emerged with the abdication of King Sihanouk. Commentators were, at first, not certain that the abdication was genuine, because the king had threatened this action on many previous occasions. Further, since no provision had been made in the Constitution for an abdication, a solution had to be improvised. The legislature met hastily to pass relevant legislation and the nine-member Throne Council met and proceeded to appoint one of Sihanouk’s many children, Norodom Sihamoni, to the throne. In reality, this course of events had been foreseen as early as January, when Sihanouk had posted a remarkable message on his website in which he stated that not only his brother Sirivudh, but his other sons, including Ranariddh, were too compromised by politics to be suitable successors. There were, according to Sihanouk, only two sons, Yuvaneath and Sihamoni, who could be regarded as sufficiently neutral and apolitical to succeed him. Otherwise, he said, his widow could serve to symbolize a monarchy that was to all intents and purposes already dead. In hindsight, this January message reflected a clear intent to solve the succession problem and ensure continuity of the dynasty, as soon as possible. Fifty-one year-old Sihamoni, a classical dancer by training and, until recently, Cambodia’s ambassador to the United Nations Educational, Scientific, and Cultural Organization (UNESCO) in Paris, was eventually selected. He duly returned to Cambodia, together with his parents, and was enthroned on October 29.

The major political events of 2004 underline the fragility of the democracy introduced into Cambodian life by the United Nations Transitional Authority in Cambodia (UNTAC) in 1991. This fragility is scarcely surprising. The critical question, however, is whether the context is one of gradual progress toward a more robust democracy or one in which increasing entrenchment of elite politics inhibits any such progress. The answer to this question can throw light on a number of other contemporary Western-led and U.N. interventions to establish democratic systems in developing countries.

In my view, these interventions focus on establishing the institutional shell of a democracy—periodic elections, administration reform, and dispute resolution via recourse to the law and judiciary—rather than supporting an indigenous democratic movement that has genuine control over the policy agenda. Multinational intervention has been based on the idea that once the institutions are installed, people will eventually become habituated to behaving in a democratic fashion. Thus, the past two Cambodian elections were conducted in a

2. The name is a combination of his parents’ names, Sihanouk and Monineath. Monineath (also known as Monique) is Sihanouk’s sixth wife.
peaceful, relatively fair fashion, and this demonstrates the country's "progress" toward democracy.

Caroline Hughes argues that in reality "the development of the . . . economy over the course of the 1990s has erected barriers to the emergence of substantive democracy in Cambodia." In her view, progress toward genuine democracy would involve development of "a more complex economy [that] permits the capture and mobilization of economic resources by non-state actors. These resources may be used to force the state to concede terrain—public forums, free media—in which political debate can take place." In other words, democracy has to be wrested from the state in such a way that the political agenda is set not by the state or by international donors but by the people themselves. There must be a three-way balance, between the classes, between state and society, and between society and transnational power structures.

By contrast, the "habitation" approach favored by the donors stresses embedding the legitimacy of certain procedures more than actual public participation in decision making. Hughes astutely describes how, in Cambodia, "[I]nternational democracy promotion tends to substitute the provision of international resources to non-state actors, for the democratizing activities of non-state actors engaged in wresting resources from the state. This can lead to the substitution of . . . [donor meetings] . . . for the emergence of a local sphere in which participation in agenda-setting is possible."5

The reality of Cambodian democracy is that donors also provide resources to both state and non-state actors. This situation means that the donors effectively set the agenda and Cambodian actors comply, wresting whatever sphere of control they can through their capacity to divert resources to their own ends. This reality was starkly illustrated in Hun Sen's speech to the Government-Donor Pre-CG (Consultative Group) Meeting on September 10, 2004:

I would like to declare this forum today as a "restricted cabinet meeting" of the Royal Government of Cambodia [RCG], thus we invite only the heads of a number of RCG's ministries and agencies involved with the CG process. However, this meeting could be seen as an "open cabinet meeting," in the sense that it allows participation of the donor community, so that all of us, both the RCG and our development partners, can jointly resolve the issues facing us all. . . . Thus, the decisions made at this meeting will be considered as resolutions of the Council of Ministers.6

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5. Ibid., p. 9.
The Economy

Cambodia’s gross domestic product (GDP) growth rate is expected to reach only 4% to 4.5% in 2004, in the estimation of the International Monetary Fund (IMF). This rate has slowed a little in recent years because of deflationary pressures imposed by tight IMF-designed monetary policy and poor investor confidence. Some analysts believe that the growth rate will fall further in 2005 as Cambodia’s membership in the WTO exposes it to the full force of international competition. Others, however, see membership as a boon to the garment industry, the mainstay of Cambodia’s export economy, which faces an uncertain future once the old system of Western import quotas is replaced by open markets for WTO members at the beginning of 2005. If not for its membership, Cambodia could have seen a massive loss of its apparel markets in the U.S. and EU to China, which is already a member and will soon have free access to those markets.

Businesses see pervasive corruption as the main obstacle to increasing investment in Cambodia, according to a survey by the World Bank this year. The study found that 75% of businesses reported paying bribes, amounting on average to 5.2% of total revenues. In a spectacular example of the depths to which this corruption reaches, a U.N. investigation found that about 4,000 tonnes, about 44% of the rice intended for distribution to poor participants in its work-for-food program, had been stolen or “diverted” by government officials from January 2003 to February 2004. With most public service salaries at $20–$30 a month, well below a living wage, the temptation to engage in corrupt practices is great.

About 80% of Cambodia’s population lives in the countryside; among them are approximately 90% of Cambodia’s poor. The garment industry is largely urban based and, although it has contributed enormously to recent economic growth (providing some two-thirds of all growth in recent years), it only employs about half a million people, directly and indirectly. Tourism, mainly at the Angkor Wat temple complex, has also grown rapidly in the past few years. Neither of these industries, however, has been able to absorb a labor force which, as a result of the post-Pol Pot baby boom, is now growing at around 7% a year. While this rate is likely to taper off over the next few years, the present outcome is an expanding level of underemployment in agriculture.

There are many indications that poverty among Cambodia’s rural majority is increasing, while economic development is concentrated in a handful of urban areas. Further adding to the widening urban-rural gap has been the fact that rapid urban growth has generated greater demands for spending on urban infrastructure, such as roads, power supply, housing, schools, and health

facilities. Given the severe constraints on state budget expenditure, very little is left over for the rural areas. In other words, no "trickle down" effect is taking place, and the widening distribution gap may be seen as evidence for Hughes's hypothesis that barriers have been erected to substantive democratization.

Conclusion
The transition to democracy in Cambodia continued to remain superficial in 2004. While a process of "habituation" to democratic procedures such as regular elections appears to be taking place, real political life continues to be dominated by intra-elite struggles that occasionally take on bizarre overtones. What is absent in Cambodia is the "capture and mobilization of economic resources by non-state actors," particularly the poor, underemployed, rural population. These Cambodians are in no position to "force the state to concede terrain" and open the field for a genuine democratic dialogue.