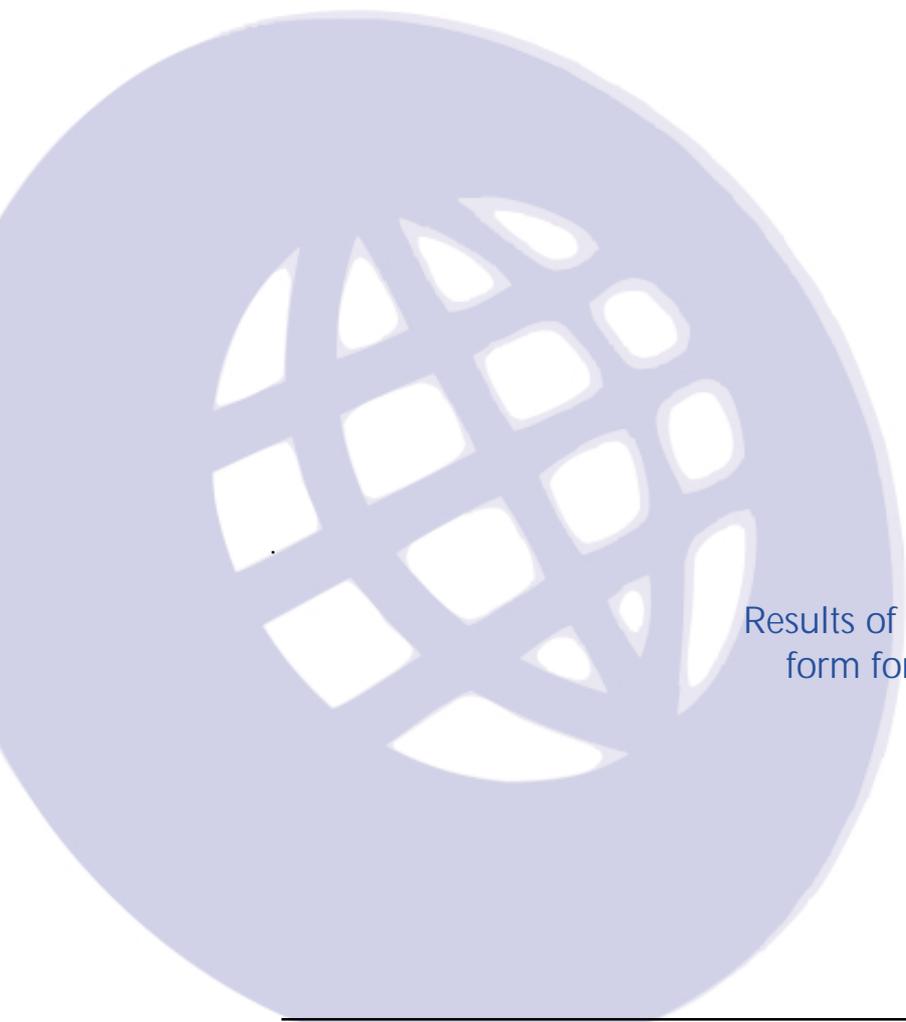


The Sustainable Livelihoods Approach and Programme Development in Cambodia

Cathryn Turton

Working Paper 130

Results of research presented in preliminary
form for discussion and critical comment



Working Paper 130

**The Sustainable Livelihoods Approach and Programme
Development in Cambodia**

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The Sustainable Livelihoods Working Paper Series

This working paper is one of a series that cover practical applications of Sustainable Livelihood (SL) approaches within natural resources management. The papers provide substantial case study material of varied practical experiences, combined with reflection on the emerging findings concerning uses of SL. Some focus on specific types of application of SL approaches (e.g. project design, impact assessment) and some on their application to specific sectors (e.g. water, tourism).

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Acronyms

ADB	Asian Development Bank
CDRI	Cambodia Development Research Institute
CPP	Cambodia Peoples Party
CPR	Common Pool Resources
CSP	Country Strategy Paper
DFID	Department for International Development
DFID-SEA	Department for International Development – Southeast Asia
FUNCINPEC	The National United Front for an Independent, Neutral, Peaceful and Co-operative Cambodia
GDP	Gross Domestic Product
HDI	Human Development Index
PRK	Peoples Republic of Kampuchea (1979-1993)
RGC	Royal Government of Cambodia
Sida	Swedish International Development Cooperation Agency
SL	Sustainable Livelihoods
WFP	World Food Programme

Summary

Experiences are presented of using the SL approach at CSP and programme level in Cambodia. The sustainable livelihoods approach (SL) was used in the context of a study which aimed to identify options for a programme to support rural livelihoods in Cambodia. The study fed into the wider process of developing a country strategy paper (CSP). The study drew primarily on secondary information sources and discussions with key people, both in and outside Cambodia. The author of this paper used the SL approach to facilitate a process of exploring the issues affecting rural livelihoods. The framework was used to structure information drawing out key linkages and as a checklist, to ensure major issues were covered and the main information gaps identified.

Strengths of the SL approach

It is important to emphasise that a detailed understanding of people's livelihoods can only be established through participatory analysis. Nevertheless:

- The SL approach also places people at the centre, in an environment where analysis has hitherto focused almost exclusively on resources or institutions;
- The SL approach facilitated a process of stepping back and looking at the wider issues affecting rural development. It extended the menu for support to livelihood development both in the short and long term;
- The SL framework proved to be a useful tool for structuring a review of secondary information sources and offered a way of organising the various factors and making relationships between them;
- It specifically highlighted the links (or lack of them) between the macro and the micro level and highlights that higher level policy development and planning is being formed with little knowledge of peoples' needs and priorities.

Has taking a SL approach had any real impact on the way DFID works?

The draft CSP builds on the findings of the SL study, and maintains a focus on livelihood enhancement. The proposed purpose of DFID support is improved access by the rural poor to opportunities and resources that will contribute to securing sustainable livelihoods. As important is the process by which it seeks to promote sustainable livelihoods. It will:

- Adopt a long term strategic approach to programme development;
- Be consistent with needs-based priorities of supporting rural livelihoods – invest in poor people in rural areas – build but not undermine local capacity, focus on people and their needs, learn lessons and establish mechanisms to feed back into policy;
- Be holistic – seek to explore a wide range of options and not close doors for DFID involvement in different sectors;
- Strengthen local development processes and work in support of civil society;
- Not undermine government efforts, priorities and approaches to rural development;
- Adopt a systematic lesson-learning approach. It stresses the importance of drawing on lessons from DFID experiences elsewhere in SE Asia.

A key question now surrounds the extent to which the SL approach and framework will feature in the development of the programme of support:

- As a project planning tool to ensure the 'fit' of individual projects;
- As a management tool to provide a common framework for rural development; or
- More pro-actively sharing the approach with partners with the aim of having an impact on rural policy. Whatever the way forward this paper has highlighted that adopting a SL approach implies changes in the way programmes and projects are developed and managed.

1. Introduction

This working paper presents the findings of a scoping study that aimed to identify the key issues affecting the livelihoods of the rural poor in Cambodia. The study was commissioned by the DFID Southeast Asia Natural Resources (NR) adviser. It fed into a wider process of developing a country strategy paper (CSP), which will set out how DFID aims to contribute to the international development targets for Cambodia.

The paper begins (Section 2) with an introduction to the context for development in Cambodia. It summarises the characteristics and trends of rural poverty. Section 3 introduces the objectives of the study and outlines how the sustainable livelihoods (SL) approach was applied. Section 4 looks in more detail at the livelihoods of the rural poor and identifies the key issues that need to be considered when developing a programme of support. Section 5 assesses the value-added of the SL approach. Section 6 concludes with an assessment of the major livelihood constraints and provides some suggestions on a strategy for programme development.

2. The context – poverty and development in Cambodia

Several accounts are available for those interested in the recent traumatic history of Cambodia and only a summary is provided here¹. As is well known, Cambodia has witnessed more than its fair share of suffering and destruction over the past two generations. Indiscriminate bombing by the U.S in the late sixties, and protracted civil war and genocide by the Khmer Rouge in the seventies left the country on its knees, with its human and economic infrastructure in shambles. The international community responded to the Paris Peace Accords of 1991 with a massive infusion of international aid, which it was claimed would kick start democracy and usher in a new era of liberal economic development. Unfortunately, there appears to have been little understanding that democracy is a long process that demands patience and persistence, while a successful liberal economic system requires both strong economic institutions and a well-educated workforce. The following years were marked by reasonably robust growth rates – 6 to 7% annually – but highly inequitable economic development. Growing tensions between the two governing parties (CPP and FUNCINPEC) hindered institutional development and erupted into heavy fighting 1997, which left the CPP firmly in charge. One year later, national elections were held under heavy pressure from the international community.

Authoritarianism and corruption remain prevalent in Cambodia and the political culture is overwhelmingly one of loyalty and patronage. Power remains vested in a small number of political élites and political systems are still factional and based on personalities. The dilemma facing Cambodia is how to translate the formal checks and balances provided for in the constitution into functioning institutions. In the absence of a functioning rule of law, civil society initiatives are not well placed to check those in power.

It is difficult to over emphasise the challenges Cambodia faces in its efforts to develop. In addition to the normal challenges faced by developed countries, Cambodia has to deal with:

- Problems originating from the rapid shift from a centrally planned, closed economy to a free market economy, with accompanying rampant privatisation of many valuable resources (since the early 1990s);
- Challenges characteristic of any post conflict situation – rebuilding infrastructure, establishing and strengthening legal and institutional frameworks. The legacy of the violent past manifests itself in high levels of rural banditry and domestic violence;
- An absence of leadership and visionary skills, and substantial gaps in human capacity.

Development efforts are still relatively ‘young’ in Cambodia. These efforts are gradually moving away from rehabilitation towards development, but this should not hide the fact that the country still lacks basic infrastructure and fails to provide many basic services. Little consensus has yet to emerge on ‘best practice’ for donors working in Cambodia.

2.1 Poverty – a rural focus

Only limited validated data is available for Cambodia. Population growth rates are declining slowly, from 2.7% in 1990 to an estimated 2.5% in 1997. Fertility rates have actually risen since the early nineties, as Cambodian family life settled down. At current rates, the population will rise from 11.4 million to around 14 million by 2005. Population growth rates will be highest in rural areas due to

¹ See for instance: Accord (1998); Shawcross (1979; 1994).

higher fertility rates. Cambodia remains one of the world's poorest countries. Despite relatively good economic indicators, poor social indicators – notably high infant mortality and poor access to safe water – mean that Cambodia is ranked only 153rd on the HDI (c.f. Lao PDR 136th) (UNDP/HDR, 1997). Although Cambodia produces enough food to feed its people, 40% do not have adequate access to food. In 1998, the World Food Programme (WFP) supported 1.7 million people – 15% of the population – for an average of 45 days.

The incidence of rural poverty (43%) is more than four times higher than the 11% reported for Phnom Penh. The 1997 poverty study (Ministry of Planning, 1998) estimates that rural households – and particularly those with agriculture as a primary source of income – account for almost 90% of Cambodia's poor (Box 1).

Box 1 Rural poverty in Cambodia

The HDI score for urban Cambodia is nearly 50% greater than that for rural Cambodia. Rural household income is estimated to be less than a third of the average for urban areas.

- 31% of rural residents have completed less than one year of formal schooling
- 82% of rural households have no toilet
- 96% cook with firewood
- Less than 1% has electricity for lighting

Many claim that the condition of the rural poor is actually deteriorating. In the period of high economic growth before 1997, economic indicators showed a growing income disparity between different sections of the population, with increasing numbers of marginalised groups. Despite the rapid growth of the economy, there has been an insignificant decline in poverty, because of an increase in consumption inequality. Specifically the productivity of agriculture did not keep up with population growth and the corresponding increase in the rural labour force. Although the economy was better off, the 90% of people living in rural areas were worse off.²

There are significant inter-province differences in poverty levels, but this bears little relationship to the level of aid. The central lowland provinces which are home to more than two thirds of the population received only 21% of aid (World Bank, 1997).

² Report prepared by the NGO Forum for the Consultative Group meeting in Tokyo, 25–26 February 1999.

3. A sustainable livelihoods approach to programme development

The 1998 elections saw some semblance of stability return to Cambodia and donors and NGOs began to speak of a new ‘window of opportunity’. The advent of peace and the emergence of a credible government provided DFID with an opportunity to develop its own country strategy. However, there is limited reliable information on poverty and DFID’s knowledge of the country was minimal. The challenge for DFID was to identify opportunities for working with the new government and others to begin to eliminate poverty.

In response to this challenge, DFID-SEA began to develop a CSP for Cambodia. Given the concentration of poverty in rural areas, the CSP was to have a primary rural focus. A study of livelihood issues – upon which this Working Paper is based – was commissioned as the first step towards assessing opportunities for DFID to support rural livelihoods.

3.1 Applying an SL approach

At the time of the study (May 1999), experiences of applying the SL approach were limited – especially in the context of programme development. The first step therefore was to decide how to operationalise the SL approach within the Cambodian context (Table 1).

Table 1 Key issues concerning the application of the SL approach in Cambodia

Question	Issue
<p><i>Operationalising the concept</i></p> <p>How should the SL approach be used? and by whom?</p>	<p>Three levels:</p> <ul style="list-style-type: none"> • As a project planning tool for DFID – in this study by the NR consultant to understand where NR interventions ‘fit’ with livelihoods? • As a holistic framework for the development of a DFID rural development programme – to prioritise activities and build on opportunities/relieve key bottlenecks? • As a broader more inclusive and encompassing process – sharing the approach with partners from the very beginning with the aim of having an impact on rural policy?
<p><i>Value added</i></p> <p>Rural development has so far achieved limited impact – what is the ‘value added’ of the SL approach in the Cambodian context?</p>	<ul style="list-style-type: none"> • It is a non-sectoral approach. For instance, increasing agricultural productivity may not have such an impact on poverty as interventions in health, governance or education; • It involves various disciplines • It makes policy linkages • It is people – not resource – or institution-centred • It puts the vulnerability context up-front • It offers a new way of understanding social relations and their impact on poverty in Cambodia (patron-client relations)

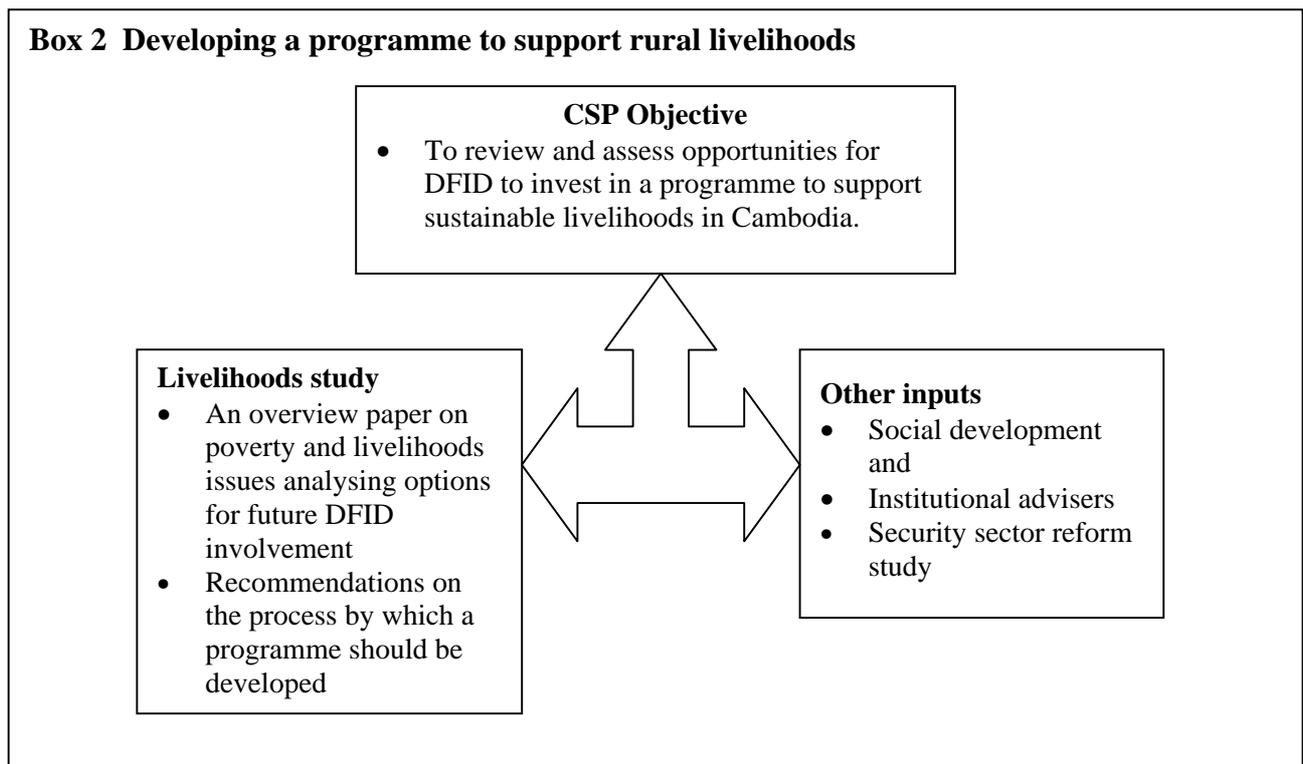
In the event, the SL framework was used mainly in relation to the first two levels in Table 1. First, it was used as an analytical tool – to facilitate a process of exploring the issues affecting rural livelihoods. Key questions were developed from the framework to structure the study:

- Who are the rural poor?
- What makes them vulnerable?

- What assets do they have?
- What is the impact of policies and institutions?
- How do the poor make a living?
- What is the outcome of the above on rural poverty levels?

The framework itself was then used to structure information, draw out key linkages and, as a checklist, to ensure major issues were covered and key information gaps identified. The resulting analysis will feed into a higher level process of developing the CSP (Box 2).

The third step of sharing SL concepts with Cambodian partners will come later once DFID has established an in-country presence.



3.2 Building a picture of rural livelihoods

The study drew primarily on secondary information sources and discussions with key people, both in and outside Cambodia. The following questions were used to structure discussions:³

1. What are the major issues and trends in Cambodia that impact on rural livelihoods?
2. What are the major issues and trends in the NR sector in Cambodia?
3. How does the NR sector relate to wider livelihood issues (i.e. how do the trends in (2) relate to those in (1))?

³ Several respondents commented that these questions were useful in facilitating a process of taking a step back and thinking about 'why rural people are poor in Cambodia'.

Specifically in relation to rural livelihoods:

4. What are the major underlying causes of rural poverty in Cambodia?
5. What is making a difference to people's livelihoods (both positive and negative)?
6. What are the success stories – who are they, where are they and why?
7. Where do future livelihood opportunities lie in the wider sense and in the NR sector?

The study involved little fieldwork – only two days were spent in the field. This study therefore should be viewed as a first step – to establishing an overview of the key issues and questions to be considered when thinking about rural livelihoods in Cambodia.

4. What does the approach tell us about the livelihoods of the rural poor?

Physical descriptions aside, little has been written about life in rural Cambodia and scant data are available for making policy decisions. Most materials written in Khmer or French about pre-war Khmer society that were stored in the country were destroyed during the war (Ledgerwood, 1999). Data are available in individual project reports but these tend to be highly localised, offer only snapshots in time and are usually confined to information relating to project activities.

4.1 Who are the poor?

The poor in Cambodia are not an easily definable group to an outsider. Food security, land holdings and levels of debt are embodied in local categories of *neak min* (people who have); *neak kuesom* (people with enough), *neak kroo* (poor folk) and *neak toal* (poorer than poor). However, Conway (1999) reported that livelihood strategies varied widely within any given wealth group: there is no single activity or given characteristic which clearly differentiated rich and poor. He found that wealth ranking carried out by the poor in two villages showed only a weak correlation with the ranking of households by area of rice land per capita. Any explanation of poverty must therefore account for the whole rural economy rather than just the agricultural economy in isolation.

Conway (ibid) found that a more accurate way of representing poverty and wealth was in terms of ownership of assets, but that these varied considerably from community to community depending on their importance to the predominant livelihood strategies. For instance in one village, where non-agricultural activities were important, motorcycles and electronic goods defined the rich. However in another village, where the rich were more dependent on rice and foraging, wealth was related to assets such as ploughs, carts, baskets and crop sprayers.

4.2 What makes the rural poor vulnerable?

People's livelihoods are largely affected by critical trends and shocks over which they have little control. Wider influences that are important in shaping the rural development scenario include both positive and negative factors:

On the positive side:

- In the last year, security has improved dramatically in rural areas and new roads are improving access to remote areas. The impact that this will have on households in previously unstable areas is difficult to determine – but it will present people with a range of new livelihood options.

Balanced against this is the:

- Legacy of trauma – manifesting itself in rural banditry and domestic violence;
- Widespread conflict and the presence of mines;
- Lack of public safety nets for the poor;
- Increasing pressure on resources resulting from high population growth rates;

- Planned demobilisation of 20,000 soldiers and their families – with unforeseen circumstances such as increased violence and land grabbing;
- Frequent health shocks – epidemics are common, for instance the recent cholera outbreak in the Northeast;
- Unpredictable climate – since 1990, harvest levels have been dramatically affected by drought and floods in 1991, 1994, 1995 and 1996;
- Rampant exploitation of natural resources – widespread logging and over-fishing.

The environmental backdrop to rural livelihoods is worth mentioning in more detail, as it is the subject of considerable debate, both within and outside the country. Attention is primarily focused on forestry and fresh water resources. There is no consensus on the area of Cambodia under forests or on the current rates of deforestation. However few would argue that, if left unchecked, rapacious logging will lead to the ‘total devastation of Cambodia’s forest resources’ and their commercial potential within five to ten years’ (World Bank, 1999; Global Witness, 1997). This has both direct and indirect implications for rural livelihoods. The declining status of forest resources, and access restrictions imposed by both logging companies and the government takes away an important resource on which rural people depend. Indirectly, the catalogue of ecological and socio-economic problems associated with excessive logging and deforestation is potentially long. Forests serve the wider hydrological environmental functions, stabilising watersheds, acting as microclimate regulators, conserving soil structure and nutrient balances, and regulating water flow for the provision of potable water and agricultural irrigation systems (Talbot, 1999). Apparent recent increases in landslides, heavy flooding, increasing siltation and eutrophication of the Tonle Sap Lake are all linked to the deforestation process. Problems associated with the Tonle Sap – which supplies over 40% of Cambodia’s population with fish protein – are confounded by bad management practices including the dredging of the feeder rivers and over-fishing.

Environmental debates are even entering the political realm. For instance, the leader of the Cambodian opposition has argued that: increasing deforestation leads to increasing incidence of drought and flooding, which leads to increased risks for rice farmers, thereby forcing the poor into debt. They then rely more heavily on forests and fishing resources, which are increasingly inaccessible to them (Redfern, personal communication).

Efforts to understand the significance of environmental trends for rural livelihoods are seriously undermined by the lack of a strategic approach to data collection and analysis. Government and donor programmes continue to be based on unsubstantiated discourse rather than any rational analysis of the importance of the relationships between different factors.

4.3 What assets do they have?

People can access, build up and draw upon five types of capital asset: human, natural, financial, social and physical. Assets constitute livelihood building blocks. Whilst in many countries it is easy to identify key gaps in the range of assets available to the poor, rural Cambodians face serious difficulties in all spheres (Table 2).

Table 2 Capital assets and rural development

Assets	Current status and issues
Social	<ul style="list-style-type: none"> • Patron-client relationships are strong. • The current forms of social capital have been the subject of considerable debate. Some have argued that the concepts of community and village as a basis for collective action and development are problematic. Others are more positive, and note the co-operative relationships for labour exchange, livestock husbandry, etc. Two things are clear: (i) social patterns and networks have been severely disrupted; and (ii) there is a high degree of social and cultural variability; some communities are made up of original residents who returned after the Democratic Kampuchea period (1975-79); elsewhere villages may be made up of households fleeing from fighting in other areas, or those who have returned from Thai refugee camps and so on. • The emerging consensus suggests that collective action can be successful when it is grounded in a genuinely participatory planning process (see Ledgerwood, 1999). • Participation is seen as new, almost entirely focused around establishing relationships with outsiders.
Human	<ul style="list-style-type: none"> • Level of skills and knowledge were seriously affected both by the annihilation of a generation of leaders and disruption to knowledge networks caused by internal displacement. • Levels of health and education are low. • Women shoulder a large burden of agricultural work.
Physical	<ul style="list-style-type: none"> • Basic infrastructure – roads and water supplies – have been extensively destroyed. • Irrigation systems have collapsed. • There is poor coverage of schools, health posts, etc.
Natural	<ul style="list-style-type: none"> • There is a wide variety of productive natural resources including rich forest lands and coastal fisheries and a range of agro-ecological zones. • These resources have apparently been decimated but our understanding of this is undermined by the anecdotal nature of information, poor analysis of the impact and inter-relationships between deforestation, flooding, drought, fisheries depletion, etc. • Analysis of how these wider trends have affected household livelihood strategies and security is absent. • Property rights are weak, leading to massive privatisation of forestry and fishery resources and over-exploitation. • Increasing inequality/conflicts characterise access to resources. • Access to land is a particular concern. Increasing levels of landlessness and new tenure arrangements are also evident e.g. sharecropping. • Many face constrained access to water for irrigation.
Financial	<ul style="list-style-type: none"> • Few options are available. • The majority of loans are taken from relatives or neighbours. • Households are forced to take loans from moneylenders at high rates – at interest rates of up to 100% month.

4.4 What is the impact of policies and institutions?

The activities people adopt and the way they reinvest in asset-building are driven in part by their own preferences and priorities. However, they are also strongly influenced by external structures and processes (organisations, institutions and policies). These determine their access to assets and livelihood opportunities.

In Cambodia however the influence of external structures and policies is somewhat weaker than is the case in other countries. Ledgerwood (1999) writes for instance that ‘except at particular development project sites, there is virtually no connection between the ministries at the central level and rural residents’. It seems that it is the absence or lack of centrally formulated policies and ineffective implementation, as much as any adverse or disempowering influence they have, that is the key feature of the policy environment, notably:

- The lack of a legal framework to resolve many of the issues affecting people – for instance gaps in the land law;
- Even where legislation exists, there is little evidence of effective implementation;
- An almost complete absence of public services.

As a result, donor efforts have tended to concentrate on strengthening the legislative, policy and institutional framework. Currently, efforts are focusing on property rights and institutional regulations governing access to both private and common pool resources – land and forests. The financial sector is also receiving attention. Such efforts are essential for the longer-term development of Cambodia. However, donors must acknowledge that such programmes will have little immediate impact on the lives of the rural poor.

4.5 Livelihood strategies – how do the rural poor make a living?

Recent work has drawn attention to the enormous diversity in rural livelihood strategies – within geographic areas, across sectors, within households and over time. Households combine activities to meet their various needs at different times. The more choice and flexibility that people have in their livelihood strategies the more secure they are and more able to cope with ‘shocks’. Livelihood strategies in rural Cambodia vary considerably according to prevailing agro-ecological conditions.

Agriculture is central to the economy of the Cambodian household. The sector contributes 45% of GDP: about 25% represents the production of crops and 20% the value-added of livestock, fishing and forestry activities (World Bank, 1997). There has been a significant decline in paddy area from 2.5 million hectares in 1976 to 1.9 million today (Sopha Ear – personal communication). However most of the 90% of Cambodia’s rural households continue to cultivate rice in one form or another: over 85% of land under cultivation is lowland rice fields. Inadequate statistics exist, but it is safe to say that productivity is far lower than in neighbouring countries⁴. Cropping systems are complex and varied due to socio-economic and biophysical variability. Farmers identify lack of water control as the main constraint, followed by lack of healthy draught animals. In more favoured ecosystems, many households have adopted higher yielding varieties and yields have increased – figures of three and four tonnes were reported by McAndrew (1998) from a village in Prey Veng province. Outside these ‘green revolution’ areas however production systems remain unchanged. Ethnic minorities who make up 3.6% of the population (mainly located in the Northeastern provinces of Rattanakiri and Mondulakiri) still subsist primarily on swidden agriculture. Little is known about production systems in these less favoured areas and little agricultural development effort has been targeted at them.

Policies to reduce poverty must reach agricultural households if any major reduction in poverty is to be achieved. Thus, agricultural development has been a central focus of many donor efforts: the solution to rural Cambodia’s problems is often assumed to be through improvements in rice

⁴ The figure of 1.3 tonnes/hectare is the most widely quoted. Compare this to figures of well over 3 and 4 tonnes reported for Thailand and Vietnam.

productivity. A typical discourse runs along the following lines ‘rice is the most important crop comprising close to 90% of cropped area and about 35% of gross value of agricultural production’ (World Bank, 1997). Evidence is emerging however that focusing only on improving aggregate rice production or productivity is not the answer, as little of the extra production may actually reach the households most in need. For instance, UNICEF-WFP (1998) reports that less than 25% of rice growing communes, representing approximately 15% of the population, produce 75% of the country’s surplus. The rudimentary transport network is of little help in moving food around within the country. McAndrew (1998) noted that the key livelihood security issue is not rice productivity but rice self-sufficiency. This relates directly to household access to land, draught animals, affordable credit and adequate health care. Rather than focusing on productivity, he argues that policy and programme interventions designed to provide greater security of tenure, provision of draught animals, well thought out credit schemes and improved health care would do much to enable vulnerable households to retain the rice they already produce.

It is therefore essential that rice production be seen within the wider context. Households rely on a diverse range of activities (Table 3). In his study on food security in three study villages, Murshid (1998) concludes that rice accounts for 80–84% of calorie intake but that food security unsurprisingly depended not on production but on the power to obtain food. He notes the dependence of significant proportions of people on the market for supplies of basic food.

Table 3 Relative importance of household income sources (%)

Source	Prey Veng	Kompong Speu	Kandal
Hunting/gathering	14	10	18
Female labour	7	13	3
Male labour	13	16	10
Non-agriculture	15	45	50
Agriculture	42	13	13
Home gardens	9	3	6

Source: Murshid (1998)

Further analysis reveals the traditional dependence of households (both rich and poor) on *prei* (forests/wildland) for basic household goods, foodstuff (protein and vegetables), grazing and for land to convert to agriculture and the greater relative importance of hunting and gathering activities for the poor. Concessions and land claimed by the military has limited access to these, but there is little documented evidence as to how people are adapting to this.

This account underscores the importance of approaching livelihood issues from a local as well as a national perspective. Policy measures to enhance livelihoods need to be sensitive to differences in the composition of income sources.

4.6 What is the outcome on rural poverty levels?

Given all of the above, the important question is whether the quality of life for rural Cambodians is improving. Are livelihood trends positive (i.e. households are moving out of poverty) or negative (increasing numbers of households below the poverty line, increasing inequality and a narrowing of options).

There are concerns that, for many, conditions are actually worsening in the face of growing inequalities in asset ownership, decline in access to common pool resources (CPRs) and the decline in traditional income generating activities associated with adverse movements in relative prices. This has, in some areas, been compensated for by a growing demand for labour (notably in ‘green revolution areas’). The picture painted by Murshid (1998) is a common one: ‘the poor have increasingly limited access to land and few own animals. They rely largely on access to common property resources and the sale of their labour. Migration in search of work is becoming more common, with women in particular taking on heavy labour in agriculture and construction to order to repay loans. As well as financing agricultural production, an important purpose of such loans at high rates of interest is to deal with health emergencies, which often have catastrophic consequences’.

The levels of animal and land sales and levels of debt within villages are key indicators of trends in livelihoods. McAndrew (1998) reports that more than half of the households in his survey had sold land since the dissolution of the *krom samaki*⁵. The most common reason for selling land was to pay for medical expenses. UNICEF-WFP (1999) documented an increase in debt levels and asset disposal in 1998. In targeted communes, they reported that an average of 30% of families were in debt for daily needs for more than three months of the previous year.

The crises that are important in triggering a downward decline include illness or injury to a family member⁶, crop failure, death of an animal and robbery or fraud. Education costs represent an important – albeit steady – drain on household resources⁷. On top of this, households face a narrowing of options in relation to the choice of livelihood strategies increasing their vulnerability to shocks. The illegal ‘grabbing’ of land, forest and lakes, resulting from weak and ill-defined property rights, are reducing the range of options open to households. These trends have disproportionately adverse consequences for the poor.

Important coping strategies for families include: reducing consumption, borrowing money from a money lender; borrowing money from relatives and/or rice from relatives and friends; migration; starting work in newly cleared (sometimes mined) areas; and selling plough animals and land. While borrowing serves as a short term coping strategy, this practice in the long term carries high risks such as loss of assets. The vast majority of Cambodians have little access to institutional credit.

4.7 Information gaps

Little is known about livelihoods in rural areas. Much more information is needed on issues such as:

- How households move in and out of poverty – What lifts people out of poverty?
- Where do the future opportunities lie – in the wider sense and in the NR sector?
- What are the indicators that livelihoods are improving or are on a downward trend – e.g. levels of debt, sales of land?

⁵ A system of agricultural collectives established after 1979 in the PRK period.

⁶ It is important to note that neither government nor donors are the largest contributors to health bills but households themselves: 45% borrow money to pay health bills.

⁷ The ADB concluded that the government spends an average of \$8 per primary student per year, while parents pay an average of \$64 or eight times that amount (1999).

5. From study to draft CSP – placing livelihoods on centre stage

Cambodia is still emerging from the ravages of the recent past. Many of the issues it faces are similar to those of any post conflict situation – rebuilding basic infrastructure; establishing and strengthening legal and institutional frameworks; establishing public services and so on. Issues of governance, corruption, accountability and human rights are central – but beyond the scope of this study. There is a general air of hurry to achieve things, both on the side of donors who push sector reform programmes, and on the side of the government – who are pushing through hastily formulated legislative and policy reforms.

Cambodia’s challenges now require long-term sustainable solutions rather than relief programmes. The study identified that key opportunities for supporting rural livelihoods exist both in the short term for meeting immediate needs and for longer term impact by influencing key policy, legislative and institutional processes. It is important to be clear however that programmes to strengthen institutions and reform legislation will probably have little immediate impact on poverty levels. Efforts at the policy and institutional level therefore need to be accompanied by programmes which address more immediate constraints to sustainable rural livelihoods.

The SL scoping study recommended that the strategy for the medium term (one to three years) should focus on building a more complete picture of the key constraints to sustainable livelihoods in rural areas and clear directions on how to work most effectively. The strategy will be to provide a basis for making informed decisions on how DFID can best support efforts to reduce rural poverty in the longer term.⁸

This does not mean that DFID should do nothing in the short term – indeed the best way of learning is by actually doing something. Clear opportunities exist, both at the policy and institutional level where these are a constraint to rural livelihoods, and closer to the ground with respect to meeting basic needs today. What is key is that there is a clear vision of where these initiatives should lead DFID in the medium and longer term. They should:

- Be consistent with needs-based priorities of supporting rural livelihoods
- Not close doors for DFID involvement in different sectors
- Draw on lessons from DFID experiences elsewhere in SE Asia
- Strengthen local development processes and work in support of civil society
- Not undermine government efforts, priorities and approaches to rural development
- Adopt a systematic lesson-learning approach

⁸ This approach is similar to that advocated by a study by Sida in 1997. They concluded that a strategy of development assistance for rural Cambodia must be developed with at least two timeframes in mind; the short to medium term (one to three years) and the medium to long term (four to ten years). They recommended that in the short and medium term, a number of new initiatives should be formulated, with a view to implementing new programmes in the medium to long term. These initiatives need not be direct bilateral programmes, but might include co-operation and co-financing mainly with multilateral agencies. The initiatives should be strategic and aim to build capacity within public administration for delivering services to rural areas or fill a gap in a prioritised area where other donors are absent.

Box 3 Developing the asset base of the rural poor

Natural and physical capital

The rural poor have little to sell if things go wrong. Selling their land is an option, but this leaves them with fewer productive assets and in chronic poverty. They need continued access for sustainable use of 'common resources' such as forests and lakes. Increased productivity in the way they use their land would make a big difference. Rice yields are very low at about 1.3 tonnes per hectare in Cambodia, compared to over three tonnes in neighbouring Thailand and Vietnam. What could increase rice productivity? There are many possibilities, for example: better irrigation; rural access (incentives to invest and increase production are also skewed by lack of transport to many areas); access to quality government extension services and public education; better management of property rights for land and better security.

Social capital

Family and community groups represent a major buffer against shocks and represent the interests of the poor. Is there a sense of community in Cambodia? Some studies suggest that villagers look out for themselves and do not help each other out. This is because of the extreme violence and deprivation of the Khmer Rouge era, the uprooting of most families and popular resentment against collective organisation once imposed by the state. Other research has shown that people can work together and there are strong bonds based around families that do help each other. It will take at least a generation to establish the kinds of roots one needs in a society fractured by such massive displacement.

Financial capital

Households need more options to borrow and save money. Only six commercial banks have branches outside the capital, and 16 provinces containing almost half the population have no bank branch at all. People mainly borrow from relatives or neighbours. As a last resort they borrow from moneylenders, who charge interest rates up to 100% a month. NGO-led micro-credit initiatives also have a lot of a potential to make a difference to the lives of the rural poor.

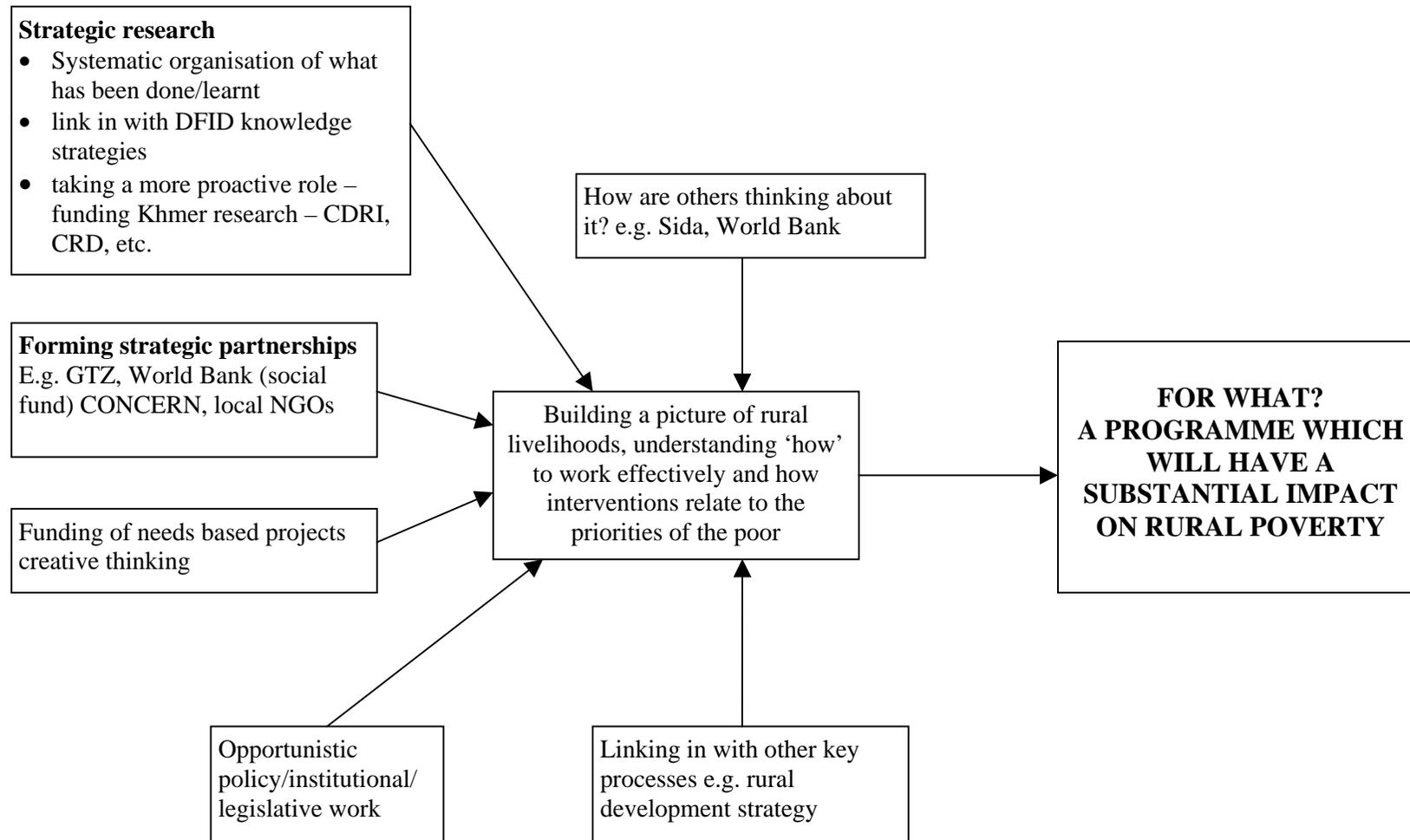
Human capital

Health and education are major priorities: effective public investment to tackle the underlying causes of ill-health (such as clean water), better public health services and more effective regulation of private healthcare. Most medicines are purchased privately in the local market. People want education, and are prepared to pay for it. Three-quarters of the cost of primary education is met by households and communities. The education system faces a wide range of challenges: to reduce high repetition rates; reduce drop-out rates; improve teacher training, support and terms and conditions; provide books and materials; improve facilities and develop a curriculum that is more relevant to the rural poor. One use of 'human capital' that is unfortunately widespread is prostitution. Many prostitutes are children. A recent survey suggested that over 40% of sex workers are HIV positive.

Source: Extract from draft CSP

The dilemma for DFID is how to begin to identify these opportunities. The draft CSP takes as its central challenge the promotion of sustainable rural livelihoods. The value of taking a SL approach is that it throws up an extensive 'menu' of options that affect rural livelihoods (Box 3). On the basis of this study, these might include activities in the areas of: rural infrastructure (access, water supply and irrigation); property rights (agriculture land, forestry and fisheries); micro-finance and credit; health, education, etc. They will in many cases be largely location specific. Prioritisation is difficult at this stage, as there are serious gaps in all of these areas. Opportunities are apparent at both policy and project level. Figure 1 provides the beginnings of a strategy to build up a programme of support. The draft CSP takes as its central challenge the promotion of sustainable rural livelihoods. Box 3 highlights the diverse challenges in developing the asset base of the poor.

Figure 1 Elements of a strategy for developing a Cambodia country programme



6. What is the value-added of a SL approach in Cambodia?

6.1 Identifying priorities and bridging across sectors

Much of the information available on rural development in Cambodia has a strong *institutional* or *sectoral* focus. For example support for the Ministry of Health's efforts to establish basic infrastructure and a policy framework has been a major focus of donor efforts in the past five years. This is perhaps not surprising, given the almost total collapse of the legislative and institutional framework in Cambodia. Alternatively, a *resource-based* approach has also been adopted. The SL approach begins with people and the way they manage resources. This complements recent NGO approaches to development. The NGO Forum on Cambodia's statement to the 1999 Consultative Group meeting drew attention to the need to manage natural resources to preserve the food security and livelihoods of subsistence-based communities.

In the context of Cambodia, where the information on rural development that exists is widely scattered and often sectoral in nature, the SL approach offers a way of organising the various factors and making relationships between them. It facilitates a process of stepping back and looking at the wider issues affecting rural development. Through taking a wider and better-informed view of the opportunities, constraints, objectives and interactions that characterise peoples' lives it extends the menu for support to livelihood development both in the:

- Short term – opening up a wider range of options (rural access, private fish ponds, improving rural water supply and sanitation to reduce incidence of illness and the necessity to take out loans, provision of credit).
- Longer term – policies and programmes targeting rights to land and CPRs; agricultural research and development, support to the education sector – all enabling rural households to increase their control over their assets.

It stresses the link between the macro and the micro level and emphasises the need for higher level policy development and planning to be informed by lessons learnt and insights at the local level.

Perhaps the usefulness of the approach can best be demonstrated from the experiences of those on the ground adopting a livelihood perspective (Box 4).

Box 4 The SL approach in practice

CONCERN see the SL approach as being useful for:

- Strategic planning – formulation/reorientation of policies to support poverty alleviation objectives.
- Better targeting – understanding what makes up a livelihood for the poorest and thus influencing how and what they do.
- Breaking down glass walls between sectors. Until now, they have implemented sectoral programmes in health, NR, etc. How much they worked to a common result depended on the manager.
- Feeding in good information for planning specific elements of projects – e.g. Food for Work should be used to improve the livelihood base – family fishponds have worked.
- Advocacy – enabling them to understand local constraints and bring them to the attention of policy makers (see recent example of community forestry).
- For monitoring impact – tracking change – as an early warning system – to monitor changes in livelihoods.
- Making project learning more structured and quicker.

6.2 Issues common to SL and rights-based approaches

More than in many other countries, the complementarity of rights-based and SL perspectives are evident in Cambodia. In every sphere, the livelihoods of the rural poor are threatened by weak and non-existing social, economic, political, cultural and civil rights. This is due both to weak, inappropriate and, in many cases, non-existent legislation and the dysfunctional and corrupt nature of the judiciary. Issues of participation and empowerment are central to the realisation of more secure livelihoods in Cambodia.

It is relatively easy to compile a picture of issues relating to economic, social, cultural, civil and political rights and the linkages between public institutions and civil society at the central level. It is however less easy to identify the specific constraints that prevent the realisation of peoples' rights at the local level and undermine peoples' livelihood strategies. One clear example is that of the weak property rights underlying the natural resource assets upon which people's livelihoods depend. It is difficult to overstate the impact of this on rural households:

- Rights to agricultural land are undermined by weak and ineffective legislation. Whilst the distribution of land in Cambodia still appears to be comparatively equitable compared to elsewhere in the region, there are signs that consolidation of land and rates of landlessness are growing at an alarming rate.
- Rights to CPRs – more than eight million hectares of Cambodia are under long-term forestry concessions. Aquatic resources have been similarly carved up. Donors have recently put pressure on the RGC to crack down on illegal logging and some concessions have been withdrawn. However, evidence is emerging that this has affected local communities' access to forests. Discussions with two groups of farmers during the study revealed that the price of timber for building houses has risen ten-fold in the space of a two-month period.

Both the SL approach and rights based approach tend to focus on these key constraints. There is clearly considerable scope for attempting to achieve synergy between them.

6.3 Forward perspectives

A key question now surrounds the extent to which the SL approach and framework will feature in the development of the programme of support. Table 1 identified three levels at which the SL approach/framework might be used:

- By DFID as a planning tool to ensure the 'fit' of individual activities and projects with livelihoods of the poor.
- By DFID as a management tool to provide a common framework for rural development – a framework which puts poverty and an understanding of the livelihoods of the poor at its centre and which would improve consistency and synergy among the various elements of the portfolio of projects and activities. Figure 1 illustrates elements of this approach.
- As a broader more inclusive and encompassing process – sharing the approach with partners with the aim of having an impact on rural policy.

The development of the Cambodian programme from here on will have to be driven primarily by specific needs and enormous challenges facing Cambodia, as briefly reviewed here. But continued use of SL approaches within this process, is likely to mean that DFID works across sectors, across levels (micro to macro), and prioritises activities according to their contribution to livelihoods, as well as according to conventional criteria such as feasibility, cost, responding to requests etc. It

would also mean a continued openness to learning about livelihoods and adapting plans in response, and in the longer term, efforts to share livelihood approaches with partners.

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