# Cambodia and Aid Effectiveness from an Agriculture and Education Perspective

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Given the extremity of the aftermath of its civil wars in the 1970s and the 1980s, the Cambodian government and foreign aid donors have employed a poverty reduction approach for the country's reconstruction, with special emphasis on education dissemination. At the same time, Cambodia is an agriculture-based country, and the country's development policy with the poverty reduction approach has been strongly related to the increase of agricultural productivity in the face of the market-oriented economy. However, it seems that this approach has not met the population's needs in the local context and that the gap between education dissemination and agricultural development has been significant in Cambodia. This study examines this gap and the reasons for its occurrence. It employs a case study approach, and the findings show how farmers and their children in a Cambodian agricultural region value education and agriculture and how they separate or connect these two issues in their current living conditions. The discussion concludes with some suggestions on the key concepts of Cambodia's development policy.

## An overview of Cambodian agriculture

Cambodia adopted a market economy system in 1993 under the administration of the United Nations Transition Authority (UNTAC) in Cambodia, and this rapid economic transition from a socialist economy to a market economy has crucially influenced the policy on agriculture in Cambodia. Beside this economic transition, the Cambodian government published its Rectangular Strategy in 2004 which includes enhancement of the agriculture sector as one of the four strategic growth rectangles (6). In terms of poverty reduction in agriculture, it refers (13) to creation of employment, generation of income in the rural areas, ensuring nutritional improvement and food security and increased agricultural exports. The

<sup>&</sup>lt;sup>1</sup> According to the World Health Organization, food security is built on the following pillars:

<sup>•</sup> Food availability: sufficient quantities of food available on a consistent basis.

influence of this strategy can be seen in the fact that the contribution of the agriculture sector to the GDP growth mostly derives to the labour productivity growth through 1998 to 2007 being developed through the change in the input mix and additional irrigation (WB, 2009:6, Figure 1.2). This is opposite of the growth trend of the industry sector which contributes to the GDP growth fully by the employment growth. However, these figures only provide a partial picture of the country's economy. More realistically, for example, the World Bank (2009:7) mentions that some 80,000 jobs would have been created on average per annum in agriculture through the informal sector in Cambodia. This implies that a large number of the country's population depends on the agriculture sector and that there is a big demand for jobs from the young labour power in the sector.

In terms of trade, the activities of the agriculture sector have not been satisfactory since Cambodia became a member of the World Trade Organization (WTO) in 2004. The productivity of the Cambodian agriculture sector has increased and there are growing demands for rice and other agricultural produce and products from other countries. However, as can be seen in the Table 1, exports of Cambodian agricultural produce and products have remained small compared with imports.

Table 1: Imports and exports of Cambodian agricultural products in 2002-2009

	2002	2003	2004	2005	2006	2007	2008	2009
Imports as a share	9.52	11.46	11.15	18.42	16.18	12.88	9.33	17.88
of total imports (%)								
Exports as a share	3.19	2.67	2.86	7.70	3.61	7.02	1.55	3.06
of total exports (%)								

Source: Green Pages http://www.eco-web.com/ini/index.html

This small size of exports is attributable to various reasons such as the lack of international certificates for agricultural exports, limited transport and logistics capabilities (Oxfam: 1999). On the other hand, according to the World Food Programme (WFP) (2009), there are no quantitative restrictions on imports into Cambodia, such as import licenses or quotas<sup>2</sup>.

Food access: having sufficient resources to obtain appropriate foods for a nutritious diet.

<sup>•</sup> Food use: appropriate use based on knowledge of basic nutrition and care, as well as adequate water and sanitation.

<sup>&</sup>lt;sup>2</sup> An import quota fixes the quantity of a particular good that foreign producers may bring into a country over a period, usually a year. Import quotas are usually justified as a means of protecting workers who otherwise might

Moreover, the imports of agricultural products, such as cotton and tobacco which have been the first two largest components of Cambodia's import of agricultural products, are driven by the demand of the industrial and service sectors. Lim (2006) also shows that hotels in Cambodia prefer to import rice, vegetables and fruits to satisfy their customers in terms of price, appearance and seasonality/ supply shortage. This implies that while Cambodian hotels rely on imported agricultural products (20 % for rice, 45 % for vegetables and 48 % for fruits), Cambodian farmers are missing out in their domestic markets. This is due to the lack of quality and variety of their products, in addition to the lack of regularity and consistency of supply. These facts imply that the Government's economic policy is overly favourable to the industry and service sectors and many farm households in Cambodia have not enjoyed any direct benefit from their agricultural activities in the liberalized economy.

The unsatisfactory performance of the agricultural trade is also reflected in the annual change of the average price of food in Cambodia. As it can be seen in Table 2, the food price index<sup>3</sup> has risen more rapidly than the consumer price index<sup>4</sup> especially since 2004.

Table 2 Price Indexes annual change, percent

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Consumer price index	8.0	14.8	4.0	-0.8	0.2	3.3	1.1	3.8	5.8	4.7	5.9	19.7	-0.7
Food price index	6.7	14.1	7.6	-3.4	-2.5	1.8	1.5	6.4	8.4	6.5	12.6	29.9	-0.5

Source: ADB Key Indicators for Asia and the Pacific 2010, Cambodia

There are some external factors, such as production shortfalls in several provinces caused by drought in 2004 and 2005, which contribute to this upward trend of food prices. However, one cannot deny the fact that the country's trade policy has not been supportive to the agriculture sector. Agricultural productivity has increased in Cambodia, but it is still controversial that many farmers have not been able to sell their products through official channels and that the prices of their agricultural products are strongly controlled by the

be laid off. They also can raise prices for the consumer by reducing the amount of cheaper, foreign-made goods imported and thus reducing competition for domestic industries of the same goods (<a href="http://legal-dictionary.thefreedictionary.com/Import+Quotas">http://legal-dictionary.thefreedictionary.com/Import+Quotas</a>) (Last accessed: 29 January, 2010).

<sup>&</sup>lt;sup>3</sup> Food price index stands for a measure of the rate of price change of food and food services purchased by households.

<sup>&</sup>lt;sup>4</sup> Consumer price index stands for a measure of the rate of price change of consumer goods and services purchased by households. Consumer price index in Table 2 applies only to the residents in Phnom Penh.

importers. For example, the Asian Development Bank Outlook (2009) mentions that Cambodia faced an unfavourable situation resulting in excess food exports from provinces bordering Thailand and Viet Nam between the mid-2007 and mid-2008 due to the global surge in oil and food prices. At the same time, WFP (2008:72) reports that food needs for households with low income in Cambodia are mainly met from the local market and that food purchased from markets accounts for at least 60 percent of household food consumption in Cambodia. Given these critical situations, it can be concluded that the food availability of the population has become more crucial than before the economic shift in Cambodia, despite agricultural productivity increasing. Cambodia is an agriculture-based country, but people, including those in the rural areas, are highly dependent on the local market for food yet there have not been enough opportunities for them to earn income to buy food.

Trade through unofficial channels has been an important means for Cambodian farmers to sell their agricultural products. At the same time, this is what external power cannot easily influence since unrecorded transaction is already a vital part of farmers' lives. This situation also has contributed to Cambodia's shortage of food in recent years since a great amount of Cambodian agricultural products is sold to neighbouring countries in the unrecorded transaction. Even though the Government expects that the increase of agricultural productivity ensures nutritional improvement and food security in the country, the actual situation is that prices of domestic food have been increasing and, as a result, the population have needed to spend more money to access food. Therefore, it can be said that the Government's agricultural policy is not necessarily concerned with the enhancement of the population's healthy diet.

While the Government's poverty reduction approach in agricultural development overly focused on the increase of agricultural productivity, the Official Development Assistance (ODA) donors also tend to rely on data which shows how the agricultural productivity has increased in Cambodia to define the country's agricultural development. For example, Asian Development Bank (ADB) reports in its "Agriculture and Development Sector in Cambodia (2009)",

111. Overall poverty levels in the country have fallen from an estimated 47% in 1994 to 30% in 2007, and while no figures are available for rural areas it is assumed that, since 90% of the poor live in rural areas, the greatest reductions in poverty were among the rural population. These achievements can be directly and logically related to increases in crop yields and production (and hence improved family incomes), improved access to land and more secure land tenure (and hence a greater incentive to invest in land), improved access to better seeds and fertilizers, an improved knowledge of agriculture technologies, and increased opportunities for off-farm employment.

This shows how poverty reduction is related to increases in agricultural productivity in Cambodia. Since Cambodia has come to crucially rely on external supports from ODA to maintain its reconstruction activities, it seems that those ODA donors have a strong influence on the country's development policy, given the large scale of their programmes. It is commonly reported by the Government and many foreign aid institutions that the productivity of Cambodian agriculture has been increasing. However, in terms of agricultural development, it is important to examine how efficiently the country can use its supply capacity to convert agricultural potential into the population's needs, especially for those who rely on agriculture for their livelihood.

There are a number of goals addressed by the Government and foreign aid donors for Cambodia's agricultural development. However, the possible consequences from the ongoing agricultural development policy have to be prudently identified. Cambodian farmers still face difficulties to sell their agricultural products at proper prices, and the country's agricultural policy for "poverty reduction" contains a great uncertainty in the face of market-oriented economy.

## Methods and participants

This study employs a case study approach with the use of questionnaire surveying and interview surveying. A two-week fieldwork study was conducted in Cambodia, 2009, and the author was accompanied by Cambodian interpreters at all questionnaires and interviews. The target area of the field study is Angkor Reach commune in Prey Veng province which is characterized as a densely populated agricultural region contributing about 10 % of the national crop (USAID, 2008:5), and farms are privately owned. Besides, Angkor Reach commune is close to the border between Cambodia and Vietnam, and transaction through

unofficial channels is the only available means for farmers there to import agricultural inputs and to sell and export their produce.

The questionnaire survey involved three different groups of people. For Group 1, it involved 91 students of a school in Angkor Reach commune. For Group 2, it involved 43 representatives of parents of the 91 school students in Group 1, and as Group 3, it involved representatives of 23 local households in Angkor Reach commune. For the questionnaire with Group 2, 43 participants in Group 1brought the answer sheets to their parents or guardians and brought back the answered questionnaire sheets to the author on the next day. Since there was no direct contact between the author and the participants in Group 2, the answers in the questionnaire needed to be carefully dealt with considering the possibility that the participants could have lost their interest in the questionnaire and did not take it seriously. Also, the participants could have misunderstood the meanings of the questions or students could have answered the questions in place of their parents. In terms of the questionnaire with the participants in Group 3, the author visited 23 local households in which at least one child studied at the same school as the participants in Group 1. The participants answered the same questionnaire as the participants in Group 2. Most answers showed similar trends between Group 2 and Group 3, but some answers also showed different trends.

For the interview survey, semi-structured interviews were conducted with 8 participants in Angkor Reach commune and with 8 participants in the capital city Phnom Penh. The interviews in Angkor Reach commune involved school teachers, staff members of an international NGO and the Head of the district. On the other hand, the interviews in Phnom Penh involved a professor and students of the Royal University of Agriculture and a staff member of the Ministry of Agriculture, Forestry and Fisheries. Even though the size of this study is limited, it involved different types of participants at the national and local levels to describe peoples' concepts of values in the target area and unwritten problems in the Cambodia's development policies on education and agriculture.

### **Results**

The field study was designed to examine the local perspectives on education and agriculture in an agricultural region in Cambodia. The results of the questionnaires show how the

participants connect and do not connect education to agriculture. Some information from the interview survey is also added to explain the detailed situation of the case.

First, as background information about the participants, Table 3 shows the reasons why the participants in Group 1 miss some days of school.

Table 3 Reasons of school absence (multiple answers)

	Number of
	answers
	(N=91)
Agricultural activities	58
Store attendance	7
Taking care of small	4
children	
Fisheries	1
Other <sup>5</sup>	11

Some participants did not answer this question, but Table 3 shows that 58 participants have to miss some days of school for agricultural activities. In addition, 85 participants answered that they usually come to school 5 days a week, and according to the teachers of the school, the annual dropout rate of the whole school is about 4-6%. Thus, even though many students have to give up going to school for a certain period, it doesn't seem to be frequent enough to cause them to drop out.

As other background information of the participants, Table 4 shows the income sources of the participants in Group 2 and Group 3.

Table 4 Income sources of the household (multiple answers)

	Number of		
	answers		
	Group 2	Group 3	
	(N=43)	(N=23)	
Farming	35	22	
Selling livestock	22	10	
Selling vegetables	5	1	
Remittance from your family	2	2	
member (s)			
Working for factory	1	3	
Migrant labourer in urban	1	3	

<sup>&</sup>lt;sup>5</sup> Other reasons are sickness of family members, difficulty in using unpaved roads during the rainy season, helping house works, etc.

areas such as Phnom Penh		
Teacher	3	0
Civil servant	2	1
Police officer	2	0
Motorcycle taxi driver	1	1
Running a grocery shop	1	0
Other	7	2
(From children)		(2)
(Doctor)	(1)	
(Selling various things)	(3)	
(Loan)	(1)	
(Government officer of the	(1)	
district)		

It can be seen here that farming and selling livestock are common among the participants. On the other hand, the number of participants who have non-agricultural income source is small. These answers show that agricultural activities are the main income sources for most of the participants' households.

In terms of the participants' concepts of values on education, Table 5 shows how the participants in Group 1 think education is important.

Table 5 Why do you think school education is important? (Multiple answers)

	Number of
	answers
	(N=91)
To increase your knowledge	74
To have a job outside agriculture	30
For agricultural development	20
To meet new people	6
To see your friends	2
I have not thought about this	0
Other <sup>6</sup>	5

It can be seen here that many of the participants find education to be important "to increase their knowledge". It is also noticeable that there is not a very big gap between the numbers of the participants who answered school education is important "to have a job outside agriculture" and the participants who answered education is important "for agricultural development".

<sup>&</sup>lt;sup>6</sup> Other answers are 'because it is my favourite time', 'to improve human resource in the country', 'to provide education to the next generation'.

It is also important to know how the participants in Group 2 and Group 3 value education for their children, and Table 6 shows what they expect their children to gain from school education.

Table 6 What merits do you think your children can get from school education?

	Number of	answers
	Group 2	Group 3
	(N=43)	(N=23)
To obtain better agricultural inputs	26	15
To improve his / her character	20	14
To obtain a job in the non-agricultural sector	15	9
To access better markets for agricultural products	8	8
To tell the actual needs of the village to the Government	5	8
To obtain a job outside of the village	3	9
There is no merit	0	1
I have not thought about this	0	0
Other	1	1
(According to children)		(1)

This table shows that many of the participants expect school education "to help their children obtain better agricultural inputs". At the same time, they have less expectation of school education to lead their children "to access better markets for their agricultural produce". It can be seen here that most participants are more concerned with the increase of agricultural productivity than selling their agricultural produce at higher or proper prices. Related to the use of agricultural inputs and increase of agricultural productivity in the target area, staff members of an international NGO for local agriculture in Angkor Reach commune mentioned that the agricultural environments there have been crucially damaged, due to excessive use of imported fertiliser and pesticides by farmers. At the same time, many participants expect their children to improve their characters through school education. Since Table 5 showed that the biggest number of the participants in Group 1 answered that school education is important "to increase their knowledge", it can be seen that most participants from the school students and their parents and local households commonly value school education as essential.

In terms of the future perspectives of the participants, Table 7 shows what kind of job the participants in Group 1 want to have in the future.

Table 7 What kind of job do you want to have in the future? (Multiple answers)

	Number of
	answers
	(N=91)
Working for a NGO	49
Teacher	46
Farming	20
Civil servant	17
Police officer	17
Migrant labour in other countries	5
Selling livestock	4
Working for a factory	2
Migrant labour in urban areas such as Phnom Penh	2
Running a restaurant	2
Running a grocery shop	2
Selling other foods	2
Selling fruits	2
Working for a rubber plantation	1
Selling vegetables	0
Motorcycle taxi driver	0
I have not thought about this	1
Other	10
(Engineer)	(2)
(Doctor)	(7)
(Own business)	(1)

Many participants prefer to work for a NGO or to be a school teacher in the future, and while the participants could choose more than one answer for this question, relatively small number of the participants chose farming. This trend reflects the fact that there are many NGOs in Cambodia. However, according to Cambodian staff members of an international NGO in Angkor Reach commune and a local NGO in Phnom Penh, many NGOs closed their activities in last a few years due to the lack of finance. In terms of the opportunity to be a school teacher, the above informants provided information that temporary teaching jobs had existed in rural areas in Cambodia, but the Government changed its education policy to employ more licensed teachers who graduated from universities and finished the national teaching training. More detailed information needs to be collected to examine the influence of this change on those who lost teaching jobs and on students who lost teachers in rural areas before sufficient numbers of the licensed teachers were provided. This situation implies that the opportunity to be a school teacher is still limited for the school graduates in Angkor Reach commune.

Next, Table 8 shows the reasons why the participants in Group 1 chose specific answers for their future jobs.

Table 8 Reasons for choosing future jobs (multiple answers)

	Number of
	answers
	(N=91)
Amount of income	46
Social standing	42
Social contribution	18
Whether the job provides employment insurance or not	10
Whether the job promises a permanent employment or not	7
To have the same job as your parent (s)	7
Distance from your parent (s)	4
I have not thought about this	1
Whether the job is suitable to you or not	0
Other	10

In the light of the answers in Table 7, it can be assumed here that many participants in Group 1 feel that working for a NGO or being a school teacher is attractive in terms of the amount of income and social standing. The following are other answers written by the participants for the question of Table 8.

- To help family
- Parents' expectation
- Personal preference
- To provide education to the next generation
- For human resource development in Cambodia

These answers show that there are different situations for the participants in Group 1 to consider their future jobs and that some students have clear perspectives about the role of education even though it is not strongly related to agricultural development.

## Conclusion

It has been emphasized by the Government and foreign aid donors that Cambodia needs to improve the quality of education and to provide access to education for all. However, there has not been enough discussion regarding where those people who have obtained education go after they graduate from any level of schooling, and how far they can contribute to

develop the agriculture sector. This study examined how farmers and their children in a Cambodian agricultural commune value education and agriculture and how they utilize education in their current livelihoods. The findings of the field study highlight essential issues such as people's incentives, preferences and worries in the target area. These are not easy to visualize, but influential to connect education dissemination to agricultural development at the local level. As one of the emerging gaps between education dissemination and agricultural development in the target area, it can be described as follows: farming is the only available income source for many households to support their children's education in the target area of this study, and they put the priority on the quick increase of agricultural productivity, excessively using fertiliser and pesticides, over the long-term agricultural development. The participants of the field study highly value the role of education, but it is not necessarily connected to long-term agricultural development.

At the same time, the school students tend to leave farming before they find education to be useful in agricultural activities. The results of the field study show that the school students are concerned about "social standing" as much as "amount of income" in terms of their future jobs. It is important to note that "social standing" highly matters for them to find a job while their current living conditions are limited in terms of family income and access to various materials for living. Here, it can be assumed that "social standing" could be the key to connect education to agricultural development; the school students may come back to agriculture after they finish any level of education if they think agriculture is a respectable job. This assumption could be applied to the policy-making level. It is important for the Government and foreign aid donors to consider how the two issues, education and agriculture, can be connected to be developed together in the face of a number of aid programmes.

The findings of the study cannot be applied to the entire country because of the limited size of the target area and the number of the participants. It is acknowledged here that each agricultural region in Cambodia has its unique characteristics in terms of the access to education and the access to agricultural resources as well as off-farm jobs. Therefore, it can be assumed that how people value education and agriculture and how they connect or separate these issues in those agricultural environments would be significantly different. Cambodia's diverse and complex situation among different agricultural environments needs to be considered with a special reference to the people's concepts of values. Cambodia began to develop a market-oriented economy in the middle of its reconstruction period after the civil

wars, and some crucial contradictions have been left in its educational and agricultural policies. The implication here therefore is that the Government and any external factors such as foreign aid in the country's decision making need to reconsider the definition of 'poverty' and 'development' in the local context to meet the actual needs of people who rely on agriculture for their livelihoods. Various types of development programmes have been implemented for education and agriculture in Cambodia, but the country is challenged by the theoretical reformation of some key concepts in its educational and agricultural policy to make the best use of the inputs in the development activities for its population.

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