

Addressing Social Justice For Economic Development and Democracy

If the human development indicators are accurate and carry some significance, it will be tempting to infer that there has been social injustice in Cambodia.

Cambodia has experienced, in the past fifty years, some traumatic changes in both economics and politics. The first turning point was in 1970 when the "First Kingdom", under the leadership of the then Prince Norodom Sihanouk, was terminated by a republican group that later renamed the country, "Khmer Republic". The sixties saw a progressive movement toward a state-control system that the republican intellectuals aimed to replace with a free market policy. But the effort was severely hampered by a spill of the Vietnam War into Cambodia, which eventually led to the Khmer Rouge's victory and imposition of a fanatical communism in 1975 in their search for a Utopia Cambodia, marking a second turning point for the country. The communist regime lasted until the third turning point at the end of 1978 when it was overthrown by invading forces from neighbouring Vietnam that subsequently installed a socialist system.

There is a common characteristic among the three turning points, which could be appropriately referred to as "failed revolutions" - a seemingly genuine desire of instigators of those events to search for a better Cambodia, only to be followed by their own people's untold sufferings and traumas.

The Paris Peace Agreement 1991 signed by all the main stakeholders, including foreign interests, has allowed Cambodia to experience a relative peace and stability, and opened up the country for a new era of development. To sustain peace agreements, a liberal democratic system and a free market economy were restored. Social justice was supposed to be promoted. Now, after ten years of development and democratisation process, a number of relevant questions should be asked: What is the status of the social justice in Cambodia? To what extent the Cambodian policy makers embrace, if at all, the concept and rationale for social justice? And, perhaps more importantly, how could social

justice be promoted within the context of current economic, institutional, and legal reforms?

Concept and Rationale

A review of academic literatures on social justice offers a number of aspects that relates to the concept, rationale, and function of social justice. It touches on a number of major related issues: institutions, rights, and economic justice that deals with participation, distribution, and harmony.

While the academia fails to agree on definition of "social justice", one hundred respondents in a survey conducted in Phnom Penh by the Economic Institute of Cambodia say they do not know the definition of the word either. They do know, however, that social justice does not exist in Cambodia. Ninety seven percent of the respondents justify their claim by pointing out many social and economic issues, including the following:

- *The rich become richer and the poor become poorer.*
- *Unemployment rate is dramatically on a rising trend, especially among the poor.*
- *The poor could not access to public services, especially, education, and*

health.

- *The judicial system is not fair, because of corruption, etc...*
- *The democratic system is only a facade.*

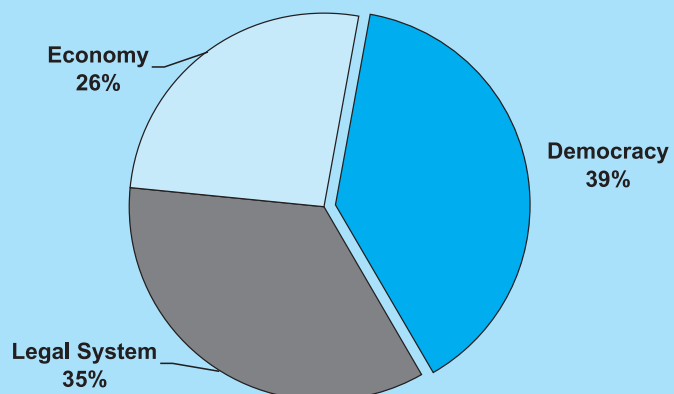
The respondents also perceive that democracy is the most important components (39 percent) of the social justice, to be followed by the judicial system (35 percent); the economy, however, is placed third with 26 percent only. About two-thirds of the respondents indicate that a better social justice would help improve their livelihood, and that the national economy and social justice are intertwined.

Current Status

Based on human development indicators for Cambodia published by UN and other various organisations, it is indeed difficult not to infer that there has been social injustice in Cambodia.

In fact, the survey conducted by the Economic Institute of Cambodia (EIC) indicates that an overwhelming 97 percent of the survey respondents in Phnom Penh believe there is no social justice in Cambodia. It shows nine out of ten respondents are not happy with their livelihood, and the same number indicates that their expectation in life has not been met.

Figure 1. What Are the Main Components of Social Justice in Cambodia?



Source: EIC Survey, 2003

In a sense that could be alarming, the country is potentially approaching another catastrophic turning point. It can carry on with the same road, which is likely to perpetuate the current socio-economic problems possibly leading to another "revolution"; or it can take on major issues associated with "social justice" so that the turning point may not be necessarily disastrous. In its own effort to address the deteriorating social conditions, the current Cambodian government has consistently pledged a substantial increase in social and rural development expenditures in its budgets. Though some improvement has been made, the efforts have overall failed to make inroads into the problems, as confirmed by the terrible current human development indicators.

Absence of Economic Opportunities

From an economic perspective, extreme poverty is the cruellest form social injustice. Statistics released by the United Nations shows that at least one-third of Cambodians do not have enough to eat, and half of Cambodian children under five are malnourished. The government socio-economic surveys also reveal that, on average, more than 80 percent of Cambodians live with less than one US dollar per day, and 90 percent of these poor people live in the rural areas, and are farmers.

Though Cambodia has received substantial amount of foreign grants and loans, the official statistics suggest that 60 percent of these funds remains mostly concentrated in Phnom Penh area where only about 10 percent of country's population resides; most of remote areas remains undeveloped. As a result, the income gap between Cambodian regions is widening. According to an EIC estimate, GDP per capita in Phnom Penh in 2003 was 5.5 times higher than that of provinces; it was only three times higher in 1994. In addition, GDP per capita in rural areas has sharply declined during the last seven years, while that of Phnom Penh has steadily increased during the same period. The decline of incomes in rural areas has been caused by successive natural calamities due to intensive deforestation, lack of irrigation, and

increasing underemployment.

Low productivity in the agriculture sector and lack of new land for young farmers led to an extensive migration in search for productive work elsewhere. Basically, people could not live on their farming income due to unreliable rainfalls for their crop and limited opportunity for a more productive farming and other income producing activities. The land available for farming is getting smaller as children in a household successively inherit only a portion of their parents' fixed available land. The tough conditions on the land naturally encourage mass migration into big cities, especially Phnom Penh. The EIC survey clearly shows 63 percent of people migrating to work in the city possess their own land, but they could not simply live off it. The survey also reveals that about one-third of them migrated to Phnom Penh only during the last 2 years, and about 40 percent of respondents have been working as vulnerable workers for almost 5 years. Still there is no sign of a proper job prospect or improvement in their working life. According to the survey, 72 percent of those workers make less than US\$ 2 per day for their labour input, which makes it hard for them to live on. The survey also indicates that 37 percent of the respondents are in debt.

In the absence of official statistics, it can be easily observed that Cambodia has suffered from at least chronic underemployment problem, if

not an extensive unemployment. Assuming that the Cambodian productivity is comparable to any developing economy, the overall income per capita of the country of a mere US\$280 per annum necessarily reflects a proposition that generally the people have not been able to engage in productive work. There is a suggestion that the underemployment rate in rural Cambodia may exceed 50 percent of the labour force. This is momentous as the rural Cambodia absorbs almost 80 percent of total workforce in the country.

Ineffective Social Services

The Cambodian government has repeatedly pledged a substantial increase in social and rural development expenditures in the budget, but largely they have not been effected. Some improvements have been made, but actual expenditures tend to be substantially below what are planned. Consequently, public services, especially in the social sector, remain ineffective. According to a World Bank report, the government's contribution towards social expenditures is very low in Cambodia, compared with other countries. In 2002, the government provided only about US\$6 per person per year for health care and education, compared to an average of about US\$12 dollar per person per year in other less developed countries, and US\$150 in Thailand.

The report also states that

Box 1: Main Poverty and Human Development Indicators of Cambodia

- Half of the children under five are malnourished.
- For 1000 live births, more than 130 children die before they reach five years old.
- Of 100 children, 78 start primary school, 31 repeat their first year and seven complete primary school in six years. Only about 20 attend the secondary school.
- At least one-third of Cambodians do not have enough to eat.
- At least 36% of Cambodia livelihoods live below the extreme poverty line.
- Cambodia's UN human poverty index ranking is 73rd out of 78 developing countries.
- Cambodia's UN human development index ranking is 153rd out of 175 countries, the lowest in Southeast Asia.

Source: EIC, Compiled from UNDP and Government data

donors and NGOs finance about 46 percent of Cambodia's education expenditures, with individual households and government each contributing about 27 percent towards the cost of education. Consequently, education system in Cambodia is characterised by limited national budget allocation, low quality teachers, and the lack of relevant education policy. School facilities are very poor and dependent on foreign aid and private donations. According to official figures, however, progress has been made regarding the literacy rate and school enrolment, but the quality of students still remains very sub-standard. A UNESCO survey shows that about a half of those who are considered to be literate do not read or write correctly. The EIC research findings reveals that among 100 vulnerable workers, 65 have not finished primary school, and their average duration of schooling is only five years. This low school enrolment is mainly due to poverty.

Health care is another area of the government's neglect. Cambodia's households, most of which are poor, finance an overwhelming 82 percent of all health expenditures. Donors and NGOs contribute 14 percent towards health care costs, and the government only 4 percent. Consequently, the quality of the public health in Cambodia is severely inadequate. Health problems are increasingly becoming the main cause of poverty for Cambodians. With limited assistance from the public health system, Cambodian families often have to sell their land to pay for health care, and then become landless. The dire poverty spiral is simply perpetuated.

Limited social harmony

As a human being, having good social interactions with relatives and friends and other social entertainment are crucial. The EIC survey shows 75 percent of vulnerable workers in Phnom Penh are able to visit their native villages or relatives at least once a year. But, when asked whether they have time for social leisure or recreation, 70 percent give negative response; 48 percent indicate they do not have sufficient opportunity for good relationship with

friends. This social deprivation also prevails in a question on life expectation. 90 percent of the respondents say they are not happy with their current life. This figure clearly shows that social harmony in Cambodia society is very limited, and this life disappointment often leads to social problems, including domestic violence.

Weak Institutional Governance

The success of democratisation efforts and the effectiveness of a government are closely tied to the quality of the public administration, especially the standard of the public personnel management. Cambodia is still embedded with patronage system that has weakened the public administration. The EIC survey reveals that only one-third of vulnerable workers interviewed feel that the government could improve social justice in the country, while 61 percent of them believe that powerful people could if they wish to. A lot of people in civil society institutions interviewed by EIC claim that the current leadership system, in both politics and economics, is too complicated, leading to social injustice, and cultural degradation. Social justice requires good governance and popular participation in the development process.

The EIC survey shows that 97 percent of respondents trust neither the police nor the court system; and they feel that complacent leadership is responsible for this mistrust. The view from local NGOs and donor communities indicates that the leaders do not see a clear distinc-

tion in their responsibilities between their roles in their political party and in government. They are in government, first and foremost, for their party's interest and consider public and national interest less important. Many think tanks and civil society agencies in Phnom Penh express their view that Cambodia has sufficient laws to deal with major issues, but implementation of those laws is a real bottleneck. It seems various policy recommendations by civil societies to improve accountability, including sensitive issues like conflict of interest, nepotism, and red tapes, have largely fallen on deaf ears.

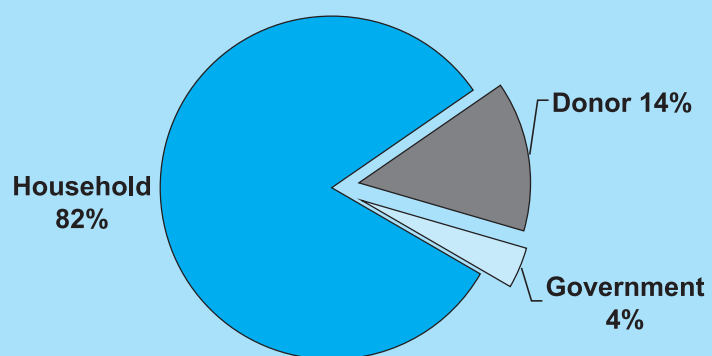
Policy Responses

There needs to be concrete government responses to social issues. Dismantling the autocratic system and improving accountability, and transparency, and participation in the decision making process are just basic necessities for strengthening good governance.

Restoring Trusts

The fact the average people may not overwhelmingly trust the state institutions to enforce the laws should not prevent the government from enforcing them if they aim to regain the trust. It needs to be aware and conscious of the issue of conflict of interest within their roles in government and their political party. It needs to accept that interest of political party and that of the

Figure 2. Cambodia's Health Expenditure Structure



Source: EIC Survey, 2003

nation are often not the same. In many instances, interest of one can be at the expenses of the other. Making the public service impartial in its conduct as administrators in all levels in the country would be a giant step forward.

Fighting Corruption through Accountability and Transparency

Enhancement of transparency will help address corruption issue that is a vital part of the bureaucratic culture. Corruption is considered to be a serious problem in every society because it is not only a matter that affects economic efficiency, but it is also a moral issue raising the question of what moral standard the society should strive for. Sources of corruption emerge from uncertainty in political system, a loss of commitment to the common good, and civil disobedience in the entire populace. Corruption also creates political instability and losing mutual trust between government and people. In general, corruption weakens the ability of governments to carry out their functions effectively and efficiently. Corruption control is, therefore, necessary to enhance government efficiency and democratic accountability. An improvement in accountability and transparency will subsequently create trust and encourage participation of the people in decision-making process.

But in the absence of the accountability and transparency, which would require a clear initiative from the government, the people could still perhaps participate in the decision making process through first accessing right and accurate information, and then making their opinions heard. The Cambodian government seems to have made a head start in this area, albeit reluctantly. A sceptic would suggest that under pressure from donor countries, various civil societies have been allowed to operate in various fields, including humanitarian assistance, regional economic development, human rights, and democracy. The offsetting factor is that a large number of these societies are directly or indirectly under the control of people loyal to the government. For a few outspoken ones against the authority, including Global

Witness, occasional intimidation and threat have almost become a routine.

For their informed decision and actions, the people can have access to print media which is fairly free to present critical views, even though the level of illiteracy rate among the adult population is fairly high, particularly in the rural Cambodia, and generally the people do not have reading habit. The internal broadcast media, especially the television network, is tightly control by the State; the audience of these broadcasts has access only to materials that may be considered to be of propaganda nature.

Using WTO Accession - a possible panacea

Perhaps, the Cambodian government has already made a major commitment for institutional reforms by joining the World Trade Organisation (WTO). The membership requires many reforms that, if and when carried out, will only contribute to good governance. Its industries will be subject to fierce competition in the international and local markets. If they succeed, there will be far larger markets for local productions, thus expanding industrial base and employment for the country's fast growing workforce. An EIC survey on WTO issue indicates that 70 percent of respondents who are classified as small and medium business operators believe the WTO membership could be of benefit; for respondents who are vulnerable workers, the proportion rises to 80 percent. Some people express their feel-

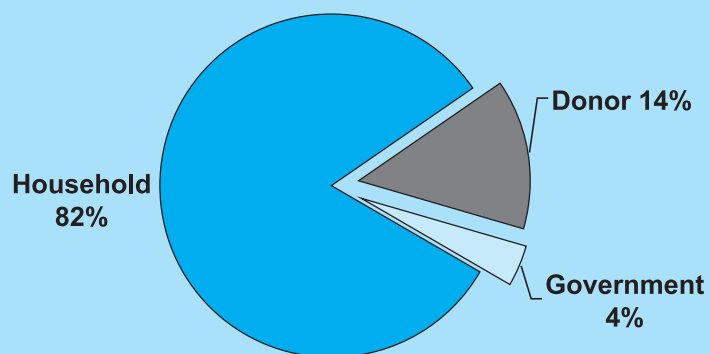
ing that the membership would attract more investment, which would foster employment for local people. It is the WTO membership that can "enforce" rule of law Cambodia desperately needs to begin addressing core issues, including corruption, of the socio-economic problems. In fact, 61 percent of the survey respondents indicate that legal reforms to be undertaken after the WTO accession could lead to rule of law, and help improve social justice in Cambodia. Nevertheless, almost the same proportion of respondents does not believe that the current government could implement laws and regulations to fulfill the WTO requirements.

Conclusion

Based on the unflattering human development indicators, Cambodia may be facing another turning point to continue with its tragic history unless the issue of social justice is adequately addressed in time. The government has, in deed, taken appropriate measures that may in some way help redress the widespread social injustice, but it seems there remains a lot more to be done. Addressing social justice in Cambodia is possible through a firm commitment to accountability and transparency. It would encourage people's participation in decision-making process that would be conducive to genuine democracy and a sustainable economic development for benefit to all.

By Sok Hach

Figure 2. Cambodia's Health Expenditure Structure



Source: EIC Survey, 2003