

## BOOK REVIEWS

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***Aid Dependence in Cambodia: How Foreign Assistance Undermines Democracy.* By Sophal Ear. New York, NY: Columbia University Press, 2013. Hardcover: 185pp.**

As this review was being written, Cambodia was preparing for its fourth general election since the historic elections sponsored by the United Nations (UN) in 1993. Those elections helped propel Cambodia from war to peace, and from autarky to global integration. As a result, the Cambodian economy has, since the turn of the century, experienced on average near double-digit annual growth, driven mainly by the tourism and garment sectors. Politically, Cambodia has held regular multi-party elections at the national and sub-national levels. Despite these developments, there exist diverse assessments of Cambodia's political and economic trajectory, varying from the image of a glass half-full to half-empty. Public opinion surveys conducted by the International Republican Institute — a U.S. based agency that promotes democracy around the world — have consistently shown that over three-quarters of Cambodians shared a favourable view that Cambodia “is headed in the right direction”.

Sophal Ear, an Assistant Professor at the Naval Postgraduate School in California, offers a glass half empty diagnosis. He suggests that while on the surface Cambodia appears to be headed in the right direction, closer scrutiny reveals signs for concern and that the country is “one broken government away from disaster” (p. 133). According to the author, Cambodia has become “a kleptocracy cum thugocracy” (p. 8) in which the political and economic elites have colluded to exploit the country's natural resources and divert foreign aid for personal gain as well as to perpetuate the country's patronage based politics. In the meantime, the quality of democracy has declined with an absence of inter-institutional

accountability, deterioration of the rule of law and tightly restricted civil liberties as the long ruling Prime Minister Hun Sen and his Cambodian People's Party (CPP) monopolize power.

Ear postulates that Cambodia's growth has occurred without development, signified by the country's rising inequality, declining freedom and widespread poverty. Growth without development in Cambodia is attributable to the lack of good governance, a problem closely associated with the generous inflow of development assistance. Foreign aid is a hindrance to sustainable development for it enables the government to forgo tax collection, a condition that perpetuates the absence of governmental accountability and responsiveness. The author faults the Western donor community for being short sighted and self-serving, basing the continuation of their assistance on Cambodia's political stability and Western interests rather than on promoting good governance and democracy. Donors, Ear rightly argues, equate democracy with elections and this equation has perpetuated the façade of democracy in Cambodia. In certain respects, Western governments face a dilemma in pushing for genuine democracy and good governance due to the emergence of alternative donors — particularly China — whose aid to Cambodia is not linked to improvements in human rights and democracy. Cambodia's linkage to these non-traditional donors serves as a countervailing force to Western donors' attempts at promoting democracy and human rights.

The book devotes considerable attention to explaining the paradox of economic growth under conditions of weak governance by examining three sectors — garments, rice and livestock. Rather than an outcome of "good governance", the garment sector's growth has been made possible by three factors; first, the presence of a strong and unified Garment Manufacturing Association with a history of working with the Ministry of Commerce to reduce corruption and create predictability; second, the favourable external market under conditions of preferential treatment based on garment sector's good labour practices that respect workers' rights; and third, these good labour practices are the product of semi-corporatist arrangements involving producers, the government and the International Labour Organization. Generally, for the rice and livestock sectors, the "state has been a hindrance rather than an enabler" (p. 79). Although the rice sector has great potential given rising global demand and export preferences granted by the European Union under the "Everything But Arms" arrangement, it remains questionable whether its full potential can be achieved given the absence of

collaborative bargaining on the part of rice millers, poor access to credit, the high cost of transport and storage, expensive, unreliable energy supply and high informal payments. The livestock sector is poorly developed due to an absence of trade associations, poor state service delivery and technical training, credit shortages, informal fees and murky regulations.

The author selects Cambodia's ineffectiveness at combating Highly Pathogenic Avian Influenza (HPAI) in 2006 — despite US\$32.5 million pledged by donors — to illustrate donors' further perpetuation of weak governance exemplified by poor government coordination, corruption and bureaucratic squabbling linked to patronage rent seeking. The HPAI case also illustrates the government's lack of political will to promote rural development as evidenced by its unwillingness to compensate poultry farmers for destroyed livestock. Government policy towards HPAI, Ear argues, was captured by elites whose primary interest was to protect their businesses in the tourism sector rather than address the threat of a pandemic. The case also illustrates the international community's self interest in preventing the spread of HPAI to the developed world.

*Aid Dependence in Cambodia* is an excellent complement to cross-national statistical studies that analyse hindrances to inclusive growth and the development of liberal democracy because it provides nuanced case analysis with detailed empirical data. The book should therefore be read by area specialists, theorists and promoters of economic development and democracy. Many points raised in the book will stand the test of time. For instance, Ear writes: "He [Prime Minister Hun Sen] proved that if he did not win by the ballot, he would resort to the bullet" (p. 7). This statement echoes Prime Minister Hun Sen's statement in 2013 that if the CPP loses the next election the country would be plunged into conflict.

The book does, however, have a few shortcomings. First, as far as the Cambodian case is concerned, the book touches on familiar issues — corruption, weak governance, weak rule of law and the lack of genuine democracy — that have already been thoroughly analysed by other Cambodian scholars. The author's recommendations include standard phrases — such as "greater government-donor coordination and oversight", "to align national and international interests", "government ownership" and "harder measures against corruption" — which read like conventional consultancy reports. The author states: "The role of aid and donors

has been limited in explaining the success or failures observed” (p. 84). This statement leads to the second shortcoming: although the author highlights that other factors such as colonialism, the impact of the Khmer Rouge and the absence of social capital might have contributed to governance problems, he does not offer adequate elaboration of those points to weigh their impact on weak governance and Cambodia’s shallow democracy.