



# CDRI

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# Moving Out of Poverty?

**Trends in Community Well-Being and Household  
Mobility in Nine Cambodian Villages**



A CDRI PUBLICATION





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## **Authors:**

Ingrid FitzGerald and So Sovannarith

*with* Chan Sophal, Kem Sithen and Tuot Sokphally

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**Authors:**

Ingrid FitzGerald and So Sovannarith *with* Chan Sophal, Kem Sithen and Tuot Sokphally

***CDRI - Cambodia's Leading Independent Development Policy Research Institute***

☞ 56 Street 315, Tuol Kork, Phnom Penh

✉ PO Box 622, Phnom Penh, Cambodia

☎ (855-23) 881-384 / 881-701 / 883-603 / 881-916 ☎ (855-23) 880-734

e-mail: [cdri@camnet.com.kh](mailto:cdri@camnet.com.kh) website: <http://www.cdri.org.kh>

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# Foreword

CDRI is pleased to present the report of the Moving Out of Poverty Study (MOPS), a major study conducted in partnership with the World Bank. MOPS is the first longitudinal, contextual, mixed-methods study on poverty dynamics conducted in Cambodia.

The CDRI-World Bank Cambodia study was designed and commissioned initially as part of the World Bank's global Moving Out of Poverty Study. The scope and methodology were fine tuned to better reflect Cambodian needs and development circumstances. The study provides an innovative methodology and different perspective to past national poverty research and analysis, significantly showing that rural villages and households are not all the same, and that "over-generalisations" about rural poverty in developing countries can be risky and not necessarily useful for policy. It supports the need for careful poverty alleviation targeting, especially of the poorest rural households. Finally, and very importantly, it demonstrates the value of integrating analysis of governance issues and poverty trends, rather than dealing with them separately, and shows the impact of governance, power relations and socio-political forms of inequality on poverty and economic inequality.

CDRI's experience and learning from the MOPS study have been rich, underlining not only the value of this type of research for a development research institute aiming to influence government policy, and the capacity building demands and benefits for its researchers, but also the challenges and limitations of undertaking globally designed and brokered studies in a complex environment like Cambodia. It has, however, also provided an opportunity for mutually beneficial learning and the development of close and very beneficial collaborative professional relationships between CDRI and the World Bank's local poverty team.

In 2006/07 CDRI completed two major poverty studies: MOPS for the World Bank and the Tonle Sap *Participatory Poverty Assessment* for the ADB, both challenging and demanding multi-disciplinary studies that have been a significant learning experience for CDRI in research design and methodology and the technical skills and capacity development needs of our researchers. They have taken CDRI's capacity to conduct quality poverty research, both quantitative and qualitative, a major step forward, while at the same time setting a mid- to long-term poverty research and monitoring agenda for CDRI in support of Cambodia's National Strategic Development Plan 2006–10.

Through our experience of MOPS and the other recent poverty studies, and interrelated policy research in our major programmes—economy, trade and regional cooperation; governance and public sector reform; natural resources and the environment; and agriculture and rural development—CDRI hopes to continue to build strong local capacity in poverty alleviation research, monitoring and analysis that will serve Cambodia's future development well.

*Larry Strange*

*Executive Director, CDRI*

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## Acronyms

<b>ACLEDA</b>	Association of Cambodian Local Economic Development Agency
<b>ADB</b>	Asian Development Bank
<b>AIDS</b>	Acquired immune deficiency syndrome
<b>CARERE</b>	Cambodia Area Rehabilitation and Regeneration
<b>CDRI</b>	Cambodia Development Resource Institute
<b>CGEM</b>	Cambodia's Gender Empowerment Measure
<b>CDHS</b>	Cambodia Demographic and Health Survey
<b>CMDGs</b>	Cambodia Millennium Development Goals
<b>CPL</b>	Community poverty line
<b>CPR</b>	Common property resources
<b>CSES</b>	Cambodia Socio-Economic Survey
<b>FGD</b>	Focus group discussion
<b>FHH</b>	Female-headed household
<b>GDP</b>	Gross domestic product
<b>HC</b>	Health centre
<b>HH (hh)</b>	Household
<b>HIV</b>	Human immunodeficiency virus
<b>IMF</b>	International Monetary fund
<b>KR</b>	Khmer Rouge
<b>MFI</b>	Micro-finance institute
<b>MHH</b>	Male-headed household
<b>MOPS</b>	Moving Out of Poverty Study
<b>MOWA</b>	Ministry of Women's Affairs
<b>NGOs</b>	Non-government organisations
<b>NIPH</b>	National Institute of Public Health
<b>NIS</b>	National Institute of Statistics
<b>NPI</b>	Net prosperity index
<b>NSDP</b>	National Strategic Development Plan
<b>PFMRP</b>	Public Financial Management Reform Programme
<b>PPA</b>	Participatory Poverty Assessment
<b>SESC</b>	Socio-Economic Survey of Cambodia
<b>UNTAC</b>	United Nations Transitional Authority in Cambodia



## Glossary of Khmer terms

Chamkar	ចំការ	Plantation, farm (for crops other than rice)
Khmer Rouge	ខ្មែរក្រហម	“Red Khmers”, name given to the rural guerrilla movement that held power from 1975 to 1979 as “Democratic Kampuchea”
Khnamg	ខ្នង	“Strong back” support from powerful people, e.g. high-ranking officials
Khsae	ខ្សែ	Literally, “string”, meaning connections in a patronage network
Krom Samakki	ក្រុមសាមគ្គី	Agricultural solidarity groups
Moeun	ម៉ឺន	10,000—used in particular to refer to 10,000 riels
Pol Pot	ប៉ុលពត	Pol Pot (died 1998), leader of 1975–79 Khmer Rouge regime
Prahok	ប្រហុក	Fermented fish paste
Remorque	រ៉ឺម៉ក	Motorcycle to which is attached a long cart for carrying objects or people
Riel	រៀល	Cambodian currency unit. At time of writing, 1 USD is approximately equal to 4100 riels
State of Cambodia	រដ្ឋកម្ពុជា	Name of Cambodian government from 1989 to the election in 1993



## Cambodian place names

Andoung Trach	អណ្តូងត្រាច	Village in Battambang province
Ba Baong	បាបោង	Village in Prey Veng province
Baek Chan	បៃកចាន	Place in Phnom Penh
Bat Doeng	បាត់ដឹង	Market in Kompong Speu province
Boeng Real	បឹងរៀល	A lake in Kompong Thom province
Chhloung	ឆ្នៀង	District in Kratie province
Dang Kdar	ដងក្តារ	Village in Kompong Thom province
Kamboul	កំបូល	Place in Phnom Penh
Kanhchor	កញ្ជោរ	Village in Kratie province
Khsach Chi Ros	ខ្សាច់ជីវស	Village in Kompong Thom province
Khsem Khsan	ក្សេមក្សាន្ត	Commune in Kompong Speu province
Kompong Kou	កំពង់គោ	Commune in Kompong Thom province
Kompong Preah	កំពង់ព្រះ	Commune in Battambang province
Kompong Svay	កំពង់ស្វាយ	District in Kompong Thom province
Kompong Thma	កំពង់ថ្ម	Market in Kompong Thom province
Kompong Tnaot	កំពង់ត្នោត	Village in Kampot province
Krasang	ក្រសាំង	Village in Battambang province
Kraya	ក្រយា	Commune in Kompong Thom province
Lvea Aem	ល្វាឯម	District in Kandal province
Neak Loeang	អ្នកល្វើង	Village in Prey Veng province
Odongk	ឧតុង	District in Kompong Speu province
Peam Ro	ពាមរ	District in Prey Veng province
Prek Kmeng	ព្រែកក្រូង	Village in Kandal province
Ream	រាម	National park in Kampot province
Sangkae	សង្កែ	District in Battambang province

Santuk	សន្ទុក	District in Kompong Thom province
Ta Meun	តាម៉ែន	Commune in Battambang province
Thma Koul	ថ្មីគោល	District in Battambang province
Thnol Toting	ថ្មល់ទទឹង	Place in Phnom Penh
Trapeang Prei	ត្រពាំងព្រីយ៍	Village in Kompong Speu province

## Executive Summary

The Moving Out of Poverty Study (MOPS) is a first of its kind in Cambodia, one of 18 studies commissioned by the World Bank to examine poverty dynamics and trends. Conducted in 2004/05, the study revisited nine rural villages in which CDRI had conducted research in 2001, using quantitative and qualitative methods to investigate the extent to which these villages and individual households had been able to move out of poverty and improve prosperity, or had experienced downward mobility and decline.

The study set out to examine: which communities or groups move out of poverty and which remain trapped and why; whether people experience mobility differently in different economic conditions; how and why governance and social networks matter in mobility; what factors explain household and community progress and mobility or decline and stagnation; and the interaction between household and community factors, as well as any variations between villages and types of households.

The study was *longitudinal*, revisiting households that had previously been included in the 2001 study (using a panel survey) and *contextual*, exploring local history, geography and trends and their impact on communities and households, and it employed *mixed methods*, including a household panel survey and in-depth focus group discussions and semi-structured interviews. The nine villages selected for the original 2001 study represent all four of Cambodia's main rural agro-ecological regions—the Tonle Sap plains, Mekong plains, plateau/mountain region and the coast. The 890 panel households drawn from the nine study villages represent a significant data set, from which statistically valid claims can be made about aggregate and village trends. The panel survey was supplemented by qualitative data from interviews and focus groups with 477 participants from the nine villages, including formal and informal village leaders, mobility groups (with participants who moved into or out of poverty or whose situation remained static) and young men and women.

The framework for analysis involved an examination of the main changes and trends that had affected the study villages, including changes in consumption and incomes and village poverty rates, together with an analysis of the factors contributing to or constraining community development and prosperity and household movement into and out of poverty. The analysis included community factors such as the underlying conditions and development and governance contexts that had shaped the experience of each village, and household factors such as strategies for income generation and the specific vulnerabilities that households experience. Although village and household factors accounting for movement out of poverty or decline and stagnation were explored in detail, individual experience, such as the impact of gender differences on poverty and mobility, was not explored in any depth. As intra-household dynamics are receiving increasing attention in poverty research (Fuwa *et al.* 2000), this could be a fruitful area for investigation in a further round of the MOPS.

### ***The Study Identifies Trends in Well-Being and Prosperity and Factors Contributing to or Constraining Village Prosperity and Household Mobility***

Well-being trends varied significantly between villages and households. In the aggregate, income and consumption rose and poverty fell slightly, representing an overall improvement in well-being. However, income rose in all study villages while consumption fell in three of the study villages and rose in the remaining six: the poverty headcount fell in six villages and rose in the villages experiencing declining consumption. Even in villages where consumption and income rose and poverty fell, poverty remained high and was above the provincial average in all but one village in 2004/05. Four villages had consumption well below the village poverty line in 2004/05. Villages were grouped into three clusters for the purposes of analysis: strongly performing villages, which

experienced rising consumption and incomes and falling poverty rates; moderately performing villages, which achieved income and/or consumption growth, or poverty reduction, but not both; and poorly performing villages, which were unable to achieve substantial income growth or consumption growth or poverty reduction.

Among panel households, just over half did not change their status between 2001 and 2004/05, remaining very poor, moderately poor or well off. Of the remaining 48 percent, 26 percent moved up and 22 percent moved down, a net gain of 4 percent in upward mobility over the 3.5 years between surveys. Among non-moving households, 24 percent (of the total sample) remained well off (the comfortably rich), 14 percent remained moderately poor (the static middle) and 14 percent stayed trapped in poverty (the chronically poor). Of households that changed status, 14 percent of the total panel were very poor who became either moderately poor or well off by 2004/05 (escaping poverty), 7 percent were moderately poor who became very poor (deepening poverty) and 12 percent became well off (climbing into wealth). Fifteen percent were well-off households that became moderately or very poor (falling into poverty). The seven mobility groups—comfortably rich, climbing into wealth, escaping poverty, static middle, falling into poverty, deepening poverty and chronically poor—and the three village clusters are the main units of the study's analysis.

Taking into account measures other than consumption, including income, assets and socio-political measures such as access to networks, resources and decision making, inequality rose between 2001 and 2004/05. While consumption inequality was static, and land-holding inequality fell, income inequality rose, as did the ratio between the value of assets held by the comfortably rich and chronically poor. Poor households are falling behind, with consumption falling further below the poverty line. Rising inequality was a concern in all study villages, focus group participants suggesting that the intersection of economic wealth and socio-political power and influence was responsible for this trend, as resources, opportunities and services are increasingly concentrated in the hands of better off households.

Although the end of armed conflict in the late 1990s was an important milestone in village development, the location, accessibility and geographic endowment of study villages were more significant in determining community well-being. Strongly performing villages were located close to national roads and provincial towns with good roads, productive soil and irrigation, while moderately performing villages were more isolated, with poorer soil, less arable land and no irrigation. Productivity was highest in strongly performing villages and those with natural irrigation, while food insecurity was more common in moderately and poorly performing villages. Strongly performing villages also received more development interventions, including agricultural extension, and were more likely to have clean water and sanitation. Availability of human services (health and education) has improved in all study villages, but more isolated communities continue to experience poorer health outcomes, and the quality of health services is variable, while children in the poorest households, in particular girls, continue to miss out on education.

Awareness and understanding about governance and the role of public institutions were low among ordinary villagers. Participation in social and political processes is largely confined to voting in elections, attendance of community meetings and membership of (usually religious) associations. Examples of poor governance and weak institutional capacity were raised in all study villages, with natural resource-dependent villages the most affected by corruption, intimidation and conflict over natural resource use and management. Trust in and satisfaction with authorities are low, in particular in regard to higher-ups such as forestry and fishery officials and police. Local authorities are regarded as more trustworthy, but are considered unable to protect villagers' interests or respond effectively to new forms of insecurity such as drug use, youth gangs, domestic violence and other crimes. While peace and security were once critical issues, rural villagers increasingly expect their leaders to deliver improved living standards and express disappointment and frustration about constraints on development and the slowness of poverty reduction.

Households are more reliant on self-employment and wage labour and less reliant on agriculture and common property resources (CPR), including fisheries and forests. Better off households are earning more from agriculture and self-employment, while poorer households are more reliant on wage labour than in the past. Assets for wealth generation, including agricultural land, credit and inputs for agriculture and business, are concentrated in strongly performing villages and among better off households. Rich and upwardly mobile households have larger land-holdings and generate higher yields and profits than poorer households, which are increasingly unable to make a profit from rice farming, resulting in land sales and reliance on wage labour. Not all landless households are poor, however, and losing land does not result in poverty when other income sources, such as wage labour and self-employment, are available. Income from off-farm employment is increasingly important in all villages, and most economically active adults have jobs in addition to farming. Women are typically engaged in wage labour and petty trade, and are more likely to sell their labour locally, while men are concentrated in fishing and forestry and are more likely to migrate for work. Migration, including into Thailand, is an important source of income for better off and upwardly mobile households.

Most panel households are indebted, and most continue to borrow from friends or relatives, or from local moneylenders, rather than from MFIs or village banks. While strongly performing villages and better off households tend to use credit for productive purposes, poor communities and households use it to cope with shocks and crises, and often enter into interlocked credit arrangements. A majority of panel households experienced shocks and crises, illness being the most common, followed by crop damage and death of livestock. Better off households were able to mobilise savings and assets to cope with shocks, while poorer households tended to cut consumption or have family members migrate for work, and were disproportionately affected in income lost. Although shocks and life-cycle events are predictable, poorer households do not plan for or insure against them.

Demographic change, including immigration and population growth, is putting pressure on resources, including land and CPR, in all study villages. Immigrating households are more likely to be poor and landless. Marriage of adult children is expensive due to the costs of traditional wedding ceremonies, and typically leads to land atomisation as households divide their land into smaller parcels in order to give some to their children. Poorer households have higher dependency ratios, while better off households have more earners and fewer dependants. Destructive gender-specific behaviours such as domestic violence, alcohol abuse and young men's involvement in gangs are impacting on communities and households. Domestic violence appears to be declining in most study villages but is still a serious problem in at least three; it contributes to movement into poverty due to lost income and assets, the costs of illness and injury and divorce and family breakdown. Alcohol abuse and youth gangs were raised as serious concerns in study villages: better off households are more able to absorb the costs of these activities (including paying off authorities when young men are arrested or cause damage).

### ***The MOPS Provides Answers to Key Questions the Research Set Out to Examine***

With the exception of individual experiences of poverty, the key questions the research set out to examine were answered in the study findings. Villages that raised living standards were well located and accessible, with year-round roads, productive soil and natural assets such as irrigation from lakes or streams. Households that improved their status were those with opportunities and resources (including economic and socio-political capital) and the capacity to generate new income sources and diversify their earnings. Villages that experienced declining living standards are CPR-reliant and more remote, with limited arable land, less fertile soil and no irrigation. Households experiencing stagnation or downward mobility had smaller land-holdings, fewer earners and more dependants and were reliant on one or two income sources, along with those that experienced shocks and crises or that were affected by risky and destructive behaviours of male household members.

As expected, economic growth enabled some households to move out of poverty, with more upwardly mobile households located in strongly performing villages, and more downwardly mobile and poor

households in villages experiencing slower growth or decline. In a context of poor governance and weak institutions, the benefits of growth have not been evenly distributed. Inequality (in particular in income and assets) is increasing significantly in villages that experienced economic growth (where aggregate incomes were higher and rose more rapidly between 2001 and 2004/05). Poor governance and weak institutions are a brake on poverty reduction and contribute to rising inequality. Inequality is potentially destabilising for Cambodia, as the poor are increasingly locked out of opportunities, institutions favour the rich over the poor and trust in public officials is declining. Greater attention to the socio-political dimensions of poverty will therefore be critical in future poverty studies and poverty reduction initiatives.

The concept of *khnang* (“strong back”) emerged as a central theme in discussions of power and opportunities in focus groups. “Strong back” refers to connections and networks in the “string” (*khsae*) of patronage relationships, in which those higher in the chain provide favours and protection in return for loyalty, labour and other services from those lower down. While traditional forms of social capital such as labour exchange have largely disappeared, patronage relationships are increasingly important in households’ upward climb because they provide opportunities, assist households in building wealth and help them to secure favourable outcomes in local decision making, conflicts and legal disputes.

The main factors that support households’ climb out of poverty include location in a strongly performing village, many adult earners, multiple income-generation opportunities and the capacity to generate savings and invest in assets that can protect households in the event of shocks or crises and fund investment in human capital (health and education). The main factors driving households into poverty include location in a poorly or moderately performing village, in combination with fewer earners and more dependants, exposure to (multiple) shocks and crises and destructive or risky behaviours by individuals within the household. Importantly, households that fall are often those that have not anticipated crises and shocks, or have not accumulated sufficient assets or savings to weather these events. Chronically poor households have different characteristics. They tend to be located in poor and CPR-reliant villages and have fewer earners and more dependants. According to focus group discussions, they are more likely to have old, disabled or single female household heads. They have limited or no land, and are often CPR-reliant. They do not have the capacity to invest in human capital or the resources to seize new opportunities such as wage labour, and are often locked into indebted labour arrangements. Food insecurity and child labour are common in these households.

Factors that enable households to move out of poverty tend to operate in the village, and include improved access to markets and services, improved agricultural productivity and opportunities for wage labour, and as such are amenable to policy interventions targeting communities (such as road construction and irrigation). However, internal characteristics, such as ambition and risk-taking, and having more adult earners and better health and education services, do enable families to take advantage of opportunities when they arise, as does having connections and “strong back”. Factors leading to households moving down or remaining chronically poor are more often internal to the household and include the balance between earners and dependants, exposure to shocks and illness and destructive behaviours. Incapacity to invest in human capital and lack of connections and networks are also important factors keeping households poor and exposing them to corruption costs in everyday transactions. Poor and downwardly mobile households are of course affected by community factors, in particular the location and geographic endowment of the village, together with the natural disasters that affected many Cambodian villages during 2001–2004/05. Their internal characteristics render them more vulnerable to these external factors than other households.

The interaction between factors varies significantly in different village settings, as one significant change (such as a rise in land speculation or loss of forest access) can alter the fortunes of an entire community, while a country-wide change (such as a growing youth population) can have quite different impacts in different villages due to their individual characteristics (leading to emigration and

rising incomes in some communities, and social problems and frustration in others). It is at times difficult to generalise from the study findings, given the specificity of experience in each community.

Although the study was not able to examine individual gender differences in any depth, it does suggest some important trends in gender relations, such as differences between female- and male-headed households. Female-headed households have quite different characteristics and experience poverty and mobility differently than male-headed households. Female-headed households are not always the poorest of the poor; indeed, some of these households were able to move out of poverty or remain wealthy. Often better off female-headed households had unmarried female heads while female heads with spouses who were unable to generate income or were dependent were more likely to be among the very poor. However, upward mobility among the female-headed households in the study is more likely to be unstable because they consumed more and earned less than male-headed households, leaving them with limited savings and fewer assets.

### ***Policy Implications and Recommendations for Future Research***

Rural villages and households are not the same, and policy interventions are likely to have quite different impacts on communities and households depending on their history, current situation and status. The study suggests that differences between rural villages and households need to be understood and taken into account in order to develop more effective, targeted interventions. It points to a need for greater public expenditure, together with local devolution of expenditure and revenue raising. The study suggests, however, that poor governance and weak institutional capacity require a national response, because local institutions do not have the administrative or financial capacity or the power to effect changes in Cambodia's patronage-based political culture.

The study supports greater investment in rural infrastructure, including roads, as well as in agriculture, including in irrigation and extension services. Since not all villages are primarily reliant on agriculture, it also suggests a need for greater investment in rural employment opportunities, accompanied by basic legal protection. In the case of CPR-reliant villages with limited agricultural land, the need for alternatives to agriculture and CPR collection is particularly pressing: even if natural resources are well managed in the future, pressure on CPR is likely to continue as the population grows.

The study supports more specific targeting of rural households, in particular the poor and very poor. It suggests that interventions targeting rural infrastructure and agricultural productivity will be of most benefit to better off households, as will opportunities for trade and skilled employment and affordable, flexible credit. Although some downwardly mobile households may benefit from these interventions, preventive measures, such as greater public investment in health and education, as well as social and legal protection, including health and weather insurance, health equity schemes and basic labour protection, are required to prevent households from moving into poverty. Chronically poor households require interventions that address poverty traps and help them to cope with current circumstances, such as food security programmes, locally available free or heavily subsidised health care and education, more options for local employment and basic labour protection. Stronger and more accountable local government is essential to protect the interests and address the needs of poorer households.

Considerable investment has been made in the MOPS to date, with two rounds conducted in the study villages in 2001 and 2004/05. The value of panel surveys only really becomes evident with three or more rounds, however, and there is a strong case for continued investment in longitudinal research. Future longitudinal, mixed-methods, contextual studies can make a substantial contribution to national poverty monitoring and analysis, including by providing an understanding of the balance between transitory and chronic poverty and a local perspective on national poverty trends. Future rounds of the MOPS could build on lessons from the current study and align current findings and future research more closely with national poverty monitoring and analysis. As there are few panel studies of poverty dynamics internationally, ongoing rounds of the MOPS can potentially make a significant contribution to Cambodia and other countries as well.



## **Chapter One.**

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### **Introduction and Study Context**

**Summary**

- The Moving Out of Poverty Study is the first of its kind in Cambodia, one of 18 studies commissioned by the World Bank to examine poverty dynamics and outcomes over time. The MOPS revisited nine villages where CDRI had previously conducted research in 2001, using mixed methods to investigate the extent to which these villages and households have benefited from growth and moved out of poverty or experienced decline and downward mobility.
- The MOPS explores trends over the decade from 1993 to 2004/05, roughly coinciding with the national socio-economic surveys (the SESC 1993/4 and the CSES 2004). While these surveys provide a national perspective on poverty trends based on snapshots at two times, the MOPS provides a local and longitudinal perspective to identify which communities and households have benefited from growth and which have been left behind. The study also explores dimensions that are sometimes neglected in national surveys and poverty statistics, such as the social, political and institutional contexts that hinder or facilitate access to economic opportunities.
- The study sets out to investigate key research questions, including: which communities or groups move out of poverty and which remain trapped; whether people experience mobility differently under different growth conditions; how and why governance and social networks matter in mobility; and what factors explain household and community progress and mobility, or decline and stagnation. The study also examines the interaction between household and community factors and variations between villages and households.
- The mixed methods approach adopted by the MOPS includes quantitative and qualitative methods: a panel survey with households in the nine villages previously studied by CDRI and focus group discussions and interviews with village leaders, elders, members of mobility groups and young people. The survey and focus group discussions dealt with economic data such as income and consumption and changing livelihood strategies, productivity, credit and access to services and infrastructure, as well as governance, safety and security, social capital and trust in public institutions and actors. Recall-based exercises were included in the household survey and focus group discussions to identify changes from 1993 to 2004/05.
- The sampling frame for the survey was determined by the existing baseline data from the 2001 study. The nine study villages were selected to represent all four of Cambodia's main rural agro-ecological regions. In the Tonle Sap plains, two study villages are in Battambang, close to the Thai-Cambodia border: one relies on cross-border migration (Krasang) and the second has received returnees from the border camps (Andoung Trach). A third village (Khsach Chi Ros) is in Kompong Thom and relies on fishing and floating rice cultivation. The Mekong plains villages include Ba Baong in Prey Veng, a rice surplus village, and Prek Kmeng in Kandal, which relies on fishing and dry season rice cultivation. Of the villages in the plateau/mountain region, Dang Kdar in Kompong Thom and Kanhchor in Kratie are forest-dependent villages, while Trapeang Prei in Kompong Speu is a rice deficit village with significant emigration. Kompong Tnaot in Kampot is a coastal fishing village where salt mining is a major supplementary source of income.
- There are both limitations and advantages in the approach taken by the study. The data set is not nationally representative, and it is difficult to account for the reasons some households dropped out between survey rounds; only 890 of the original 1005 households were resurveyed in 2004/05. The data set is significant at 890 households, however, and the fact that the sample is drawn from only nine villages means that it is possible to make statistically valid claims about trends in these village, and to relate this data to other sources, in order to analyse cross-village and time-based differences in poverty trends.
- Two main themes are addressed in the analysis: changes and trends in economic growth and poverty reduction and factors that have contributed to community prosperity and household

mobility. Income growth and consumption-based poverty measures are used to track changes in village and household well-being. Study villages are clustered according to their experience of income growth and reduced consumption poverty, while households are segmented into mobility groups depending on whether they remained well off or poor, or changed their status, between 2001 and 2004/05. Analysis of factors in prosperity and mobility includes community-wide conditions and contexts—such as the location and geographic endowment, extent of development interventions and governance—as well as household responses and strategies—such as strategies for income generation, and the vulnerability of specific households—that facilitate or constrain community prosperity and upward mobility.

The *Moving Out of Poverty Study* (MOPS) represents a milestone in Cambodian poverty research. Commissioned by the World Bank as one of a series of studies examining poverty dynamics and outcomes over time in 18 countries,<sup>1</sup> the study was conducted by the Cambodian Development Resource Institute (CDRI). In 2004/05, the study revisited nine villages where CDRI had previously conducted research in 2001 and 1996/7, to investigate to what extent these communities and households had been able to benefit from growth to improve well-being and move out of poverty, had remained stagnant or had experienced decline and movement into poverty.

A first of its kind in Cambodia, the MOPS uses an innovative mixed-methods approach to investigate these questions. A quantitative survey of the households that had previously been involved in CDRI research, qualitative exercises based on perception and recall within the household survey and focus group discussions (FGDs) and interviews in each study village were used to explore factors leading to movement into and out of poverty in different communities and regions and among different population groups.

The *Moving Out of Poverty Study* provides an in-depth portrait of the circumstances and experiences of the nine study villages and the households in each, and the extent to which they have benefited from or missed out on the broad economic growth that Cambodia experienced over the previous decade. It is intended that the findings from the study be used by policy makers and others interested in a more nuanced understanding of poverty dynamics in Cambodia to inform national and sub-national policy monitoring and development.

This chapter describes the purpose of the study (Section 1.1), gives a brief overview of the context for the research (Section 1.2), summarises the methodology used in the study (Section 1.3), and presents the framework for analysis and key emerging trends discussed in more detail in the following chapters (Sections 1.4 and 1.5). The chapter closes with an outline of the report and the contents of each chapter (Section 1.6).

## 1.1. Purpose of the Study

### *The MOPS Sets Out to Increase Our Understanding of Poverty Dynamics in Rural Cambodia*

The *Moving Out of Poverty Study* represents pioneering work in Cambodia on several fronts: it is the first major poverty study to combine quantitative and qualitative research methods, and the first to examine household poverty dynamics in relation to community factors that influence movement into and out of poverty. The MOPS developed mixed-methods research instruments that were designed to explore these dynamics and factors and the way opportunities and strategies to escape poverty vary among communities and households.

The time frame explored in the study was the period between 1993 (the first national election) and 2004/05. This period coincides with the first national household socio-economic survey, the SESC 1993/4, and the most recent household survey, the CSES 2004. These studies provide a national

<sup>1</sup> A description of the Global MOPS is included in Appendix A.

perspective on the situation and characteristics of the poor and non-poor at two specific times. They do not, however, revisit individual households, so these surveys are not able to track changes in villages or households over a decade of rapid economic and social change. The MOPS was designed to fill out this national picture. The study was specifically designed to contribute to the global MOPS project, but also to provide insights for policy and decision makers and to inform national policy and programme responses.

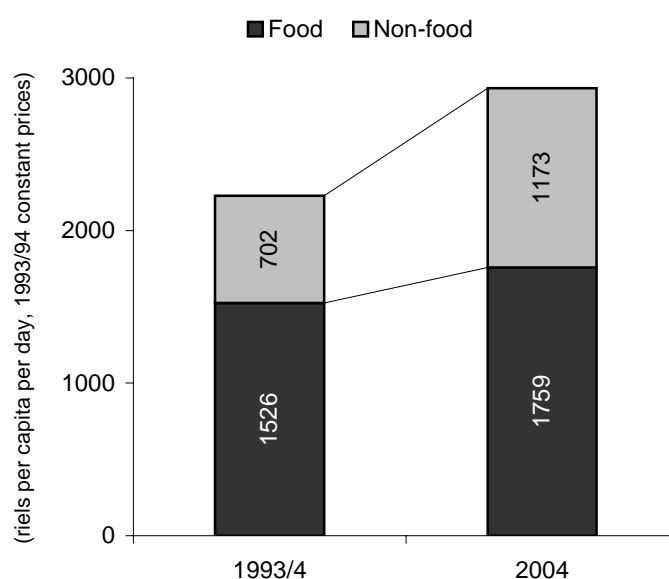
One of the underlying assumptions of the study is that household movement out of poverty is influenced and constrained by geographic and community factors; in more remote villages with less well-endowed environments and poor access to markets and services, fewer households will be able to move out of poverty. However, the study also hypothesised that some households in these villages will be able to move out of poverty, while some households will move down or remain poor. The study therefore sets out to examine the factors that account for household success in poor villages, and household stagnation or decline in villages that have experienced growth, using quantitative and qualitative methods to:

- measure overall socio-economic change in the community, including changes in the aggregate poverty rate and in community perceptions of living standards and well-being;
- identify and quantify the proportion of households whose status has improved (moving up/escaping poverty) or worsened (moving down/falling into poverty) or has remained unchanged (staying poor or better off);
- identify the factors that have contributed to (i) improvement, decline or lack of change in community opportunities and fortunes and (ii) the ability of different types of households and individuals to make use of these opportunities to improve their lives.

National trends identified in the socio-economic surveys tell only one part of the story, because there is considerable variation within regions and provinces and even between villages within communes. The MOPS fills out the national picture, identifying which villages and households have benefited from economic growth, and which have been left behind. The study provides an important perspective on the national and provincial aggregate poverty profile derived from the socio-economic surveys by exploring local poverty dynamics and outcomes and how these differ from national trends. The study also explores dimensions that are sometimes neglected in national poverty studies and statistics, such as the social, political and institutional contexts and factors that hinder or facilitate access to economic opportunities and the ability to move out of poverty. The study also provides the basis for a critical re-examination of some common and widely held assumptions about conditions that facilitate poverty reduction, such as the role and relative importance of economic growth and integration, democracy and local governance and access to social and political capital and networks.

## **1.2. The Study Context: Trends in Poverty Reduction and Growth, 1993–2004/05**

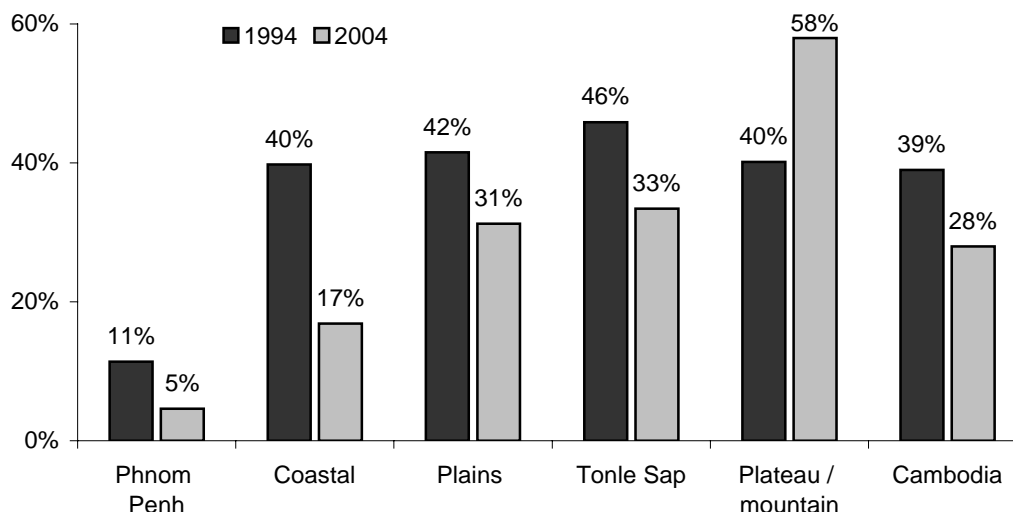
As noted above, findings from the MOPS study 1993–2004/05 can be compared with national trends in poverty reduction and growth mapped by successive socio-economic surveys and other national studies, such as the Cambodia Demographic and Health Survey. These trends are discussed in detail in several recent World Bank reports, including the 2006 Poverty Assessment and the 2007 Equity Report. The MOPS can be viewed as a companion study to these reports. Although Chapter Five provides a comparison of the findings from the MOPS with those from the national surveys and other studies, key poverty reduction and growth trends are very briefly summarised here because they provide the context for the MOPS study. Readers interested in more detailed analysis should consult the relevant World Bank and CDRI reports.

**Figure 1.01: Household Consumption, 1993/94 and 2004**

NB: Comparison is of household consumption within the geographically comparable 1993/94 sampling frame  
 Source: SESC 1993/94 and CSES 2004

### ***Poverty Declined Significantly Between 1993 - 2004/05***

Between the SESC in 1993/4 and the latest CSES in 2004, poverty fell by an estimated 10–15 percent, from 45–50 percent in 1993/4 to 35 percent in 2004. Real per capita food consumption rose by 32 percent during this period, while the food share of total consumption fell because households could now afford other needs (Figure 1.01).

**Figure 1.02: Poverty Headcounts (% of population under poverty line), by Agro-Ecological Zone, 1994 and 2004 (geographically comparable sample)**

Source: SESC 1994, CSES 2004

However, rural poverty remains significant. Poverty rates in rural areas fell from 43 percent to 34 percent while in Phnom Penh poverty fell from 11 percent to 5 percent. As Figure 1.02 shows, poverty rates vary significantly within regions, and the plateau and mountain regions have higher

poverty rates and lower per capita consumption than the rest of the country. In addition, poverty rates vary between provinces, ranging from 57 percent in Kompong Speu to 22 percent in Kandal in the 2004 CSES (World Bank 2006: 23, 28; World Bank 2007: 26).

### ***Inequality Has Increased, in Particular in Rural Areas***

While poverty rates have fallen, most notably in urban areas, inequality has increased over the past decade. The Gini coefficient<sup>2</sup> for national consumption increased from 0.35 to 0.40 between 1993/4 and 2004, a very rapid increase for a country at this early stage of development (World Bank 2006: 49-50). Average per capita consumption among the poorest quintile rose by only 8 percent in real terms over 1993/4 to 2004, compared to a rise of 45 percent for the richest quintile (World Bank 2007: 3).

Inequality rose sharply in rural areas but remained constant, while higher, in urban areas. Inequality rose from 0.26 to 0.36 in rural areas between 1993/4 and 2004, remaining at around 0.43 in urban areas during this period. The 2007 World Bank Equity Report suggests that consumption inequality rose significantly in rural areas between 1993 and 1997, then rose only slowly between 1997 and 2004, and that much of this rise in inequality between 1993 and 1997 was due to the extremely rich pulling ahead while the rest of the population stagnated. While all segments of the population were able to benefit from growth during 1997–2004, inequality within the richest quartile (top 25 percent) of the population, and between the top and bottom quartiles remained significant. Those provinces which experienced faster growth as more of their residents grew rich also experienced rising inequality (World Bank 2007).

### ***Non-Economic Measures of Well-Being Have Improved, but Significant Inequalities Remain***

Increased non-food consumption and reduced poverty rates are reflected in improved access to services such as primary education and health care for many Cambodians, although there continues to be a gap between *access* to services and health and education *outcomes*. While educational attainment and literacy rates of adult Cambodians are among the lowest in the region, in primary schooling there has been significant improvement, primary enrolment increasing by 14 percent (and by 50 percent in remote areas) and lower secondary enrolment by 62 percent. Primary net enrolment and completion rates increased by 10 percent for children from the poorest 20 percent of the population between 1997 and 2004. Urban-rural, male-female and rich-poor disparities remain significant, however. Urban Cambodians have an average of 6.2 years of education compared to 3.6 years for rural Cambodians, and men average 5.4 years of schooling compared to 3.3 years for women (World Bank 2007: 127). Rich parents (in the top 20 percent) outspend poor parents (in the bottom 20 percent) on education, by a factor of 25 to one (World Bank 2007: 130).

The health of Cambodians remains far below that of their more prosperous neighbours, although a comparison of 2000 and 2005 Cambodia Demographic and Health Survey (CDHS) data shows that progress has been made on a number of indicators (World Bank 2007: 91). More women now have access to prenatal care and skilled health care during childbirth. Many more children receive the full set of vaccinations by the time they are two years old. Willingness to seek treatment when ill or injured has risen moderately, while the cost of each episode of treatment has fallen by 25 percent, largely due to reduced transport costs (World Bank 2007: 107). Some indicators, however, have made little progress. The maternal mortality ratio, incidence of fever and diarrhoea among children under five and the proportion of the population living under the food poverty line remain high: one-fifth of the population remain under the food poverty line of 2100 calories per day (World Bank 2007: 94, 98).<sup>3</sup> Poverty is strongly correlated with access to health services. The richest quintile spends more

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<sup>2</sup> The Gini coefficient is a useful summary measure of income or consumption inequality. A value of zero signifies perfect equality and a value of one indicates perfect inequality (World Bank 2006: 28).

<sup>3</sup> The relevance of this international measure to countries such as Cambodia has been questioned. Recent work by the FAO and the National Institute of Statistics has identified a lower minimum caloric intake which is

on health care and is more likely to utilise health care such as hospital treatment, while the poor have to travel considerably further to access health care and are less able to access qualified health professionals and specialist services (World Bank 2007: 104, 106, 108).

Other dimensions of poverty and inequality, such as location and access to infrastructure, are also revealing. Poverty rates are higher in the more remote and inaccessible regions, as noted above: about 87 percent of the Phnom Penh population are in the top 40 percent of the national consumption distribution, whereas 51 percent of the rural Tonle Sap population and 62 percent of the plateau/mountain rural population are in the bottom 40 percent (World Bank 2007: 78). Access to motor roads has improved for all Cambodians: for example, in 1997 in rural areas the poorest 25 percent travelled 2.8 km to get to the nearest road; this was less than 1 km in 2004. The average distance to schools has decreased in both rural and urban areas, and increased access to markets is also evident for all consumption groups (World Bank 2007: 82-84). Access to clean water remains very low for the rural population, while access to electricity is considerably higher for those in the top 20 percent of the consumption distribution (World Bank 2007: 78, 80).

### ***Gender Dimensions of Inequality Constrain Poverty Reduction***

Gender-based inequalities impact on women's capacity to participate in social and economic life, with consequences for the ability of some female-headed households to move out of poverty, as well as for poverty reduction more broadly. Women continue to experience unequal access to and control of assets and opportunities for income generation, and experience unequal participation in decision making at all levels (UNIFEM *et al.* 2005). Violence against women, including domestic violence, remains prevalent, with disproportionate impacts on poorer households in terms of lost income and health care costs, as well as divorce and family breakdown (FitzGerald 2007: 134-136). Women's labour force participation is very high by regional standards: 75 percent of women aged 15 and over are working, 83 percent as self-employed or unpaid family workers in the informal sector, including in small-holder farming and family enterprises (Urashima *et al.* 2007: 16). Women dominate in the garment sector, in retail trade and in waged employment in the agricultural sector. Indeed, the growing number of women working as agricultural labourers appears to be correlated with rising landlessness and declining dependence on own-farm agriculture and common property resources in many rural villages (FitzGerald 2007: 143). Unequal access to health and education impacts negatively on the well-being of individual women as well as on household income due to lost potential earnings and increased health care costs when treatment is delayed. Women's educational attainment is correlated with health access and outcomes for children: for example, children of women with more education receive better health care and are less likely to be malnourished or to die before age five (World Bank 2007: 134). Finally, the sex of the household head is one important factor in poverty because some types of rural female-headed households are more vulnerable. CSES data show that female-headed households without adult males and with high numbers of dependants have significantly higher poverty rates than other households (Urashima *et al.* 2007: 35-36).

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less than 2100 calories per day, 1677 calories for rural areas and 1742 for urban areas (Dr Andrew Pinney, in correspondence, MOPS peer review). As 2100 calories is used to calculate the consumption poverty line in the 2004 CSES, however, it is the measure adopted in this study.

### ***Growth Has Been Narrow and the Benefits Unevenly Distributed between Rural and Urban Areas***

Part of the explanation for higher poverty rates and rising inequality in rural areas, together with the constant high inequality in urban areas, is that growth has been narrowly based and the benefits of growth have not been equitably distributed across the population. Economic growth in Cambodia has been rapid, averaging 7.1 percent per year between 1994 and 2004, largely driven by export-oriented garment manufacturing and tourism (World Bank 2006: vii). Garment manufacturing grew at an average of 44 percent annually from the mid-1990s due to preferential access to the US and European markets (World Bank 2006: 55), while tourism grew at an average rate of 34 percent between 1990 and 2005 (FIAS 2007: 2), largely due to international visitors to Angkor Wat, fuelling a 10 percent annual average growth rate in tourism-related services including hotels, restaurants, transport, communications and construction (World Bank 2006: 55).

However, garment manufacturing, tourism and construction have been concentrated in urban areas (particularly Phnom Penh and Siem Reap). While there has been significant growth in the industrial sector, which doubled its share of the economy to 29 percent between 1993 and 2004, only 8 percent of jobs were in this sector in 2004 (World Bank 2006: vii). Although the garment sector does provide employment to an estimated 250,000–290,000 Cambodians, mostly young women, it is unlikely to drive significant poverty reduction in coming years, because few jobs are available for the 200,000–300,000 young people who enter the labour market every year, and the value of remittances to households is low. Any spill-over from urban-based manufacturing and services growth to rural areas, where the majority (85 percent) of the population lives, has been in the form of casual seasonal employment in occupations such as construction, garments and cyclo and motorcycle driving. In 2004 only 13 percent of rural households received remittances from family members employed in garments, tourism and other sectors, of around \$80 per household annually, representing about 10 percent of annual household consumption (World Bank 2006: viii, 66). In addition, garment sector employment has tended to benefit better off households because lack of education and the informal payments required to get a job preclude the poorest households from accessing these opportunities (World Bank 2006: viii).

Most Cambodians (70 percent) continue to work in agriculture, where growth has remained slow, averaging 3.3 percent per year, and erratic. Agricultural production fell over the three years from 1999 due to droughts and/or extreme floods, and agriculture's share of the economy declined from 46 to 31 percent between 1994 and 2004. Agricultural productivity remains very low compared to other countries in the region, with yields for paddy rice, which is central to the food security and livelihoods of rural households, the lowest in the region. Average paddy rice yields between 2002 and 2004/05 were just 2 tonnes per hectare, 40 percent of average yields in Vietnam and Indonesia and 30 percent of yields in China. While labour supply rose by 2.7 percent per year, this was not matched by productivity, which grew by 0.5 percent annually (World Bank 2006: vii-viii). Only 7 percent of arable land benefits from irrigation, compared to 45 percent in Vietnam and 20–30 percent in other countries in the region, while fewer than 10 percent of households benefit from extension services. Investment in agriculture has been low considering its importance to rural livelihoods, with public investment (donor and government) equalling about 0.55 percent of GDP (World Bank 2006: 60, 63).

### ***Cambodia's Political Culture and Institutions Are Neo-Patrimonial, Concentrating Assets and Resources in the Hands of Powerful Elites***

There is a second important reason that the benefits of growth have not been equitably distributed. The Cambodian state, political culture and institutions are neo-patrimonial in nature, and national and sub-national elites use their positions and connections to build personal wealth. CDRI's recent review of the literature on accountability and neo-patrimonialism in Cambodia argues that patronage systems are embedded in Cambodia's political culture and allow those with bureaucratic power to "eat people and resources" rather than implementing pro-poor policies. Even local politics are "vulnerable to

hijacking by traditional patrimonial interests” because influential elites control access to resources such as forests and fisheries or to large development projects. These players are often linked to the ruling political party and have close relationships with local economic interests and the military (Pak *et al* 2007: 65-66). Corruption and rent-seeking are features of the Cambodian bureaucracy at all levels. Perverse incentives, such as extremely low salaries for civil servants and those public officials responsible for service provision, including teachers and doctors, perpetuate these behaviours. These findings are supported by a range of other studies, including CDRI’s 2007 *Participatory Poverty Assessment* (PPA), which explores the role of local governance in poverty reduction from the perspective of villagers in the Tonle Sap region. The PPA suggests that corruption and bribery are endemic and have been “virtually institutionalised” locally, and that poor and destitute Cambodians are especially vulnerable. Corruption not only allows officials and elites to sequester resources but also erodes the capacity of the poor to improve their livelihoods and contributes to downward mobility, because poor Cambodians are “denied access to natural resources, social services, and legal redress for legitimate grievances” (Ballard 2007: 249). In Cambodia, neo-patrimonialism and corruption, together with weak institutional capacity, support and reinforce rising inequality and the concentration of wealth in the hands of the richest segment of the population.

### 1.3. Overview of Methodology

#### *The MOPS Builds on Previous Studies Conducted by CDRI*

While other country studies involved in the global *Moving Out of Poverty* project primarily rely on recall-based data to explore changes in community well-being and household mobility, the Cambodian MOPS team was able to draw on previous work conducted by CDRI to track trends over time in the nine study villages. This included both qualitative and quantitative research conducted in three of the nine villages in 1996/7, as well as a survey of the nine villages and qualitative work in six of the communities conducted in 2001. The findings of these studies were reported in four CDRI working papers, with qualitative and quantitative results documented separately:

- A quantitative study of food security using a household survey with both qualitative (recall-based) and quantitative dimensions in Trapeang Prei (Kompong Speu) and Ba Baong (Prey Veng) and Prek Kmeng (Kandal) in 1996/7 (Murshid 1998)
- A qualitative study of interdependence in household livelihood strategies based on household interviews in Trapeang Prei and Ba Baong in 1997 (McAndrew 1998)
- A quantitative study of rural livelihoods in all nine villages in 2001 (Chan and Acharya 2002)
- A qualitative study of land, rural livelihoods and food security in six of the nine villages (Kim, Chan and Acharya 2002)

While changes between 1996/7 and 2001 in three of the study villages were discussed in the 2002 report, it was not possible to use the 1996/7 data in the present study because the identifiers for each variable had been lost.<sup>4</sup> Qualitative and quantitative findings were reported separately, so the advantages of a mixed-method approach and analysis were not available. In addition, the focus of the 1997 and 2001 studies was primarily on the economic and subsistence dimensions of village and household experience, and social and political factors were not considered in any depth.

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<sup>4</sup> It is intended that these identifiers will be reconstructed for the 2008 round.

The MOPS therefore extends the work done previously by CDRI by documenting trends over time in all of the nine study villages through the household panel survey, combining qualitative and quantitative methods and analysis and including analysis of governance and other socio-political dimensions in the research design.

***Using Mixed Methods to Explore Poverty Dynamics and Factors That Lead to Movement into and out of Poverty***

The MOPS employs both quantitative and qualitative methods to explore the following research questions:

- Which communities or groups move out of poverty and which remain trapped?
- Do people experience mobility differently under contexts of fast and slow economic growth? Are there gender differences?
- Does the quality of governance, and its manifestation in terms of democracy, power and freedom, matter? If so, how?
- How do social and political capital and networks matter in men's and women's upward climb?
- What factors explain why households have stayed chronically poor, moved out of poverty or fallen into poverty, both as measured over the three years between the CDRI surveys (2001–2004) and as experienced and interpreted over the previous decade, as explored in the perception-based questions?
- Of these factors, which are internal to the household (e.g. changing dependency ratio, illness, bad luck in business, alcoholism, laziness or ambition and good ideas) and which operate in the community (new roads, new opportunities for wage labour outside the village, development of new markets for local products etc)?
- How do household and community factors interact: i.e., what household factors help or hinder a household taking advantage of community opportunities (or make it vulnerable to emerging community problems)?
- How do these factors and the interaction between them vary between the nine villages and between households, including male- and female-headed households?

To investigate these questions, a longitudinal approach was employed, using panel survey data from households in the nine villages previously studied by CDRI in 2001. The survey incorporated both quantitative and qualitative measures, including economic data, such as household income and consumption, assets, productivity and use of credit and recall-based perceptions of changes in community and household well-being and prosperity. Questions about changes in social and political life were also employed, drawing on the global MOPS study, to focus on governance, safety and security, social capital and trust in public institutions and actors.

In order to capture seasonal variations, the survey was conducted in two rounds, the first in September 2004 (the lean season) and the second in March 2005 (the wet or surplus season). The first round of the survey sought demographic and labour market information, including migration, housing conditions and assets, access to and use of credit, household consumption and income, productivity, access to common property resources, shocks and crises, social capital and networks, trust and social cohesion and power, governance and access to information. The second round was shorter and covered labour market participation, use of credit, household consumption and income, production expenditure, shocks and crises, freedom, violence and crime, perception-based measures of well-being and aspirations of young people. More detail on the methodology is included in Appendix A, while survey instruments are included in Appendix B.

Qualitative methods were used to complement and triangulate the data generated by the household survey. Focus group discussions were conducted between July 2004 and January 2005 in two rounds in each village and included commune officials and village leaders (formal leaders and village elders) as well as members of different mobility groups and young men and women. The FGDs addressed economic and social dimensions of community and household well-being. Interviews with village leaders and community timeline discussions dealt with an overview of village history and circumstances, significant changes in the community over the study period, access to services, security and governance. Groups with mobile participants dealt with these issues and also explored reasons for mobility, while youth focus groups also explored the economic contribution of young people and their aspirations. Interviews and FGDs were used to prepare community synthesis reports for each village, which were an important component of the preliminary analysis of findings. Focus group guidelines are included in Appendix C.

### ***Recall and Perception-Based Exercises Were a Feature of the Research***

Recall-based exercises in both the survey and focus group discussions asked respondents to identify changes that had taken place at key times. The first of these was the 1993 national election; 91 percent of the population participated in these first elections, which are highly memorable and a good trigger for asking about changes in community and household well-being and prosperity. The second reference point was 1998, which coincided with the 1998 elections, as well as the coup of July 1997, and the formal end to civil war in 1999, all events that are prominent in the national “collective memory” and therefore useful reference points for tracking change. Respondents were asked about changes in the economic, social and political circumstances of the village and individual households at these points. Both the survey and FGDs also included a specific exercise to track changes in household mobility and well-being. The “Ladder of Life” was used in round two of the household survey to ask respondents to assess what “step” on the ladder they were on in 1993, 1998 and in 2004/05. In FGDs and interviews with village leaders, the Ladder of Life was used to rank households sampled in the panel survey on their position on the ladder in 2004/05 and in 1994. This was used to prompt discussion of factors in mobility; the identification in this exercise was used to select households to participate in the mobility FGDs. The Ladder of Life was also used in these mobility focus groups and in individual semi-structured interviews (SSIs). More detail about the design and implementation of quantitative and qualitative methods can be found in Appendix B.

### ***Sampling for the 2004/05 Study Was Based on the 2001 Study***

The sampling frame for the survey component of the MOPS study was predetermined by the structure of the existing baseline data, collected from 1005 households in nine villages in 2001 by CDRI (Chan and Acharya 2002), which cover all four of Cambodia’s main rural agro-ecological regions (see below). The 2001 data provided the baseline for a panel data set, making it possible to achieve a concrete measure of longitudinal change for 890 of the original households in the nine villages over the period 2001–2004/05. Additional households were also included to replace those that could not be located, bringing the total number of households to 1010 in the 2004/05 survey.

The panel survey provides household identifier data that allowed the researchers to relocate and re-interview these households. By revisiting these households, it was possible to determine and measure the direction of change in household living standards between 2001 and 2004/05. The sample size and qualitative methods used in each community in 2004/05 compared to the previous studies is shown in the following table.

**Table 1.01: CDRI Studies in Nine Panel Villages 1996–2004/05**

Village	1996/7	2001	2004/05
<i>Tonle Sap plains</i>			
Andoung Trach	x	85 of 196 households (no qualitative research)	Survey of 85 of 196 households 1 interview with village leaders, two community timeline discussion groups, five FGDs (moved in, moved out (x2), young men and women), 4 SSIs 46 participants (24 men and 22 women)
Krasang	x	120 of 228 households Focus groups & interviews	Survey of 120 of 234 households 1 interview with village leaders, two community timeline discussion groups, five FGDs (moved in, moved out, stable, young men and women), 4 SSIs 53 participants (23 men and 30 women)
Khsach Chi Ros	x	120 of 305 households (no qualitative research)	Survey of 120 of 339 households 1 interview with village leaders, two community timeline discussion groups, five FGDs (moved in, mixed, stable, young men and women), 4 SSIs 45 participants (21 men and 24 women)
<i>Mekong plains</i>			
Prek Kmeng	Survey of 80 of 253 households (no qualitative research)	120 of 339 households Focus groups & interviews	Survey of 120 of 343 households 1 interview with village leaders, two community timeline discussion groups, five FGDs (moved in, moved out, stable, young men and women), 1 SSI 49 participants
Ba Baong	Survey of 100 of 462 households Interviews with 71 of 462 households	127 of 536 households Focus groups & interviews	Survey of 127 of 543 households Two community timeline discussion groups, five FGDs (moved in, moved out, stable, young men and women), 4 SSIs 65 participants
<i>Plateau/Mountain</i>			
Kanhchor	x	120 of 278 households (no qualitative research)	Survey of 120 of 267 households 1 interview with village leaders, two community timeline discussion groups, four FGDs (moved in, moved out, young men and women), 4 SSIs 53 participants (23 men and 30 women)
Dang Kdar	x	125 of 306 households Focus groups & interviews	Survey of 125 of 420 households 1 interview with village leaders, two community timeline discussion groups, four FGDs (moved in, moved out, young men and women), 4 SSIs 51 participants (28 men and 23 women)
Trapeang Prei	Survey of 64 of 64 households Interviews with 43 of 64 households	68 of 68 households Focus groups & interviews	Survey of 73 of 75 households Two community timeline discussion groups, five FGDs (moved in, moved out, stable, young men and women), 4 SSIs 74 participants (35 men and 39 women)
<i>Coastal</i>			
Kompong Tnaot	x	120 of 348 households Focus groups & interviews	Survey of 120 of 363 households 1 interview with village leaders, two community timeline discussion groups, four FGDs (moved in, moved out, young men and women), 1 SSI 41 participants (23 men and 18 women)
<i>Total</i>			
All villages	244 of 779 households 114 interviews	1005 of 2602 households (survey)	1010 of 2780 households 477 participants in qualitative interviews and focus groups

If the structure of the household survey sample was largely predetermined by that of the 2001 study, it nonetheless serves well to represent the broad range of different circumstances within the country, because the nine villages were originally chosen for this reason in the 2001 study. Most of Cambodia's population and most of its poor live in the provinces surrounding the central Tonle Sap Lake or in the flat Mekong floodplains that form the south-eastern corner of the country (see Map 1). Three of the nine study villages are accordingly located in the Tonle Sap region, and two in the south-eastern plains region.

Of the Tonle Sap plains villages, Krasang in Battambang is close to the Thai-Cambodia border and was selected to represent communities that rely significantly on cross-border migration. Andoung Trach, also in Battambang, was chosen to represent communities that have received returnees from refugee camps along the border, while Khsach Chi Ros, in Kompong Thom, was selected to represent villages with low rice productivity, despite positive climatic conditions, where households primarily rely on fishing and floating rice cultivation. The two Mekong plains villages were included in the original 1996/7 study: Ba Baong, in Prey Veng, was selected to represent high rice surplus villages, while Prek Kmeng, in Kandal, was chosen as an example of villages that rely on fishing and dry season rice cultivation.

A further three villages are located in upland plateaus, corresponding to the category of mountain/plateau used in the analysis of national survey data. These areas are the poorest in Cambodia, with the highest poverty rates and the least access to roads, markets, schools and health facilities. Low population densities in plateau/mountain areas, however, mean that the absolute number of poor and the proportion of the total poor in the country located in this region are relatively low. Dang Kdar in Kompong Thom and Kanhchor in Kratie were chosen to represent less accessible forest-dependent villages, while Trapeang Prei in Kompong Speu (included in the 1996/7 study) was selected to represent a rice-deficit village with significant emigration. Finally, the coastal region encompasses both some very poor parts of the country and, along the southern stretches where the study village of Kompong Tnaot in Kampot is located, some of the richer rural areas where poverty rates have fallen most significantly. Kompong Tnaot was chosen to represent a coastal fishing village, where households also rely on other activities such as salt mining.

Table 1.02 summarises the location and key characteristics of each of the nine villages.

**Table 1.02: Key Characteristics of the Survey Villages**

Village	District	Province	Reason for selection	Rice land (ha)	Population (individuals and households)	Road access	Services
<i>Tonle Sap plains</i>							
Andoung Trach	Sangkae	Battambang	Substantial amount of wet season rice grown in flooded Tonle Sap, high resettlement of returnees from border camps	752	1129 196 households	2 km from National Road 5	Primary school in village, secondary school and health centre in commune 2 km away
Krasang	Thma Koul	Battambang	Substantial amount of wet season rice grown in flooded Tonle Sap, high emigration	350	1226 236 households	500 m from National Road 5	Primary and secondary school in commune 1 km away, district hospital 3 km away
Khsach Chi Ros	Kompong Svay	Kompong Thom	Floating rice plus substantial fishing in flooded Tonle Sap	667	2022 339 households	No road access for six months of the year	Primary school in village (stretches 8 km), provincial hospital 3 hours away by boat
<i>Mekong plains</i>							
Prek Kmeng	Lvea Aem	Kandal	Dry season rice and substantial fishing	74	1813 343 households	No road access for six months of the year, road is usable in dry season	Primary school in village, district hospital 4 km away
Ba Baong	Peam Ro	Prey Veng	Substantial dry season rice	665	2432 549 households	14 km from Neak Loeang market town	Two primary schools in village, hospital 14 km away
<i>Plateau/Mountain</i>							
Kanhchor	Chhloung	Kratie	Dry season rice and substantial forest dependence	70	1107 267 households	Improved road access since 2002	Primary school and commune health centre 2–3 km away
Dang Kdar	Santuk	Kompong Thom	Low yield, wet season rice and substantial forest dependence	140	2144 420 households	20 km from National Road 6	Primary school in village, commune health centre 20 km away
Trapeang Prei	Odongk	Kompong Speu	Low yield, wet season rice and dependence on hiring out labour	37	407 75 households	3 km from Bat Doeng market	Primary school 1.5 km away, hospital in Phnom Penh
<i>Coastal</i>							
Kompong Tnaot	Kampot	Kampot	Low yield wet season rice, coastal fishing and salt mining	350	2152 363 households	On national road between Kep and Kampot	Primary school in village, health services in Kampot

Source: Chan and Acharya (2002), data collected in qualitative interviews and focus groups 2004/05



### ***Limitations and Advantages Are Inherent in the MOPS Approach***

The CDRI panel data set (i.e. the 890 households surveyed by CDRI in 2001 and 2004/05) provides the basis for long-term longitudinal analysis of living standards and poverty in Cambodia. However, the data set has certain limitations. It is not nationally representative in a statistical sense, because the households in the MOPS are selected from just nine villages rather than being chosen randomly from a complete list of all households in Cambodia. As in any panel data set, it is difficult to account for and interpret why some households drop out of the sample between survey rounds. In the case of the MOPS, this was mostly because households had moved between the two survey periods. In 2001, 1005 households were surveyed, while in 2004/05 only 890 (89 percent) of those households could be found again for the purposes of resurvey (although 1010 households were included in the 2004/05 study).

Despite these limitations, the data set is significant: at 890 households, it is relatively large compared to panel data sets in other countries, which often number in the low hundreds (Yaqub 2000). The fact that the sample is drawn from only nine communities has advantages as well as disadvantages. It is possible to make statistically valid claims about trends in these villages, to relate the statistical data on trends to other sources of information (both quantitative and qualitative) and therefore to analyse cross-village and longitudinal (time-based) differences in poverty trends between the nine study sites. In other words, an advantage of the intensive (rather than extensive) nature of the sample is that analysts can use the panel data set (e.g. looking at correlations between variables in the survey) as well as comparing the survey data to other sources of information, including qualitative data collected in the study villages.

There were other limitations in the design and implementation of both quantitative and qualitative methods. The study collected data from communities, households and individuals. While village and household information is included in the analysis, given the complexity of data sources and methods, individual information, including the semi-structured interviews with individual respondents in each village, has not been integrated into the analysis.

The household survey was not effective in eliciting responses on issues of trust, power and corruption, which were questions included from the global MOPS study. Substantial numbers of respondents answered “do not know” to many of these questions. The length of the survey, particularly in round one, was also a deterrent to completing these questions, which came at the end of the interview. Interviews took an average of 1.5–2.0 hours to complete, leading to respondent fatigue and affecting the quality of the data collected.

Focus group discussions, while more effective in garnering responses on issues of power and corruption, were not a suitable method for gathering information on sensitive issues such as domestic violence. Mixed-sex FGDs in communities where individuals are known to one another are widely acknowledged to be unlikely to generate honest responses on questions of behaviours, such as sexual practices and domestic violence.

Due to time constraints, analysis of the qualitative data was not as comprehensive as had initially been planned. For example, not all focus group transcripts were translated, and while NVivo was used to identify and map key themes, detailed and comprehensive coding of the qualitative material was not undertaken. This will be an important step in preparing for the next round of the study.

Mixed-method studies typically throw up questions and contradictions in the data collected using each method, and the MOPS is no exception. At times information gathered in the household survey actively contradicts or conflicts with data collected in FGDs, while some information from the consumption and income sections is inconsistent with that identified in recall-based exercises in the survey. One of the strengths of a mixed-methods approach is that different perspectives and data are gathered and weighed against each other. It can also be a challenge for analysis.

Looking ahead, it is intended that the MOPS methodology will be further refined based on the experience of this study in order to institutionalise periodic mixed-method surveys, for example every three or four years, to track changes in poverty and growth and the sub-national factors that contribute to those changes. Suggestions for future mixed-methods studies are included in Chapter Five.

## 1.4. Framework for Analysis

### ***Key Changes and Trends in, and Factors That Have Contributed to, Community and Household Well-Being Are the Focus of This Report***

The framework for analysis used in this report addresses two broad themes. The first is the main *changes and trends* in economic growth and well-being and how these have affected villages and households. The second is the main *factors* that have contributed to community well-being and household prosperity. Qualitative and quantitative data are used to analyse these trends and explore factors; findings from the household survey and focus groups are compared and contrasted; and any significant differences are explored and explained.

Income is the primary measure used to assess trends in economic *growth*, for both villages and households. Consumption is used to measure improvement in *living standards*, as well as *poverty reduction* using a simple headcount measure (i.e. the number of households above or below the consumption poverty line). Poverty lines were constructed for each of the nine villages in order to take account of price differences in different locations. Both income and consumption figures in 2004/05 are adjusted to 2001 prices to enable comparison across time. *Well-being* is defined both economically (changes in income and consumption) and non-economically (perceived community and household improvement that includes non-economic factors).

In the analysis of significant changes and trends, the key characteristics of each study village, and their success or otherwise in raising income and consumption and reducing poverty, are described and used to group the study villages into three “clusters” depending on their performance in growth and poverty reduction between 2001 and 2004/05. These clusters are the following:

- villages that have been able to raise income and consumption and reduce poverty (Krasang, Ba Baong and Andoung Trach), called “strongly performing” villages;
- villages that have achieved *either* moderate income or consumption growth and moderate poverty reduction, or that have achieved income and consumption growth *or* poverty reduction but not both (Kanhchor, Prek Kmeng and Trapeang Prei), called “moderately performing” villages; and
- villages that have experienced stagnant or declining income and consumption and rising poverty (Kompong Tnaot, Dang Kdar and Khsach Chi Ros), called “poorly performing” villages.

Grouping villages on the basis of income and consumption growth, and poverty reduction, was one of several options considered by the research team. Villages could alternatively have been grouped on the basis of their location, livelihood type, population size and so on. Given that the focus of the study is poverty reduction, poverty rates, together with consumption as a measure of improved living standards and income as a measure of growth were adopted as the basis for village “typologies”. In general, the clusters do hold up as categories for analysis; whether this will be the case in a further round of the MOPS, given the pace of change in many of the villages, remains to be seen.

Panel survey data are used to identify which of the households that were very poor (20 percent or more below the poverty line), moderately poor (from 20 percent below to 20 percent above the poverty line) or well off (20 percent or more above the poverty line) in 2001 were still very poor,

moderately poor or well off in 2004/05 (labelled “stable” or “non-moving” households) and which had become better off or worse off during that period (labelled “mobile” households).

Nine mobility groups or segments are identified, which have been reduced to seven mobility groups for the purposes of analysis: households that remained comfortably rich, those that climbed into wealth or escaped poverty (both upwardly mobile), those that remained in the static middle, those that have fallen into poverty or experienced deepening poverty (both downwardly mobile) and those that remained chronically poor. The distribution of mobility groups within the study villages varies considerably. The proportion of mobile households tends to reflect the experience of each community during the 2001–2004/05 period: strongly performing villages have more upwardly mobile households, while poorly and moderately performing villages have more households moving down. The static or non-moving households are somewhat differently distributed, in some instances reflecting the situation of each village prior to the 3.5 years covered by the household survey. For example, some communities currently experiencing decline have high proportions of households staying rich due to relatively greater prosperity prior to 2001, but also a significant proportion of households moving into poverty due to more recent conditions.

The village clusters and household mobility groups are the main units of analysis used in discussion of factors contributing to village prosperity and household mobility. Where data permit, analysis of significant differences between male- and female-headed households has also been included.

Analysis of the factors contributing to or constraining community development and prosperity and household movement into and out of poverty includes the following:

- Factors that are particularly relevant *community-wide*, but which also enable or constrain household mobility, including the underlying conditions and development and governance contexts that have shaped the experience of each village. The location and geographic endowment of the study villages, the extent of development, including improvements in infrastructure and services such as health and education and the governance context, including the capacity of institutions to deliver justice, access to development and opportunities and a voice in decision making for ordinary villagers, are described and assessed.
- Factors that, while influenced by village trends, are more salient and differentiated for *households*, including strategies for income generation and diversification and the specific vulnerabilities households experience. This includes analysis of different village and household income sources and their relative importance, discussion of the different strategies households use to maximise and diversify their incomes and the extent to which these strategies are available in poorer communities and households, as well as an exploration of the vulnerability of certain households to downward mobility as a result of demographic characteristics, exposure to shocks and crises, destructive behaviours such as drinking and domestic violence and experience of common life-cycle events.

Wherever possible, village trends and household responses and strategies are discussed in relation to each of these key factors. The findings from this thematic analysis of factors are then drawn together to summarise the experience of the three village clusters and seven mobility groups.

## **1.5. Outline of the MOPS Report**

The chapters that follow describe and analyse in more detail the emerging trends and issues outlined above. Chapter Two explores changes in the well-being of the nine study villages and of individual households between 2001 and 2004/05. The chapter analyses the extent to which study villages were able to achieve improved well-being in terms of economic growth and poverty reduction, and perceived improvements in well-being and prosperity. It considers the ability of households to

improve their status between 2001 and 2004/05 and classifies households into seven mobility groups depending on their ability to move upwards or whether they remained well off or poor. Important differences between mobility groups are briefly described. The chapter ends with a discussion of a key theme of the study: rising inequality and increased social stratification between and within villages and households, and increasing concentration of economic, social and political capital in the hands of better off households.

Chapter Three explores community-wide factors contributing to village and household trends described in Chapter Two through an examination of the underlying conditions and development and governance contexts that contribute to or constrain growth and mobility. The chapter describes the length of time during which study villages have experienced increased stability and security, the location and accessibility of the study communities and their geographic endowment, such as agricultural productivity and availability of common property resources (CPR), including forests and fisheries. The extent to which development interventions, including infrastructure and access to services such as health and education, have been available in study villages is described. The chapter then explores the role of governance and institutions, including community perceptions of and participation in decision making, corruption, power relations including conflicts over natural resource access and management and the emergence of new forms of insecurity that threaten community and individual well-being.

Chapter Four continues the exploration of factors in Chapter Three by focussing on households in more detail and examining the opportunities available to households and villages, the strategies they use to generate incomes and improve well-being and the factors that contribute to household vulnerability and trigger downward movement. The changing contribution and relative importance of different income sources, including agriculture, self-employment, waged labour and CPR, to village and household incomes is analysed, together with the specific factors that increase household vulnerability and trigger downward movement, including shocks and crises, demography and life-cycle events, and destructive, gender-based behaviours such as domestic violence.

Finally, Chapter Five draws together the analysis from the previous three chapters to present a summary of key findings and the main factors determining community and household success, stagnation or decline, together with policy implications arising from the study. Key findings from the study are briefly examined in the context of other poverty research, including CDRI's *Participatory Poverty Assessment* and the World Bank's 2006 Poverty Assessment and 2007 Equity Report. The chapter concludes with a discussion of the role of ongoing mixed-method studies in national policy analysis and monitoring and includes recommendations for future research.

## 1.6. Key Emerging Trends

### *The MOPS Highlights Emerging Issues for Policy Consideration*

Policy implications arising from the study findings are discussed in detail in Chapter Five. Key themes and trends are very briefly highlighted here for the consideration of policy makers.

*The “peace dividend” (the end of armed conflict) has been an important factor in perceived improvements in community well-being, including greater freedom of movement and opening up of study villages and the timing of development in each study community. However, location and accessibility, together with geographic endowment (good soil and access to irrigation), of the study villages are the key factors for community prosperity and well-being.*

*CPR-reliant communities, in particular isolated forestry and fishing villages, have experienced slower growth and have more downwardly mobile households, while more accessible, primarily agricultural, villages have experienced strong growth and have more households moving out of poverty. Household*

fortunes are largely consistent with village trends, although this is not always the case for some upwardly and downwardly mobile households.

*Social stratification and inequality are increasing between and within study villages.* While incomes have risen in all communities, economic inequality has increased. Those villages that experienced strong growth and poverty reduction have also experienced rising inequality. More households have moved up in these communities, but the gap between the richest and poorest households is widening in these villages and across the nine study communities.

The MOPS shows that *the factors that influence movement out of poverty and staying rich are not the same as those that trigger downward mobility or staying poor.* This suggests that *different strategies are required for different mobility groups.*

For upward movers and those who stay rich, *multiple, diversified income sources are the key to prosperity. Downward movers and the very poor experience shocks and crises, such as ill health and natural disasters, which drive them into poverty.* These shocks are predictable and insurable—in other words, they are largely policy amenable. Social protection, including health and other forms of insurance, is required to protect these households, as an alternative to high-interest, interlocked credit arrangements currently available to rural households.

*New employment opportunities are required for the poor.* Many of the rural poor are landless or have small landholdings that are unproductive, while *access to CPR, which provided a safety net in the past, is declining in all communities due to population pressures, over-exploitation and corruption.* Agricultural productivity is uneven and waged employment is on the rise, including local labour selling and internal and cross-border migration. Landlessness and land concentration are increasing and suggest a need to provide off-farm employment and to protect and formalise the rural labour force.

*Poor governance and weak institutional capacity constrain growth and poverty reduction.* The MOPS shows that governance failures at all levels and in all communities contribute to rising inequality and social stratification. The poor bear the brunt of weak governance and corruption, while the rich either pay up or use corruption and impunity to their advantage. Natural resource dependent communities are the most affected. Local government accountability and responsiveness are also constrained by corruption and power imbalances between local and higher officials and powerful outsiders.

*Population pressures are set to increase.* Young people experience lack of opportunities and have changing aspirations and expectations that cannot be met, while older people lack safety nets and support. New marriages and divorce and family breakdown contribute to pressure on households and communities.

*New forms of insecurity are emerging in study villages, including gang violence, crime and violence against women, and undermine improved community and household well-being.*

*Gender inequality persists.* Women's economic participation and pivotal role in maintaining household income is not reflected in rights, participation in decision making or equitable access to services. Women bear a disproportionate financial and personal burden as a result of men's destructive behaviour.

## **Chapter Two.**

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### **Growth, Mobility and Inequality: Trends in Community and Household Well-Being**

### **Summary**

- This chapter explores trends in the well-being of villages and households using panel survey data from 2001 and 2004/05 and recall-based data from 1993–2004/05. In the aggregate, well-being improved, with rising consumption and income, and moderate poverty reduction. For villages, trends varied considerably, however. Average per capita income rose in all villages, while consumption rose in six study villages, and three villages experienced falling consumption (Prek Kmeng, Kompong Tnaot and Khsach Chi Ros, all of which are fishing-dependent).
- The poverty headcount fell in the six villages that experienced rising consumption. However, poverty increased in the three villages where consumption fell. Four villages had high poverty rates and average per capita consumption below the poverty line in 2004/05: Khsach Chi Ros, where consumption and income rose slightly, and Dang Kdar, Andoung Trach and Trapeang Prei, where incomes and consumption rose, but from a low base. Prek Kmeng and Kompong Tnaot had low poverty rates, higher incomes and consumption above the poverty line in 2004/05 despite declining prosperity: these two villages were better off than most other villages in 2001. Krasang and Ba Baong experienced high and rising consumption and income, declining poverty and low poverty rates in 2004/05. Kanhchor experienced a moderate increase in consumption, strong income growth and moderate poverty reduction, while the poorest village, Khsach Chi Ros, had the highest poverty rate and consumption 24 percent below the village poverty line in 2004/05.
- Consumption, income and poverty trends were used to group the villages into clusters for the purposes of analysis: strongly performing villages (Krasang, Ba Baong and Andoung Trach), whose consumption and income grew and poverty declined; moderately performing villages (Kanhchor, Prek Kmeng and Trapeang Prei), which achieved moderate to strong income or consumption growth, *or* moderate poverty reduction, but not both. (Prek Kmeng is included in this group because, while consumption fell and the poverty headcount rose, it had the highest consumption and lowest poverty rates of any village, and experienced a slight rise in income). The poorly performing communities (Kompong Tnaot, Dang Kdar and Khsach Chi Ros) were unable to achieve significant income or consumption growth, or poverty reduction.
- Fifty-two percent of households did not change their status between 2001 and 2004/05: 24 percent of households that were well off in 2001 were still well off in 2004/05 (the comfortably rich), 14 percent had remained moderately poor (the static middle) and 14 percent had remained very poor (the chronically poor). Of the 48 percent of households that did change their status, 14 percent of the very poor in 2001 became either moderately poor or well off in 2004/05 (households escaping poverty). Seven percent of the moderately poor became very poor (deepening poverty) while 12 percent became well off (households climbing into wealth). Finally, 15 percent of the well off became moderately or very poor (households falling into poverty). While 26 percent of households moved up, 23 percent moved down: a net gain of just 3 percent in upward mobility suggests that while movement out of poverty is substantial, it is unstable, as the hold of many households on well-being is tenuous.
- Comfortably rich households were concentrated in three villages that were already relatively prosperous in 2001—Ba Baong, Prek Kmeng and Kompong Tnaot. Upwardly mobile households were over-represented in the strongly performing villages, in particular Krasang and Ba Baong, as well as in Andoung Trach and Trapeang Prei. Downwardly mobile households were concentrated in villages with declining well-being (Prek Kmeng, Kompong Tnaot and Dang Kdar), while more households were chronically poor in Dang Kdar and Khsach Chi Ros.
- Comfortably rich households had rising incomes but lower consumption, while income and consumption rose among upwardly mobile households and fell among downwardly mobile households. Incomes rose slightly while consumption was stable among households in the

static middle and the chronically poor. Average per capita consumption was below the poverty line for all but the comfortably rich and climbing into wealth households in 2004/05. The two poorest mobility groups, households deepening into poverty and the chronically poor, had consumption 47 and 44 percent below the poverty line, respectively.

- In the aggregate, consumption inequality and non-land asset inequality were static, landholding inequality fell, and income inequality rose. There was considerable variation between villages, however: consumption inequality rose in Ba Baong, Kanhchor, Prek Kmeng, Trapeang Prei and Dang Kdar, fell in Krasang and Khsach Chi Ros and was static in Andoung Trach and Kompong Tnaot. Non-land asset inequality was static in Kanhchor and Dang Kdar, rose in Ba Baong, Prek Kmeng, Trapeang Prei and Kompong Tnaot and fell in Krasang, Andoung Trach, and Khsach Chi Ros. Inequality in landholding size fell in most villages, rose in Trapeang Prei and Kompong Tnaot and was static in Andoung Trach and Prek Kmeng, while income inequality rose in all villages apart from Trapeang Prei and Kompong Tnaot.
- While the ratio between consumption in the richest and poorest villages, and households, shrank between 2001 and 2004/05, consistent with falling consumption inequality, the gap between the consumption of chronically poor households and the poverty line increased in most villages. The ratio between the average per capita income of the richest and poorest villages, and households, rose. The ratio between consumption and income of the comfortably rich and climbing into wealth households in the best off villages and the chronically poor in the very poorest villages also rose considerably, from 4.5:1 to 5.8:1 in the case of consumption, and from 5.1:1 to 9.4:1 in income.
- Villages with higher proportions of comfortably rich and climbing into wealth households had more valuable assets, in particular Krasang, Ba Baong, Prek Kmeng and Kompong Tnaot. The value of all household assets rose in eight of the study villages, most notably in Trapeang Prei (by 13 percent), falling by 45 percent in Andoung Trach. Rising land prices in Prek Kmeng, Kompong Tnaot and Trapeang Prei, and falling land prices and a high proportion of land sales in Andoung Trach help to account for these trends. The ratio between the value of assets in the richest and poorest villages increased slightly, from 3:1 in 2001 to 3.5:1 in 2004/05. Comfortably rich and upwardly mobile households also experienced a significant increase in the value of their assets, while the value of assets fell among downwardly mobile households and rose slightly in the static middle and chronically poor groups. The ratio between the value of assets belonging to the richest and poorest households rose from 4.8:1 in 2001 to 5.6:1 in 2004/05.
- FGDs in study villages suggest that inequality is rising sharply due to the intersection of economic wealth with political and social power and influence in rural villages. Social and political capital, access to opportunities and human services are increasingly concentrated in the hands of better off households, which benefit from corruption and weak rule of law, while the poor miss out on opportunities and services, lack networks and relationships that enable them to build prosperity and are penalised by corruption costs and weak institutions.
- The MOPS suggests that, overall, inequality is rising, despite static consumption inequality. Rich households are pulling ahead: while they spend less than in the past, they earn more and invest more in assets. Upwardly mobile households earn and spend more, and invest more in assets than in the past. Downwardly mobile households earn and spend less, and are selling their assets to maintain consumption and cope with shocks. Poor households are unable to catch up; they are falling further behind, with consumption even further below the poverty line than in 2001. The study also suggests that inequality is constraining poverty reduction: the poor are increasingly locked out of opportunities and access to services; institutions favour the rich over the poor; and trust in public officials is undermined by generalised corruption and rent seeking.

This chapter explores changes in the well-being of the nine MOPS villages and of individual households. It sets out to examine *what happened* in these communities, with a particular focus on the years from 2001 to 2004/05 covered by the panel survey, while Chapters Three and Four examine *why*: the factors accounting for village and household change.

Section 2.1 focuses on the experience of the nine study villages and the extent to which they were able to achieve improved well-being, using data from the household panel survey for the period 2001–2004/05. The measures used to track village trends are changes in average per capita income, consumption and the poverty headcount in each village between 2001 and 2004–5. For the purposes of analysis, these trends are used to group the nine study villages into three clusters: villages performing strongly, those performing moderately well and those performing poorly. Key characteristics of the villages in each cluster are briefly described. Another perspective on well-being improvement is provided by recall-based data from the household survey which identify changes in the prosperity of households, movement of households in relation to a community-based poverty line and improvement in housing conditions between 1993 and 2004/05.

While Section 2.1 looks at average values for each village, Section 2.2 examines how different households were able to improve their well-being between 2001 and 2004–5, across the 890 panel sample and in each of the nine villages. In order to understand household mobility, per capita household expenditure in each of the 890 households surveyed in 2001 and 2004–5 is used to classify households into one of three segments for both survey years; the very poor (well below the poverty line), moderately poor (those 20 percent above and below the poverty line) and the well off (those well above the poverty line). This categorisation generates nine “segments” or mobility groups, which have been reduced to seven groups for analysis. Those households that changed their status between 2001 and 2004–5 are considered upwardly or downwardly mobile; households that remained very poor, moderately poor or well off are “fixed” or stable. Important differences between mobility groups in terms of their location, sex of head of household and income and consumption are then outlined in order to inform the discussion of mobility factors, which follows in Chapters Three and Four.

Section 2.3 highlights a key finding of the study; that rising inequality between villages and households and increasing concentration of economic, social and political capital in the hands of better off households is constraining poverty reduction. In order to explore the phenomenon of rising inequality, changes in the distribution of income, consumption and assets, together with reports from FGDs (including analysis of well-being groups) are used to describe the changing status of households in each community. While this discussion primarily focuses on economic inequality, other indicators of inequality and socio-economic stratification, including access to social and political capital, are briefly discussed and are considered in more detail in Chapter Three.

Household survey data for 2001 and 2004–5 are the main source used for analysis in this chapter. Findings of FGDs about changes in well-being and recall-based measures of well-being improvement used in the household survey are considered to be less reliable measures of improved well-being than the data on income, consumption and poverty reduction generated by the household survey. However, these qualitative measures do provide important insights into the *perceptions* of villagers and the lived experience of poverty. These insights are therefore included, and important differences between perceived improvements in well-being and achievements in income, consumption and poverty reduction are highlighted.

### Measures Used to Track Village and Household Trends Include Consumption, Income and the Poverty Headcount

In Cambodia, the main measure used to assess living standards and poverty trends is *consumption*: household expenditure on food and non-food items (World Bank 2007: 6-7). In rural areas, where most food is grown rather than purchased, equivalent prices are calculated for own-farm produce (Chan and Acharya 2002: 63). Consumption is typically considered to be more reliable than income, because income may be earned in “lumps” (for example after the harvest season), while consumption tends to be smoothed out over time. In addition, people tend to under-report income, in particular when trust in public officials is low (Deaton and Grosh 2000: 94-95). The MOPS therefore uses consumption trends as one key measure of well-being improvement

In Cambodia, consumption varies between the harvest and lean seasons, as households typically cut back on food and non-food spending when income or food security is lower. This problem is dealt with in the MOPS by conducting the survey in two rounds to capture seasonal variations. However, like any recall-based measure, consumption may also be unreliable, unless diary methods, or regular return visits to the household, are used to collect consumption data. In the MOPS study, participants were asked about their food consumption over the past week, and non-food consumption over the past six months, in both rounds of the survey, so this is a potential weakness of the study.

There are other problems with using consumption as the main measure of changing living standards. Not only are the very richest and poorest households usually excluded from household surveys (the very rich because they don’t participate, and the very poor because they are often homeless) (World Bank 2007: 7), but consumption may be “flattened” at the top and bottom of the spectrum by household livelihood strategies. The richest households, which have accumulated wealth over time, tend to invest in savings and assets rather than day-to-day expenditure, lowering their consumption. The poorest households may fund expenditure through borrowing and sale of assets, which may raise their consumption but does not reflect their living standards or capacity to move out of poverty.

For these reasons, *income* has also been used as a key measure in this study. While less reliable than consumption, income is an important indicator of well-being improvement. Changing income, and the relative importance of different income sources, are important to understand the contribution of various sectors (agriculture, waged employment, self-employment and CPR) to village and household livelihoods, and to assess the extent to which communities and households are able to benefit from economic growth. In both survey rounds of the MOPS study, participants were asked to recall all sources of income for the past six months.

While rising income and consumption do reflect improved living standards, they are not perfect measures of household or community well-being. Aggregate per capita earnings and expenditure obscure differences between households in a community; they may rise in better off households, lifting the mean, while poorer households experience little change.

The *poverty headcount* (the proportion of households that do not consume enough goods and services for a decent standard of living above the consumption poverty line) is therefore a third important measure of change in living standards. Poverty lines were created for each of the nine villages in 2001 and 2004/05 in order to reflect local prices. A price survey was developed and implemented in October 2005 in the nine villages and nearby local markets, to calculate the spatial price index to be used to adjust the overall rural poverty rate for each village in 2004/05. Because detailed price information was not collected in the 2001 round of the study, 2001 poverty lines were calculated based on the 2004/05 poverty lines, by deflating the 2004/05 poverty lines by the price deflator of 118.59 (18.59 percent). Appendix D presents the detail of how 2001 and 2004/05 poverty lines were calculated.

## 2.1. Achieving Growth and Poverty Reduction: Well-Being Improvement in the Nine Study Villages

### *Aggregate Well-Being Has Improved, but the Rate Of Progress Varies Significantly between Communities*

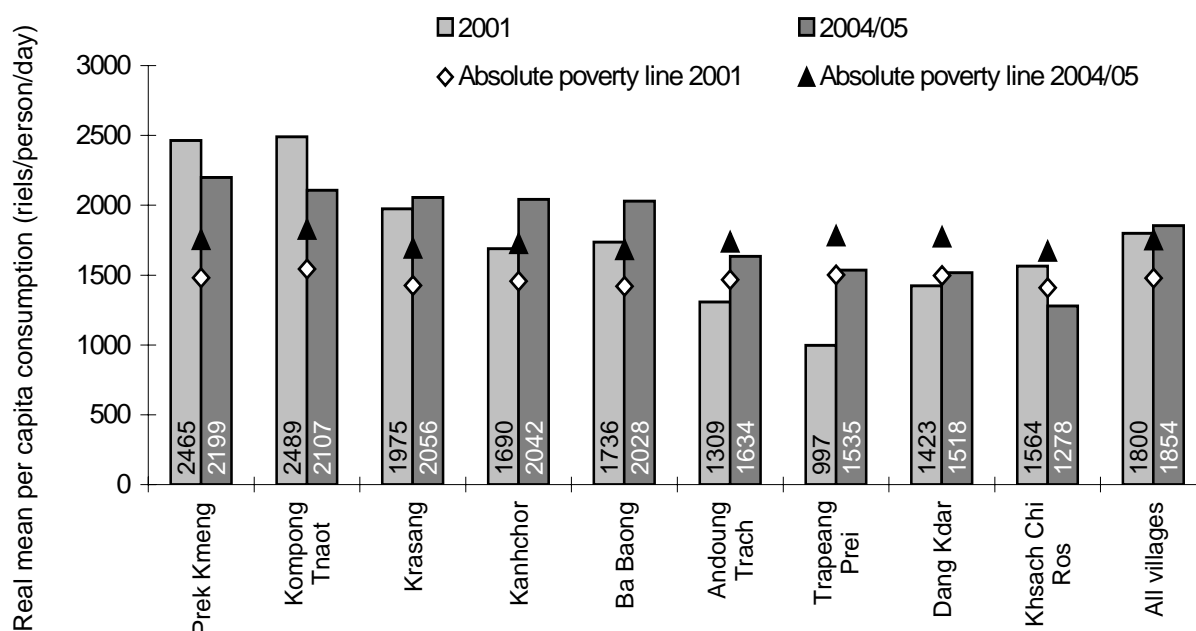
*“Living conditions in 2004 are quite different from what we had in 1993 ... We now have good roads, battery lamps for lighting at night ...a big generator in the pagoda ... More and more children (both boys and girls) go to school ... Many houses have been improved from thatch to houses made of tin sheet, which is more secure than before.”—Community timeline with mixed focus group, Ba Baong*

While all nine study villages started from a very low base in 1993 (the date used for recall in FGDs of well-being improvement and in the Ladder of Life exercise in the household survey), by 2004/05 there were significant differences between communities, and between households in each village, in incomes, consumption, poverty reduction and perceived well-being improvement. In the aggregate, living standards rose, but not all villages were able to significantly increase income, raise consumption, or reduce poverty.

### *Average Per Capita Consumption and Incomes Rose in Most Study Villages*

Per capita daily consumption rose in six of the study villages between 2001 and 2004/05, indicating rising living standards in these communities. Krasang, Ba Baong and Kanhchor all experienced increases in average consumption to around 2000–2100 riels per capita per day. Consumption was highest in Prek Kmeng and Kompong Tnaot, between 2100 and 2200 riels per capita per day. However, these villages actually experienced *declining* average consumption between 2001 and 2004/05.

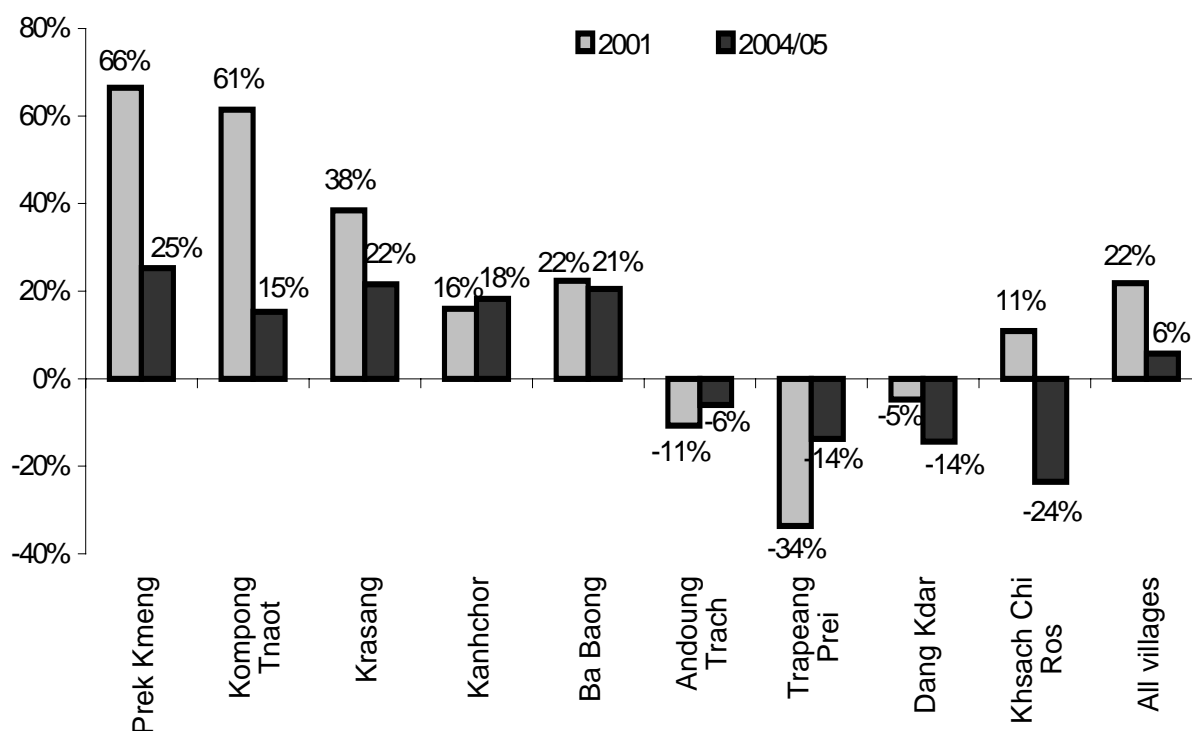
**Figure 2.01: Real Mean Per Capita Consumption and Village Poverty Lines (riels/person/day) 2001 & 2004/5**



Source: mean per capita consumption (unweighted) of 890 panel households in 2004/5 deflated by 18.59 percent inflation based on 2001 prices. Absolute poverty line based on village consumption for 890 panel households surveyed in 2001 and 2004/5

These five villages (Krasang, Ba Baong, Prek Kmeng, Kompong Tnaot and Kanhchor) all had average per capita consumption well above the village poverty line in 2004/05. Krasang, Prek Kmeng and Kompong Tnaot all had a smaller consumption *surplus* (average per capita consumption above the poverty line) in 2004/05 than in 2001, however (Figure 2.02). In Krasang, average per capita consumption was 22 percent above the poverty line in 2004/05, compared to 38 percent in 2001, while in Prek Kmeng and Kompong Tnaot this surplus decreased from 66 percent and 61 percent to 25 and 15 percent respectively. Ba Baong and Kanhchor had a stable surplus at around 21–22 percent and 16–18 percent above the poverty line respectively.

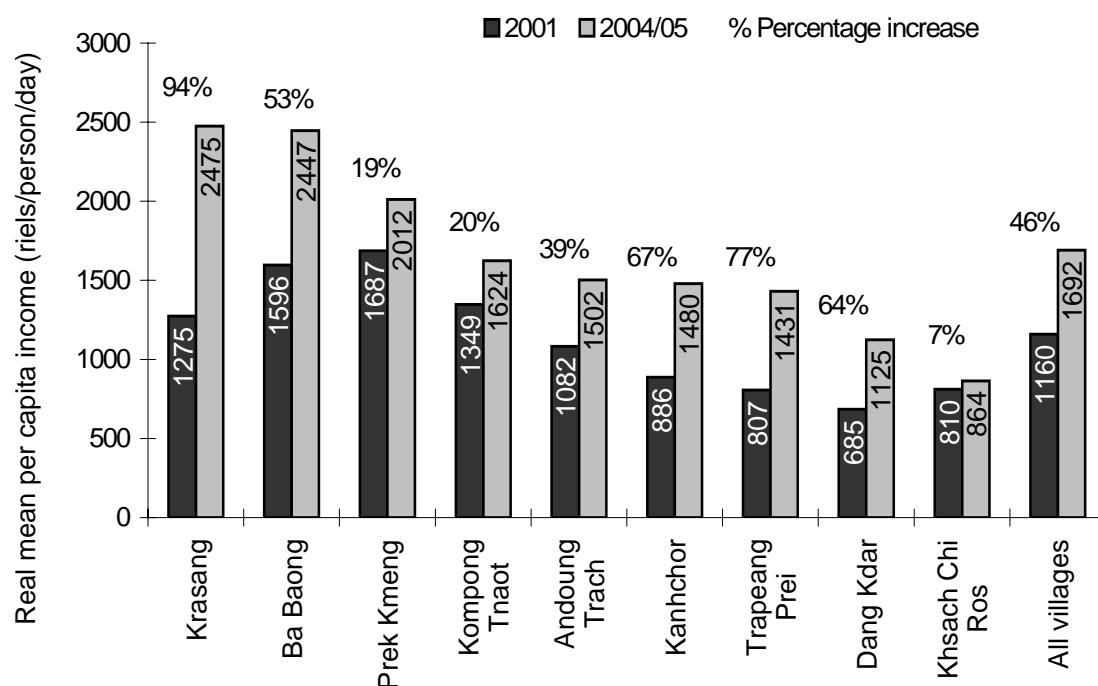
**Figure 2.02: Difference between Village Poverty Line and Average Per Capita Consumption in 2001 and 2004/05**



Source: mean per capita consumption (unweighted) of 890 panel households in 2001 and 2004/05. 2004/05 consumption deflated by 18.59 percent inflation based on 2001 prices, compared to village poverty line for 890 panel households in 2001 and 2004/05

Andoung Trach and Trapeang Prei increased consumption substantially, notably in Trapeang Prei, where household expenditure rose by 54 percent. Average per capita consumption was below the village poverty line in 2004/05 in these communities, although both villages had a smaller consumption *deficit* (average per capita consumption below the poverty line) in 2004/05 than in 2001. Dang Kdar had a slight increase in consumption, while Khsach Chi Ros experienced significant decline. These two villages had the lowest incomes and consumption of all study villages in 2004/05, and both had a larger consumption deficit in 2004/05.

In Dang Kdar, average per capita consumption was 14 percent below the village poverty line (compared to a 5 percent deficit in 2001) and in Khsach Chi Ros it was 24 percent below the poverty line (compared to an 11 percent *surplus* in 2001).

**Figure 2.03: Real Mean Per Capita Income 2001 & 2004/05**

Source: mean per capita income (unweighted) of 890 panel households in 2004/05 deflated by 18.59 percent inflation based on 2001 prices.

While aggregate per capita consumption for the 890 panel households increased by only 3 percent between 2001 and 2004/05 (an average of less than 1 percent per year over 3.5 years), aggregate incomes for the panel households rose by 46 percent (or just over 11.4 percent a year compounded for 3.5 years). Average per capita incomes increased by more than 50 percent in five villages (Krasang, Ba Baong, Kanhchor, Trapeang Prei and Dang Kdar) between 2001 and 2004/05, by 19 percent in Prek Kmeng, 20 percent in Kompong Tnaot, 39 percent in Andoung Trach and 5 percent in Khsach Chi Ros.

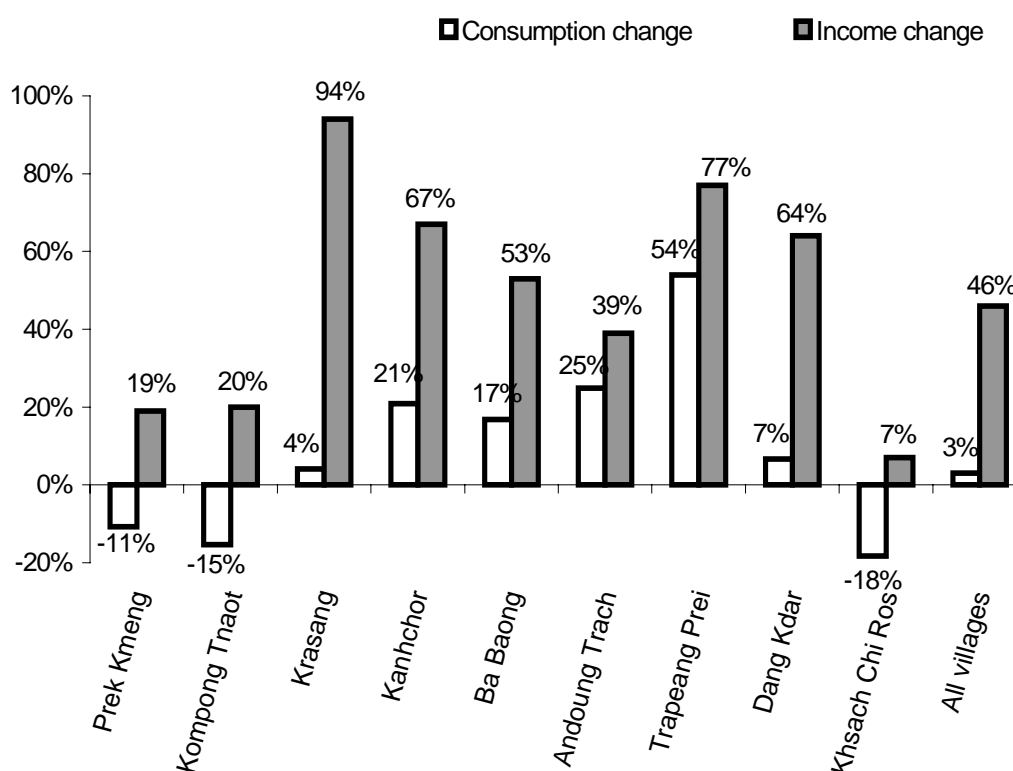
The two villages with the highest average incomes, at almost 2500 riels per capita per day (Krasang and Ba Baong), also saw significant percentage increases in per capita income, suggesting that these villages have been able to benefit from economic growth between 2001 and 2004/05. Other villages (Andoung Trach, Kanhchor, Trapeang Prei) also had significant percentage increases in income, but from a much lower base, with average incomes of around 1400–1500 riels per capita per day in 2004/05. Average per capita income rose by 64 percent in Dang Kdar, but was still considerably lower than other villages in 2004/05 at 1125 riels per day. Two villages with high per capita incomes in 2001 saw smaller percentage increases between 2001 and 2004/05: Prek Kmeng saw an increase of 19 percent to 2102 riels per capita per day in 2004/05, while average income increased by 20 percent to 1624 riels per capita per day in Kompong Tnaot. Average per capita income in the poorest village (Khsach Chi Ros) rose by just 7 percent to 864 riels per day in 2004/05.

#### ***Discrepancies between Income and Consumption Are Evident in Most Study Villages***

Overall, the 890 panel households experienced a 46 percent increase in aggregate per capita income, and a small (3 percent) increase in consumption (Figure 2.04). In individual villages, however, income and consumption trends varied considerably. Incomes rose more rapidly in all villages than consumption, in particular in Krasang, Dang Kdar, Kanhchor and Ba Baong. Despite rising incomes, incomes were higher than consumption in only two study villages, Krasang and Ba Baong, while in all other study communities consumption was higher than incomes in 2004/05. This is a surprising

result, for these two villages because, as noted above, households typically under-report income. Incomes rose dramatically in these two villages while consumption increases were more modest. In Krasang, food consumption fell, while non-food consumption increased, while in Ba Baong both food and non-food consumption rose between 2001 and 2004/05 (Figure 2.05). Similarly, in Dang Kdar, incomes rose by 64 percent while consumption growth was slow at only 7 percent, both food and non-food consumption rising slightly, and in Kanhchor, incomes rose by 67 percent compared to a 21 percent increase in consumption. In Andoung Trach and Trapeang Prei, changes in income and consumption were less disparate, incomes rose by 39 percent in Andoung Trach and consumption by 25 percent while in Trapeang Prei consumption rose by 77 percent while incomes rose by 54 percent; much of this increase was in non-food consumption. Of the villages where income rose and consumption fell, Prek Kmeng incomes rose by 19 percent while consumption fell by 11 percent, both food and non-food consumption falling. In Kompong Tnaot incomes rose by 20 percent and consumption fell by 15 percent, while in Khsach Chi Ros, incomes rose slightly by 7 percent while consumption fell by 18 percent. In these latter two villages, non-food consumption dropped more markedly than food consumption.

**Figure 2.04 Comparison of Income and Consumption Change 2001-2004/05**

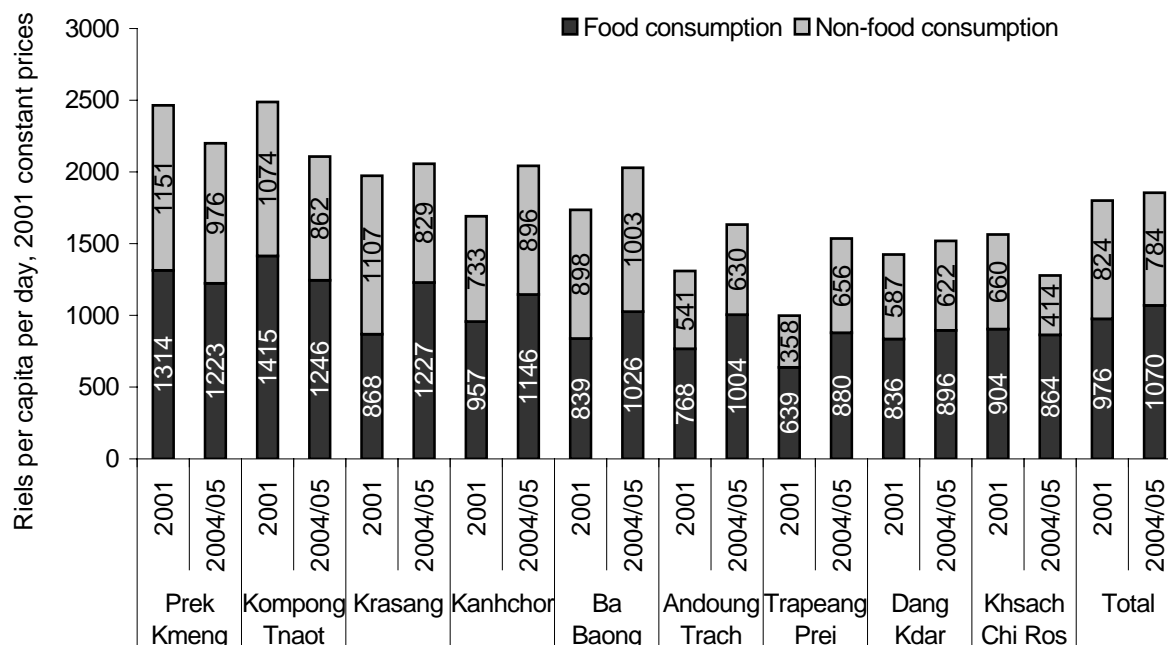


Source: mean per capita consumption and income (unweighted) of 890 panel households in 2001 and 2004/05. 2004/05 deflated by 18.59 percent inflation based on 2001 prices

One possible explanation for these differences is that higher income and lower consumption may indicate increased savings in the strong income growth villages of Krasang and Ba Baong, or may reflect past expenditure on assets so that there is surplus income in the present that can be reinvested or saved. Villages with higher average consumption than income (Andoung Trach, Kompong Tnaot, Dang Kdar and Khsach Chi Ros) may simply be under-reporting income; alternatively, households in these communities may be taking loans or selling assets to maintain their living standards. A second possible explanation for higher consumption may be the costs of health care due to illness. On the other hand, in those communities where consumption is falling, including both food and non-food consumption (Prek Kmeng, Kompong Tnaot and Khsach Chi Ros), it is likely that some

households reduced their consumption to meet loan repayments and cope with the impact of natural disasters and other shocks. As this brief discussion indicates, rising consumption on its own is not a sufficient indicator of improved living standards; changes in income and assets (discussed further in Section 2.3) are also important to assess trends in community and household well-being.

**Figure 2.05: Food and Non-Food Consumption by Village 2001-2004/05**



Source: mean per capita consumption (unweighted) of 890 panel households, 2004/05 deflated by 18.59 percent inflation based on 2001 prices.

### ***Some Villages Reduced Poverty but Rates Remained High in Many Communities in 2004/05***

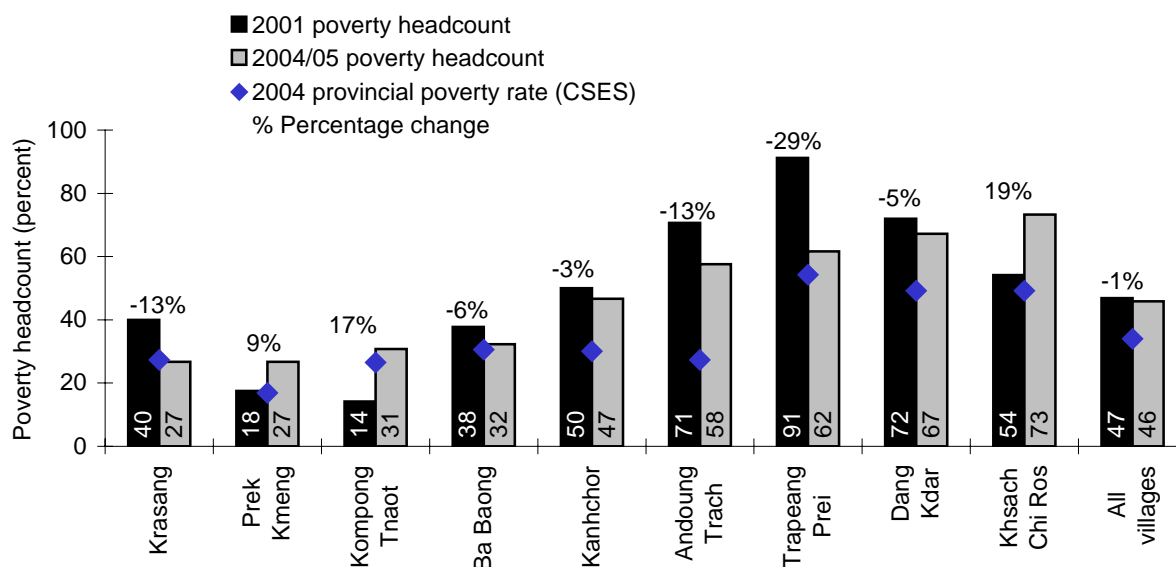
Another important measure of change in the study villages is the poverty headcount (the number of households above or below the village poverty line).

Poverty *fell* in six villages where consumption rose, (Krasang, Ba Baong, Andoung Trach, Kanhchor, Trapeang Prei and Dang Kdar); in other words, the number of households whose incomes were not enough to buy a food basket containing an equivalent of 2100 calories per person per day, plus a small allowance for non-food consumption, decreased in these villages (Figure 2.06). Three villages experienced falling consumption and increased poverty between 2001 and 2004/05 (Prek Kmeng, Kompong Tnaot and Khsach Chi Ros).

In two villages where poverty fell (Trapeang Prei and Dang Kdar), the poverty rate was still very high in 2004/05, while in Prek Kmeng and Kompong Tnaot, the 2004/05 poverty rate was still low despite increasing poverty. This reflects the earlier prosperity of Prek Kmeng and Kompong Tnaot (previously high but falling consumption and slow income growth), and the very sharp increase in both income and consumption in Trapeang Prei.

Four villages—Andoung Trach, Kanhchor, Dang Kdar and Khsach Chi Ros—had poverty rates significantly higher than the provincial average in 2004/05, while in the remaining villages poverty rates were close to provincial trends.

**Figure 2.06: Change in Poverty Headcount 2001-2004/05 and Comparison to 2004 CSES Provincial Poverty Rates**



Source: proportion of households below village poverty lines in 2001 and 2004/05 (890 panel households) and CSES 2004 data. Note: rate for all villages is the 2004 CSES rural poverty rate: 34%

### ***Income Growth, Improved Living Standards and Poverty Reduction Are Not Always Correlated in the Study Villages***

As this discussion shows, the experiences of the nine villages vary considerably, and trends in income and consumption growth and poverty reduction are not uniform. While some villages (Andoung Trach and Trapeang Prei) were able to achieve significant increases in average daily per capita income and consumption between 2001 and 2004/05, this was from a very low base, and aggregate per capita consumption still fell significantly short of the poverty line in these villages. Some villages (Prek Kmeng and Kompong Tnaot) had declining consumption but were still above the village poverty line. Some villages (Andoung Trach, Trapeang Prei and Dang Kdar) were able to reduce poverty between 2001 and 2004/05; however, poverty rates were still very high in some of these communities in 2004/05.

In addition, some villages, such as Ba Baong, achieved significant income and consumption growth while only moderately reducing poverty, while others were successful in reducing poverty, but were unable to raise average per capita consumption above the poverty line. Those villages which had the highest per capita incomes in 2004/05, Krasang and Ba Baong, also had increased income inequality, as discussed in Section 2.3.

### ***Villages Are Grouped into Three Clusters Based on Their Performance***

For the purposes of analysis, improvements in income and consumption growth and poverty reduction, have been used to group the villages into three clusters, as follows (Table 2.01):

- ***Strong performers*** achieved poverty reduction as well as income and consumption growth. This cluster includes Krasang and Ba Baong, which achieved substantial income growth, consumption above the village poverty line and gains in poverty reduction, as well as Andoung Trach, which reduced poverty and experienced an increase in average per capita income and consumption, but still had average per capita consumption slightly below the poverty line in 2004/05.

- **Moderate performers** achieved moderate to strong income or consumption growth and moderate poverty reduction. The villages in this cluster vary considerably. They include Kanhchor, which had strong income and consumption growth and slight poverty reduction, and Prek Kmeng, which achieved a slight increase in incomes (but high average per capita income), high (but declining) consumption and a 9 percent increase in the poverty headcount (but low poverty in 2004/05). Finally, Trapeang Prei experienced significant poverty reduction (from a very high base in 2001) and a high percentage increase in daily per capita income and consumption, but was unable to achieve average consumption above the poverty line and still had a high poverty rate in 2004/05.
- **Poor performers** neither achieved poverty reduction nor generated significant income or consumption growth. This cluster includes Kompong Tnaot, which saw a small rise in incomes, declining consumption (but still had average consumption above the poverty line in 2004/05) and a 17 percent increase in the poverty headcount, albeit from a relatively low rate in 2001. Dang Kdar saw rising incomes and consumption and a 5 percent reduction in the poverty headcount, but still had consumption well below the poverty line and a high poverty rate in 2004/05. Khsach Chi Ros saw a slight rise in per capita incomes, declining consumption with average consumption 24 percent below the poverty line and a 19 percent increase in the poverty headcount.

Table 2.01 Village Clusters: Economic Situation in 2001 and 2004/05

	<i>Consumption vs poverty line 2001</i>	<i>Consumption vs poverty line 2004/05</i>	<i>Consumption change 2001– 2004/05</i>	<i>Income vs mean 2001</i>	<i>Income vs mean 2004/05</i>	<i>Income change 2001– 2004/05</i>	<i>Poverty headcount 2001</i>	<i>Poverty headcount 2004/05</i>	<i>Poverty reduction 2001– 2004/05</i>	<i>Ranking/ cluster</i>
<b>Krasang</b>	Well above 38%	Well above 22%	<i>Moderate increase 4%</i>	Above 10%	Well above 46%	<i>Strong increase 94%</i>	Medium 40%	Low 27%	<i>Rapid reduction 13%</i>	<b>Strong</b>
<b>Ba Baong</b>	Well above 22%	Well above 21%	<i>Moderate increase 17%</i>	Well above 38%	Well above 45%	<i>Strong increase 53%</i>	Medium 38%	Low 32%	<i>Moderate reduction 6%</i>	<b>Strong</b>
<b>Andoung Trach</b>	Below - 11%	Below - 6%	<i>Strong increase 25%</i>	Below - 2%	Below - 11%	<i>Strong increase 39%</i>	High 71%	Medium 58%	<i>Rapid reduction 13%</i>	<b>Strong</b>
<b>Kanhchor</b>	Above 16%	Above 18%	<i>Strong increase 21%</i>	Well below -24%	Below - 13%	<i>Strong increase 67%</i>	Medium 50%	Medium 47%	<i>Moderate reduction 3%</i>	<b>Moderate</b>
<b>Prek Kmeng</b>	Well above 66%	Well above 25%	<i>Reduced consumption - 11%</i>	Well above 45%	Above 19%	<i>Moderate increase 19%</i>	Low 18%	Low 27%	<i>Increased poverty 9%</i>	<b>Moderate</b>
<b>Trapeang Prei</b>	Well below - 34%	Below - 14%	<i>Strong increase 26%</i>	Well below - 30%	Below - 15%	<i>Strong increase 77%</i>	High 91%	High 62%	<i>Rapid reduction 29%</i>	<b>Moderate</b>
<b>Kompong Tnaot</b>	Well above 61%	Above 15%	<i>Reduced consumption - 15%</i>	Above 16%	Below - 4%	<i>Moderate increase 20%</i>	Low 14%	Low 31%	<i>Increased poverty 17%</i>	<b>Poor</b>
<b>Dang Kdar</b>	Below - 5%	Below - 14%	<i>Moderate increase 7%</i>	Well below - 41%	Well below - 34%	<i>Strong increase 38%</i>	High 72%	High 67%	<i>Moderate reduction 5%</i>	<b>Poor</b>
<b>Khsach Chi Ros</b>	Below - 11%	Well below - 24%	<i>Reduced consumption - 18%</i>	Well below - 30%	Well below - 49%	<i>Increased 7%</i>	Medium 54%	High 73%	<i>Increased poverty 19%</i>	<b>Poor</b>
<b>All villages</b>	Well above 22%	Above 6%	<i>Moderate increase 3%</i>	N/A	N/A	<i>Strong increase 46%</i>	Medium 47%	Medium 46%	<i>Moderate reduction 1%</i>	<b>N/A</b>

It should be noted that villages have been grouped into these three clusters based on their performance during a very short period, 2001 to 2004/05. Trends during this period have been influenced by successive years of drought and flooding: many of the villages are likely to have quite different trajectories in the future. For the purpose of analysis, however, these three clusters, together with the mobility groups described in Section 2.2, are taken as the main units of analysis in exploring factors influencing mobility in Chapters Three and Four. Villages in each of the clusters are briefly profiled below.

### **Strong Performers**

#### ***Krasang, Battambang province***

Krasang village is located in Ta Meun commune, Thma Koul district. The village is about a 15-minute drive from Battambang town and 500 metres from National Road 5. Villagers grow both wet and dry season rice, generating good yields of three to four tonnes a hectare of dry season rice and two to three tonnes a hectare of wet season rice. Years of rice surplus up to 2000 were followed by flooding and drought, and rice farming has become less profitable due to these natural disasters, conflicts over water management and increasing labour and agricultural input costs. About 60 percent of households are landless, according to village leaders. Fishing is a major secondary source of income from July to April. Over-exploitation due to illegal fishing methods has led to a decline in fishing stocks, but there has been some improvement since 2004 as a result of intervention by local and national authorities. CPR are also collected by most households. Peace was achieved following the second national election in 1998; prior to that, villagers had to be prepared to evacuate the village. Road access has been steadily improving since 1993, and travel during the rainy season is easier. Since 2000 migration into Thailand and work on both sides of the border have become important sources of income for many households. While there is no school in Krasang, children attend primary and lower secondary school in Ta Meun commune about half a kilometre away. Several credit programmes delivered by NGOs have been available since the mid-1990s. A range of health services is now available in the village, including individual private providers and private clinics, and villagers can attend the referral hospital in the district when seriously ill.

#### ***Ba Baong, Prey Veng province***

Ba Baong village is located in Ba Baong commune, Peam Ro district. The village is about 14 kilometres from Neak Loeang market, half way to Prey Veng town. Villagers grow both wet and dry season rice, depending on the position of their land. The village is irrigated by the Boeng Sne and Touch rivers, and the soil is fertile due to flooding from the lower Mekong. Most farmers harvest an average of three tonnes per hectare; however, crops of up to three tonnes per hectare for wet season rice and five to six tonnes for dry season rice can be achieved with the use of chemical fertilisers and modern farming equipment. More recently, intensive use of chemical fertilisers and pesticides has reportedly reduced CPR and the quality of the soil and led to health problems, including abnormal births. The number of landless households is reported to have increased since 1998, and now stands at about 12 percent of the total. In addition to farming rice, most households fish throughout the year. Although fishing lots that had previously been leased to private companies were returned to the village in 2000, fish stocks have been declining since 2005 due to the use of illegal fishing equipment. Many households also raise livestock. Security has been good since the 1980s. A village road was constructed in 2001, and the section of national road between Neak Loeang and Prey Veng was built in 2002. Some villagers migrate to Phnom Penh and other centres, including for work in the garment sector. Local moneylenders charge rates comparable to micro-finance institutions; however, farmers are locked into credit arrangements that mean they receive 10–15 percent less for their crops from local traders. The village has two school buildings constructed in the 1960s, one of which has deteriorated; these facilities are insufficient to cater to students now wanting to attend primary school. Some children attend secondary school in Peam Ro

district town. Medical practitioners (with varying levels of training) are available in the village; there is a public health centre, and private clinics and a hospital are available in Neak Loeang.

***Andoung Trach, Battambang province***

Andoung Trach is a small rice farming and fishing village located in Kompong Preah commune, Sangkhae district. The village is about a 30-minute drive from Battambang town, and about two kilometres from National Road 5. The village is close to flooded forests, and households cultivate floating rice from June to December and wet season rice from December to May. While the soil is fertile and yields of 2 tonnes per hectare can be achieved without the use of fertiliser, harvests have been severely affected by floods and drought since the late 1990s. Most households are dependent on fishing; however, fish stocks have declined substantially over the past decade. An estimated 47 percent of households are landless and rely heavily on selling labour, and migration into Thailand has increased significantly as a result of declining fish stocks and landlessness. Many households continue to rely on CPR, including more recently grasshoppers and rats. The village has experienced good security since the 1993 election. Roads were constructed in 1993/4 and again in 2002, connecting the village to markets. Preschool and primary school education is available in the village, with a secondary school two kilometres away in Kompong Preah commune. Private medical practitioners practise in the village, and there is a health centre in the commune. Hospitals are available in the district (12 kilometres away) and Battambang town (20 kilometres away).

**Moderate Performers**

***Kanhchor, Kratie province***

Kanhchor village is located between the upper Mekong and a large forest, in Kanhchor commune, Chhloung district. The village has relatively little agricultural land compared to other villages in Kanhchor commune, and forest-based logging and CPR are important income sources, though declining as a result of over-exploitation in the last 10 years. Households grow both wet and dry season rice, and yields of 2.5–3 tonnes per hectare can be achieved without chemical fertilisers. However, rice yields have been affected by floods and drought in recent years. An estimated 25 percent of households are landless. Households also raise livestock and earn income from fishing, although fish stocks have substantially declined over the past decade due to illegal fishing. Villagers also migrate for work to Poipet, within Kratie and to Phnom Penh. Kanhchor has experienced improved security since the end of armed conflict in 1998. The road linking Kanhchor to urban areas in Kratie was built in 2002, but has since degraded due to heavy use for logging transport. Primary and secondary schools are available in Kanhchor commune two to three kilometres from the village: some children from the village also attend a high school 10 kilometres away. A health centre is available in Kanhchor commune, but people often use local private providers or private clinics.

***Prek Kmeng, Kandal province***

Prek Kmeng is located on the Mekong plain in Prek Kmeng commune, Lvea Aem district. The village experiences monsoonal flooding from June to December and is inaccessible except by boat during this period, while road access is possible during the dry season from January to May. Fishing is the main source of household income. An estimated 20 percent of households are landless and earn a living from selling labour and fishing. When 60 percent of fishing lots were released to villagers in 2000 and a community fishery formed to manage them, many households abandoned dry season rice cultivation, earning good returns from 2001 to 2003, including from raising fish. However, illegal fishing has led to declining fish stocks, and some households are now returning to rice farming, generating yields of 2.5–3 tonnes of dry season rice per hectare without chemical fertilisers. Raising livestock and migration to Phnom Penh are supplementary sources of household income. The village has experienced peace and security since the early 1990s. Road access has

improved since 2004/05 during the dry season, enabling villagers to travel and access markets for three to four months a year. One primary school is available in the village, built in the 1980s and extended in 2002. Private medical providers are available in the village, and a hospital is located in the district, about four kilometres away.

### ***Trapeang Prei, Kompong Speu province***

Trapeang Prei is located in Khsem Khsan commune, Odongk district, about three kilometres from Bat Doeng market and about one and a half hours' drive from Phnom Penh. Households cultivate wet season rice. Poor soil, dependence on rainfall, water shortages and limited use of modern farming methods have resulted in rice yields of only 1.3 tonnes per hectare. Cash crops are grown in the early rainy season, and households also raise livestock. Since 2000, villagers have increasingly sought to improve pig farming methods in order to increase their profits. About 20 percent of households are reportedly landless and rely on selling labour. While formerly an important source of income, CPR have been declining as a result of demographic pressure and privatisation of common land. The village experienced full peace after the defection of Khmer Rouge troops to the government in 1996/7. Migration, including to Phnom Penh, has become more common since the village was connected to Bat Doeng village in 1999 and to Odongk district and National Road 4 in 2003. Children attend primary school in Trapeang Kraloung village about 1.5 kilometres away. Only a few attend secondary school in Bat Doeng village, and no child from the village attends high school in Odongk district, 10 kilometres away. Medical practitioners with varying degrees of skill and training are available in the village, and villagers attend the private clinic in Bat Doeng, or go to hospital in Phnom Penh in the case of serious illness.

### **Poor Performers**

### ***Kompong Tnaot, Kampot province***

Kompong Tnaot is located halfway between Kampot town and Kep village on the coast, in Koun Satv commune, Kampot district. The national road connecting Kampot to Kep runs through the town. Wet season rice is grown between late July and January, but due to poor soil, damage from rising seas and lack of modern farming inputs, yields are low; only 0.9 tonnes per hectare. Forty percent of households also grow cash crops. About 20 percent of households lack agricultural land. Most households also fish and gather marine animals and products, but illegal fishing has increased, in part due to rising demand for small marine creatures, reducing fish stocks and CPR. Salt farming has been an important source of employment, in particular for women. Kompong Tnaot experienced the peace dividend with the end of Khmer Rouge fighting in 1997. Road access improved in 2003 with the construction of the national road. A school, built in 1998, provides primary education. Private medical practitioners are available in the village, with a health centre in the commune. For serious illness, villagers travel to Kampot town.

### ***Dang Kdar, Kompong Thom province***

Dang Kdar village is located in Kraya commune, Santuk district, about 20 kilometres from Kompong Thma market on National Road 6 and 58 kilometres from Kompong Thom town. Dang Kdar is forest-dependent; however, access for villagers has been severely restricted since 1998, when logging was made illegal. Forest concession-holders also withdrew around this time, leaving the forest area near the village substantially eroded. Villagers have been forced to sell resin trees, which they relied on for generations, to traders. Households continue to transport trees for illegal traders and undertake small scale wood-cutting for construction. CPR have also been in decline as a result of shrinking forest areas. Farming wet season rice generates yields of only 0.9–1.2 tonnes per hectare due to poor soil. About 48 percent of households are reported to lack agricultural land. Households also practise swidden agriculture, clearing forest land for cultivation. They also grow cash crops and raise livestock. Dang Kdar has experienced peace since 1998 but before that time the

village was affected by fighting; people had to be ready to flee and were unable to focus on livelihood generation. Road connection to urban centres has improved since 2002. People visit private doctors (of questionable competence) when sick, and the health centre is 16 kilometres away. Dang Kdar has a private school built in 2003, and a secondary school is located in Kraya commune about one kilometre away.

***Khsach Chi Ros, Kompong Thom province***

Khsach Chi Ros is an isolated village stretching about eight kilometres along the Sen River, which flows into the Tonle Sap Lake, in Kompong Kou commune, Kompong Svay district. The village is inaccessible by road during the rainy season from June to October/November. There is no good road connection to urban areas, and travel by boat to Kompong Thom town takes three to four hours. The Khmer Rouge defected to the government in 1994/5; prior to that, the village was a battlefield, and people stopped feeling frightened only at the time of the second national election in 1998. Fishing is the main source of household income; however, fish stocks have been declining over the past few years. Traditionally people grew floating rice but are now clearing land for dry season rice farming, which is dependent on irrigation from the Sen River and yields around three tonnes per hectare. Previously, rice crops were around five tonnes per hectare, but use of chemical fertilisers, water shortages and conflict over water use have decreased productivity. Cash crops and livestock are an important secondary income source. About 30 percent of households are landless and rely on fishing and selling labour. Selling labour and migration to Phnom Penh are increasing, and there has also been immigration in recent years. As in other communities, private medics are available in the village, but their quality is questionable. The public health centre in Kompong Kou commune is half an hour by boat, but does not provide a good service. The provincial hospital in Kompong Thom town is three hours away. A school is available in a nearby village; however, a few children go to lower secondary school in Kompong Kou Kraom, further away from the village.

***Changes in Consumption, Income and Poverty Are Not Consistently Reflected in Perceptions of Well-Being***

Another perspective on village well-being is provided by qualitative data collected in the household survey. Qualitative measures of well-being improvement used in the survey included Ladder of Life exercises, in which respondents scored their well-being on a 10-step ladder for three different times: 1993, 1998 and 2004/05. Perceived well-being as measured on the Ladder of Life differs from objective measures. For example, what a richer village considers now or recalls in the past as “very bad” will differ from what a poorer village would consider very bad. Another important difference is that the Ladder of Life exercises took as their focus a different period than the household survey, which means that the two data sources are not precisely comparable.

Two measures are drawn from the Ladder of Life exercises. The net prosperity index is the total number of upwardly mobile households minus the total number of downwardly mobile households, divided by the total number of respondents. The community poverty line (CPL) represents the number of households whose well-being was above or below the poverty line calculated for that community. Both measures provide a numerical estimate of perceived well-being. According to these two perception-based measures, the number of households whose prosperity increased outnumbered those whose well-being declined, indicating overall improvement in living standards in the study villages, consistent with rising incomes. Most villages experienced decreases in the number of households below the community poverty line: however, in many communities poverty rates were still high according to this measure.

**Table 2.02: Perceived Well-Being: Changes in the Net Prosperity Index, Trends in Well-Being Improvement and CPL Poverty Rates 1993–2004/05**

	Villages	Sample households (n)	Net Prosperity Index*			Trend in well-being improvement from first to second half of decade	CPL poverty rates (percentage of total sample households below CPL)			Poverty reduction (change in percentage under CPL 1993 to 2004/05)
			First half (1993–1998)	Second half (1998–2004/05)	Whole decade (1993–2004/05)		1993	1998	2004/05	
<i>Strongly performing</i>	Krasang	99	0.42	0.44	0.55	Steady	87.9	75.8	60.6	-27.3
	Ba Baong	117	0.28	0.38	0.39	Acceleration	84.6	83.8	74.4	-10.2
	Andoung Trach	76	0.20	0.13	0.22	Slowdown	73.7	69.7	64.5	-9.2
<i>Moderately performing</i>	Kanhchor	103	0.13	0.06	0.13	Slowdown	<b>79.4</b>	<b>74.8</b>	<b>84.1</b>	<b>4.7</b>
	Prek Kmeng	101	0.23	0.29	0.28	Steady	62.4	55.3	42.1	-20.3
	Trapeang Prei	58	0.38	0.24	0.29	Slowdown	94.8	91.5	81.4	-13.4
<i>Poorly performing</i>	Kompong Tnaot	105	0.24	0.39	0.43	Acceleration	63.8	59.6	41.8	-22.0
	Dang Kdar	109	0.23	0.03	0.11	Slowdown	79.8	71.4	71.4	-8.4
	Khsach Chi Ros	95	0.37	0.52	0.59	Acceleration	95.8	92.6	83.2	-12.6
<i>All villages</i>	<b>Total</b>	863	0.28	0.28	0.33	Steady	79.6	73.9	66	-13.6

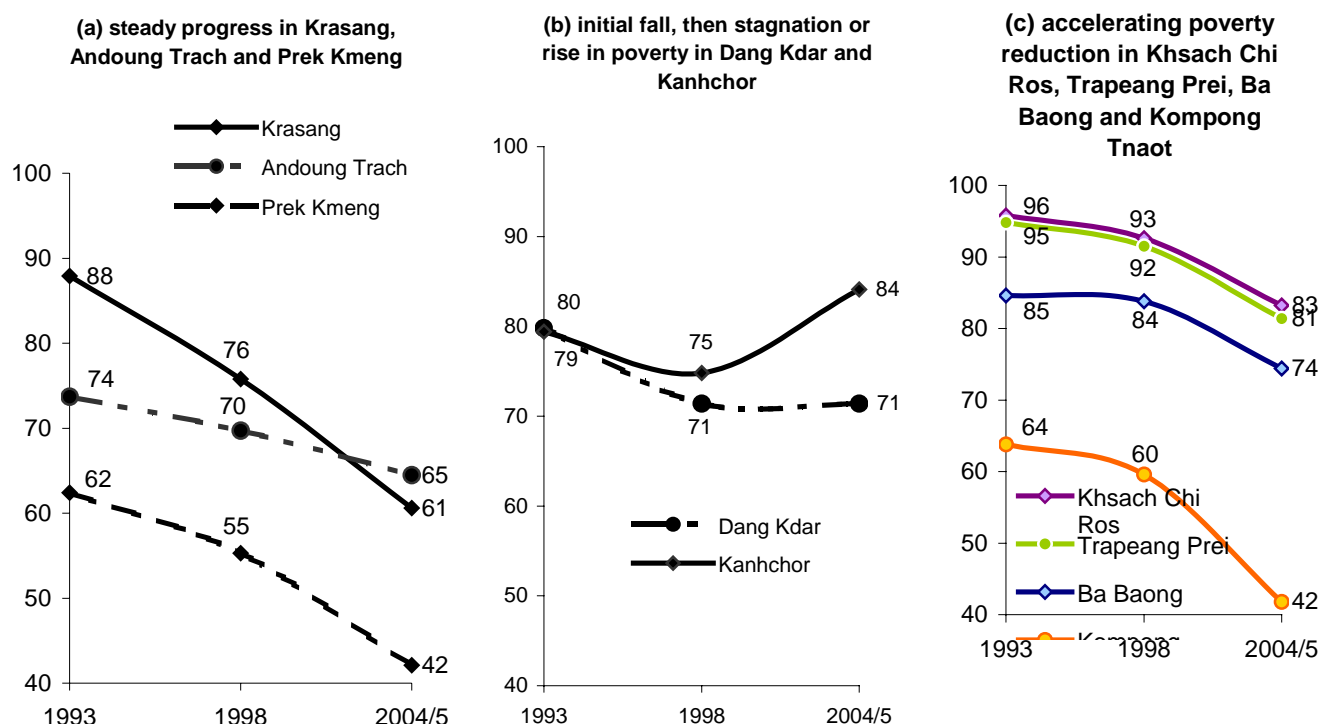
Note: 1010 households participated in semi-structured interviews in 2004/05. Each respondent was asked to undertake a Ladder of Life exercise. Of the sample households, only 863 respondents were able to recall and mark their well-being on 10 steps of the ladder for three different times—1993, 1998 and 2004/05—which then allowed analysis of the change in individual households' well-being.

\* The net prosperity index is calculated as follows: households that experienced improvement, minus households that experienced decline, expressed as a percentage of all households. This provides a simple measure of the balance between upward and downward movements in household living standards in the study villages: a positive value indicates more households experienced improvement than experienced decline, and a negative value indicates the opposite.

These measures are more time-sensitive than the 2001 and 2004/05 household survey data, showing differences between progress between 1993–1998 and 1998–2004/05. In three of the four villages with the highest net improvement in prosperity (Khsach Chi Ros, Kompong Tnaot and Ba Baong), perceived prosperity improvement accelerated in the second half of the decade. Prosperity improvement slowed in the second half of the decade in Andoung Trach, Trapeang Prei, Kanhchor and Dang Kdar, while progress remained steady in Krasang and Prek Kmeng (Table 2.02 and Figure 2.07).

Only 14 percent of households were able to move above the CPL between 1993 and 2004/05. Eight of the study villages experienced a continuing decline in their poverty rate between 1993 and 2004/05, ranging from 27 percent in Krasang to 8 percent in Dang Kdar. Although respondents say their living standards have improved, poverty rates remain high, with 66 percent of sample households below the community poverty line in 2004/05. This is considerably higher than the poverty headcount of 46 percent for all sample households in 2004/05.

One village, Kanhchor, reported increased poverty according to this measure, although poverty fell by 3 percent in this community. In Khsach Chi Ros, the poorest performing village, which had declining consumption between 2001 and 2004/05 and increased poverty in 2004/05, villagers reported significant well-being improvement and accelerated poverty reduction in the second half of the decade. Kompong Tnaot similarly reported accelerating well-being improvement and poverty reduction in the second half of the decade, even though the poverty headcount actually increased by 17 percent between 2001 and 2004/05.

**Figure 2.07: Percentage of Households under Community Poverty Line (CPL) 1993–2004/05**

In Kanhchor, which achieved income and consumption growth and moderate poverty reduction, the percentage of households under the community poverty line increased between 1998 and 2004/05, and well-being improvement (NPI) was slow, 0.13 for the period from 1993 to 2004/05. Andoung Trach, which achieved rapid poverty reduction and strong income and consumption growth, was also perceived by villagers to have achieved limited poverty reduction and well-being improvement.

#### *Perceived Well-Being Is Influenced by Past Events and Fears about the Future*

Perception-based measures may be more sensitive to emerging trends than data on income and consumption, which are necessarily focused on previous years. Perceived changes in well-being are likely to be influenced by important past events and the current context, as well as by fears and worries about the future. In five villages—Krasang, Ba Baong, Trapeang Prei, Dang Kdar and Prek Kmeng—perception-based well-being improvement was close to actual achievement in growth and poverty reduction; for example, Krasang had steady well-being improvement and achieved the greatest reduction in households under the poverty line between 1993-2004/05, while Dang Kdar experienced small decreases in both perceived and actual poverty. There were significant variations, however, between objective measures (consumption and income change and poverty reduction), and the perception-based measures discussed above in four study villages: Andoung Trach, Kanhchor, Kompong Tnaot and Khsach Chi Ros.

In Andoung Trach, the years between 1998 and 2004/05 are perceived to have been much tougher than the years from 1993 to 1998. Few households were reported to have moved out of poverty between 1998 and 2004/05 and even though living standards have risen, declining incomes from agriculture and fishing are said to have driven many households into debt. Most of the poorest households are returnees (refugees from camps along the border who resettled in the village in the early 1990s), which may also account for the negative perceptions of some respondents.

*“The returnees have nothing. Many of them have sold the land they received when they were resettled in this village. This is because they lacked money to clear their lands and start growing rice. They have to rely entirely on selling their labour in the village or along or across the Cambodia-Thai border, and collecting morning glory and edible insects to survive. Those who dare to take the risk of migration to Thailand and have the good fortune of not being cheated or contracting malaria are able to attain ‘medium’ status. However, such cases are few among the returnee group.”—Moved out focus group, Andoung Trach*

Access to forest resources is an important source of livelihood for villagers in Kanhchor. As forest access has been increasingly restricted, villagers have been forced to look for alternative ways to earn a living. They are pessimistic about the future and their prospects, given limited arable land and the concentration of newly cleared land in the hands of a few powerful interests.

*“Ordinary villagers ... have to pay 15,000 riels for transporting wood from the forest ... and some of them were hit because they are accused of cutting wood illegally. This issue has caused a drastic deterioration in the well-being of those who used to be better off, and the living conditions of the poor have also been getting worse ... There are only two or three people who can be at the top status, the rich and the powerful. In the future, if we do not take action against those four to 10 powerful people, including the high-ranking officials and the forest exploiters, we cannot hope to be able to eliminate poverty, even given a period of more than 100 years.”—Second community timeline focus group, Kanhchor*

In Kompong Tnaot living conditions are perceived to have improved, and poverty is decreasing according to recall-based evidence. In contrast, objective measures show that consumption is declining and poverty is rising. This village experienced conflict up to 1998, with Khmer Rouge soldiers confiscating goods and property. In addition, the village is spread over a large area, and villagers are less aware of community trends, which may also account for more positive perceptions among some respondents.

Finally, in Khsach Chi Ros, it is likely that the impact of prolonged armed conflict in the village until 1994/5 influenced people’s perceptions of well-being improvement, in particular since the 1998 election: conditions in this village are perceived to have improved markedly.

*“Prior to the defection of Pol Pot troops to the government, most villagers did not dare to sleep in their houses; most of the time they slept on the ground close to the security hole. Whenever Khmer Rouge or government troops came to the village, they took our chickens and ducks or burned our houses if we were not willing to give our belongings to them. It was bad luck for those who went fishing and met them. They asked us to get out of the boat, inspected and took everything we had.”—Moved into poverty focus group discussion, Khsach Chi Ros*

One indicator of improved security is that people are more willing to invest in and display assets than in the past. One of the first investments households make when they are able to increase income or accumulate savings is to improve their housing, which is therefore a sign of both economic well-being and improved security.

### ***Improved Housing in all Study Villages Is a Sign of Prosperity and Growth***

*“Housing has improved a lot over the past 10 years. In the past, we had only small thatched houses, but now we have houses made of wood with tin roofs ... and there are many big houses now. Housing is prioritised above all other living conditions except food.”—Second community timeline focus group, Krasang*

**Table 2.03: Recall-Based Improvements in Housing in 1993, 1998 and 2004/05**

Villages		Average house size (m <sup>2</sup> )		
		1993	1998	2004/05
<i>Strongly performing</i>	Krasang	25	26	30
	Ba Baong	24	27	31
	Andoung Trach	17	19	21
<i>Moderately performing</i>	Kanhchor	39	50	52
	Prek Kmeng	34	38	45
	Trapeang Prei	34	26	29
<i>Poorly performing</i>	Kompong Tnaot	26	30	34
	Dang Kdar	24	26	30
	Khsach Chi Ros	24	24	29
<i>All villages</i>	<b>Total</b>	<b>28</b>	<b>30</b>	<b>33</b>

Source: 863 panel households 2004/05

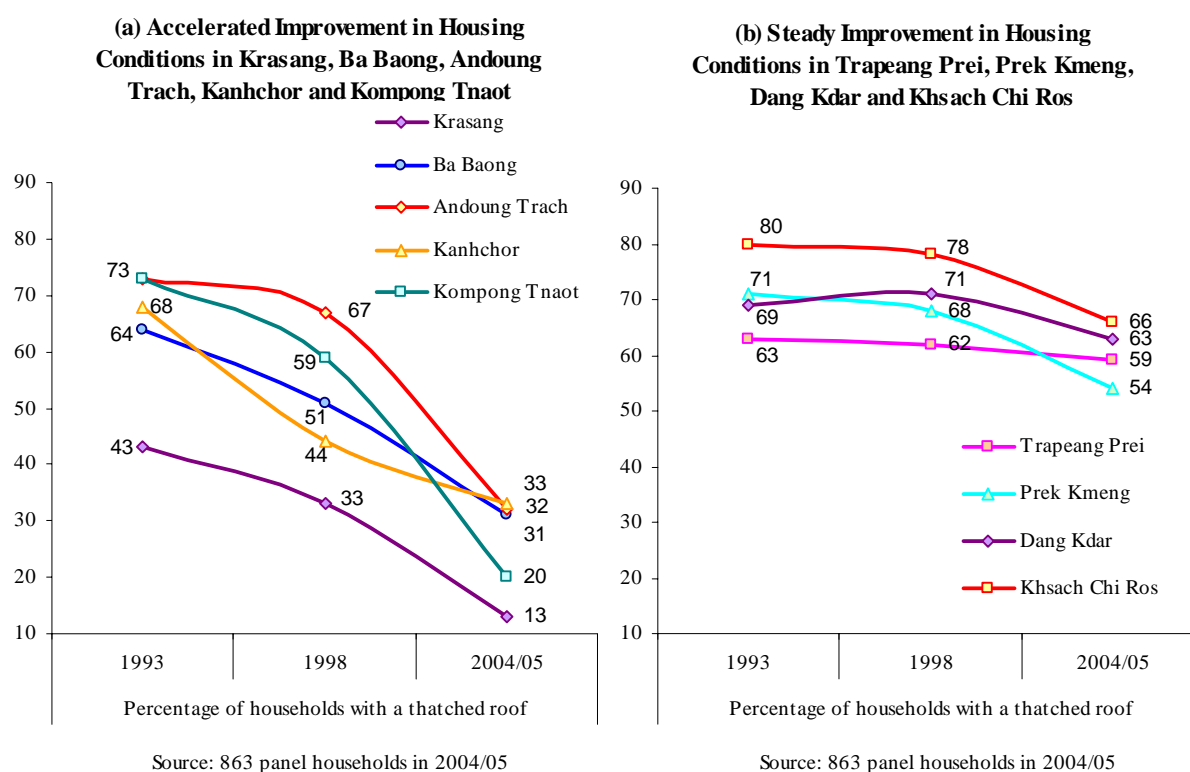
Housing has improved in all study villages, which is a sign of improved prosperity and growth. Thatched-roof houses are normally regarded as poor housing, difficult to secure from theft and poor weather. Those villages with a majority of thatched-roof houses are considered poor and are often achieving slow growth, while communities where incomes and consumption rose are able to reduce the number of households with thatched roofs (Figure 2.08).

According to recall-based data in the household survey, 41 percent of houses had thatched roofs in 2004/05, compared to 67 percent in 1993 and 59 percent in 1998. The strongly performing villages all achieved substantial decreases in the number of thatched-roof houses. Only 13 percent of houses still had thatched roofs in Krasang, compared to 31 and 32 percent in Ba Baong and Andoung Trach. The proportion of houses with thatched roofing is higher in moderately and poorly performing communities, between 54 and 66 percent in 2004/05.

The one unusual case is Kompong Tnaot, where only 20 percent of houses had thatched roofs in 2004/05, in part due to rising incomes from marine fishing and salt farming, but also because some households took loans to renovate their houses. Average house sizes have also increased in most communities, most notably in Prek Kmeng, also reflecting rising incomes over the study period (Table 2.03). Houses are unusually large in Kanhchor; however, this can be attributed to logging, because many villagers processed logs into timber to build houses for sale, in order to get around logging bans.

Improved housing is not as accurate an indication of trends in village prosperity between 2001 and 2004/05 as income and consumption, however. Qualitative data suggest that better housing reflects higher income and consumption over a longer period, rather than during the three years covered by the panel survey: it takes rural households between five and seven years to save enough money to invest in improving or building a house. Better housing may therefore reflect the maturation of savings rather than more recent earnings, for example in Prek Kmeng and Kompong Tnaot, where income growth has slowed and consumption is in decline.

*“It has taken several households almost 10 years to save enough money to build a better house ... Only a few poor families whose daughters have managed to find permanent employment in garment factories in Phnom Penh or Baek Chan or Kamboul since 1999 or 2000 can afford better housing ... But it is difficult to say that they are better off; for example, Ms Mak Apov, a single woman head of household, used all the money that her children earned in a garment factory in Baek Chan and sent to her to build a good house ... but there is nothing in her house.”—Village leader, Trapeang Prei*

**Figure 2.08: Improvement in Housing Conditions, 1993–2004/05**

The exception is when households take out loans to improve their housing: 7 percent of households with an outstanding loan in 2004/05 used the funds to build or renovate their houses. This was particularly common in Dang Kdar, Prek Kmeng, Trapeang Prei and Ba Baong.

As this discussion illustrates, both objective and perception-based measures are important to evaluate the extent of well-being improvement. Objective measures such as increases in per capita income and changes in the poverty headcount are necessarily time-bound, providing a window into people's experience, while perception-based measures are both backward and forward looking. In the Ladder of Life exercises, participants in study villages referred backwards to the peace dividend, and the confidence to gain and display assets that goes with improved security, while looking forward to an often gloomy or uncertain future, albeit from the vantage point of current (relative) prosperity. Their perceptions may prove to be a more accurate predictor of future progress than village performance between 2001 and 2004/05. This will be explored in the next round of the MOPS.

## 2.2. Moving Out of Poverty? Well-Being Improvement in the 890 Panel Households, 2001–2004/05

*“If we compare our livelihoods today to 1992/3, the majority of us have moved upward from the poor and destitute conditions that we faced then.”—Moved out of poverty focus group, Andoung Trach*

The MOPS investigates the extent to which individual households, across the sample as a whole and in each study village, were able to improve their well-being between 2001 and 2004/05. The relationship between household consumption and the poverty line is used to assess whether households were able to escape poverty, or whether they remained chronically poor, stayed non-poor or fell into poverty between 2001 and 2004/05.

Given the difficulty of accurately or precisely measuring consumption in multipurpose household surveys, a simple poor/non-poor binary division has not been used in this analysis. The poverty line is sensitive; even small inaccuracies in reporting consumption by households (which are very likely) can have significant consequences for the proportion of households estimated to be above and below the poverty line: a household just above the poverty line has more in common with a household just below it than with those spending considerably more or less. Any analysis based solely on whether households crossed an exact poverty line is therefore likely to be misleading. For the purposes of analysing the MOPS panel survey data, a threefold classification was therefore adopted, which distinguishes the poor (those well below the poverty line, labelled the “very poor”), the clearly non-poor (those well above the poverty line, labelled the “well off”) and those falling between 20 percent above and below the line, labelled the “moderately poor”.

***Just Over Half the Sample Maintained Their Status between 2001 and 2004; of Those Who Changed Status, Slightly More Moved Up than Down***

*“In general we’ve seen that those who move upward ... accumulate their wealth over time and never fall back down.”—Moved out of poverty focus group, Andoung Trach*

**Table 2.04: Mobility Trajectories: Percentage of Households Moving Up or Down or Remaining Stable, 2001–2004/05**

	2004/05 status					
2001 status	Households 2001	N	Very poor 2004/05	Moderately poor 2004/05	Well off 2004/05	Total
	<b>All households (890)</b>					
	Very poor 2001	243	51	36	13	100
	Moderately poor 2001	295	21	43	36	100
	Well off 2001	352	8	30	62	100
	Total 2001	890	24	36	40	100
	<b>Male-headed households (702)</b>					
	Very poor	183	49	38	13	100
	Moderately poor	235	23	45	32	100
	Well-off	284	7	31	62	100
	Total	702	24	37	39	100
	<b>Female-headed households (188)</b>					
	Very poor	60	58	28	13	100
	Moderately poor	60	15	37	48	100
	Well off	68	12	28	60	100
Total	188	28	31	41	100	

Source: 890 panel households in 2004/05

On the basis of per capita household expenditure (adjusted for inflation in 2004/05) recorded in the household survey, each of the 890 households surveyed in 2001 and 2004/05 was classified into one of these three groups for both survey years. The movement or non-movement of each household over the three years allows the sample to be segmented into nine groups, as shown in the nine cells in Table 2.04 and Table 2.05. Table 2.04 shows the changes in household status of the “very poor”, “moderately poor” and “well off” between 2001 and 2004/05, as a percentage of the number in each group in 2001. Table 2.05 shows each transition group as a percentage of the total sample of 890 households.

About 49 percent of the 243 households which were very poor in 2001 improved their status by one or two steps, while 51 percent remained very poor. Of the 295 households that were moderately poor in 2001, 21 percent moved down and were very poor in 2004/05, while 36 percent became well off and 43 percent maintained their status. Well-off households were the least likely to change their status; 62 percent remained well off, while 38 percent moved down by one or two steps.

Three groups of households did not change their status between 2001 and 2004/05: those who stayed poor (labelled “chronically poor”) the moderately poor (the “static middle”) and the well off (the “comfortably rich”). These households are represented by the shaded cells running down the middle of Table 2.04 from top left to bottom right. These “non-movers” account for 52 percent of the sample, implying a degree of stability for around half of rural households, at least for this three-year period. The comfortably rich are the largest single segment at 24 percent of the sample, while the “static middle” and “chronically poor” groups each represent around 14 percent.

The remaining 48 percent of households experienced some change, moving upwards or downwards by either one or two positions; these households are characterised as “movers”. Slightly more households moved up (26 percent, the three groups in the top right cells of the “All households” section of Table 2.05) than moved down (22 percent, the three groups in the bottom left cells of the same section). This suggests a net gain in upward mobility of around 4 percent for the 2001–2004/05 period, compared to a 1 percent reduction in the simple poverty headcount (proportion of households above or below the village poverty line) presented in Figure 2.06.

Of these “movers”, only a few households (around 7 percent) experienced a dramatic change in status, defined as moving upwards or downwards two positions (from very poor to well off, or from well off to very poor). Given the small size of these groups (each contains only about 3.5 percent of the sample or about 30 households) they have been combined with neighbouring groups for the purposes of analysis. The 14 percent of households in segments 6a “moving out of poverty” and 6b “rags to riches” have been relabelled “escaping poverty”, while the 15 percent of households in groups 5a “riches to rags” and 5b “slipping into poverty” have been relabelled “falling into poverty”.

**Table 2.05. Transitional Mobility Matrix for 890 Panel Households, 2001-2004/05: Definition and Percentage of Total**

2001 (status)	2004/05 (status)				
			Very poor	Moderately poor	Well off
	All households	Very poor	14 (1. Chronically poor)	10 (6a. Moving out of poverty)	4 (6b. Rags to riches)
		Moderately poor	7 (4. Deepening poverty)	14 (2. Static middle)	12 (7. Climbing into wealth)
		Well off	3 (5a. Riches to rags)	12 (5b. Slipping into poverty)	24 (3. Comfortably rich)
	MHH	Very poor	13 (1: Chronically poor)	10 (6a. Moving out of poverty)	3 (6b. Rags to riches)
		Moderately poor	8 (4: Deepening poverty)	15 (2. Static middle)	11 (7: Climbing into wealth)
		Well off	3 (5a. Riches to rags)	12 (5b. Slipping into poverty)	25 (3. Comfortably rich)
	FHH	Very poor	19 (1: Chronically poor)	9 (6a. Moving out of poverty)	4 (6b. Rags to riches)
		Moderately poor	5 (4. Deepening poverty)	12 (2. Static middle)	15 (7. Climbing into wealth)
Well off		4 (5a. Riches to rags)	10 (5b.Slipping into poverty)	22 (3. Comfortably rich)	

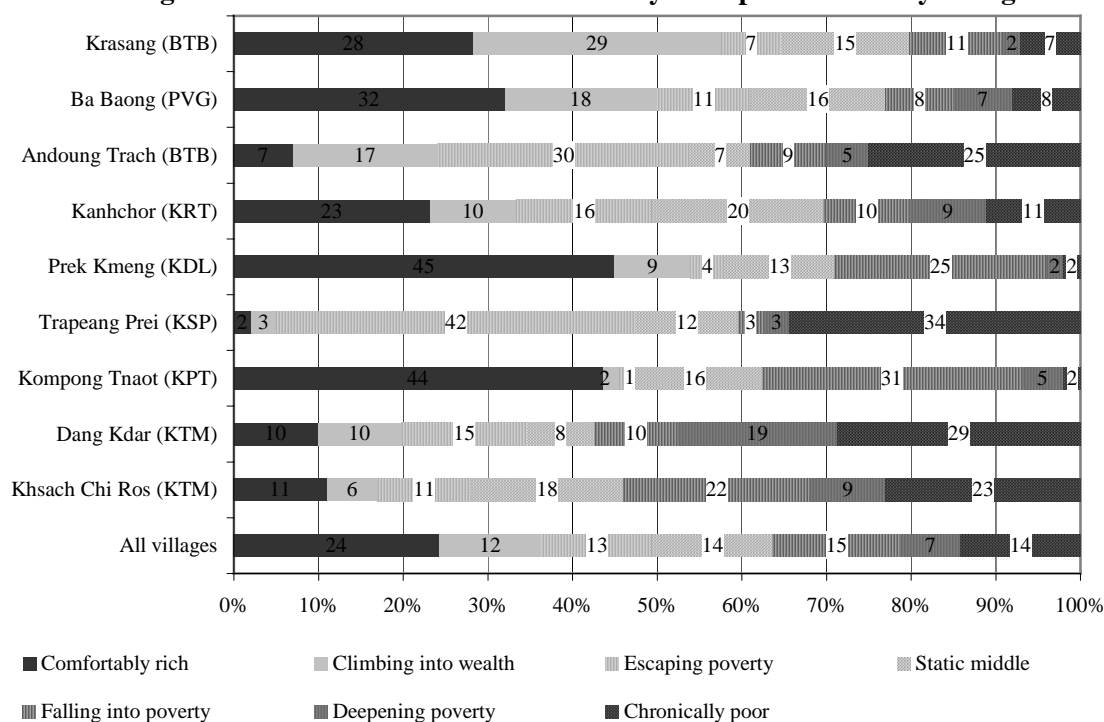
These seven groups are the main units of analysis used in the discussion of household mobility that follows.

### Strongly Performing Villages Have More Rich and Upwardly Mobile Households

Figure 2.09 shows mobility trends for each of the nine study villages. Those villages that performed strongly or moderately well in terms of income and consumption growth and of poverty reduction, had more households that moved upwards. In the case of Krasang and Ba Baong, only a few households fell into poverty or stayed chronically poor, while substantial numbers of households stayed comfortably rich. In the third strongly performing village, Andoung Trach, where 47 percent of households were able to improve their status, one-fourth of all households stayed poor. The proportion of non-movers and net gains in upward mobility (upwardly mobile minus downwardly mobile households) also varied between communities; Krasang and Ba Baong had higher proportions of non-movers, 50 and 56 percent respectively, and had net gains in upwardly mobile households of 23 and 14 percent respectively, while Andoung Trach had fewer non-movers (39 percent) and experienced a net gain of 33 percent.

Households in the three moderately performing villages, Kanhchor, Prek Kmeng and Trapeang Prei, experienced quite different mobility patterns. In Kanhchor, almost as many households moved down as moved up, 19 percent and 26 percent respectively, while almost a quarter stayed comfortably rich. Trapeang Prei experienced significant upward mobility *and* the greatest chronic poverty of all the study villages; 45 percent of villagers moved up (42 percent escaping poverty and 3 percent climbing into wealth) while 34 percent remained chronically poor. In Prek Kmeng 27 percent of households moved down, and while 45 percent remained comfortably rich only 13 percent were able to move upwards.

**Figure 2.09: Distribution of Each Mobility Group in Nine Study Villages**



Source: 890 panel households in 2004/5

Fifty-four percent of households in Kanhchor were non-movers compared to 48 percent in Trapeang Prei and 60 percent in Prek Kmeng. While Kanhchor experienced a net gain in upward mobility of 7 percent, Trapeang Prei experienced a 33 percent net gain, and Prek Kmeng had 14 percent more downwardly than upwardly mobile households. In other words, some villages were more volatile

(Andoung Trach and Trapeang Prei), while some had higher net gains in upward mobility than others (Krasang, Andoung Trach and Trapeang Prei).

### ***Poorly Performing Villages Have More Poor and Downwardly Mobile Households***

Those villages which performed poorly had more households that moved down. Dang Kdar and Khsach Chi Ros had high proportions of chronically poor households, with few households staying comfortably rich, although one quarter of villagers in Dang Kdar were able to improve their status. Finally, Kompong Tnaot had the highest percentage of downwardly mobile households, 36 percent, and although 44 percent stayed comfortably rich, only 3 percent of villagers were able to improve their status.

The poorly performing villages all had comparable proportions of non-moving households (47 percent in Kompong Tnaot compared to 52 percent in Dang Kdar and Khsach Chi Ros), but experienced quite different outcomes in net poverty reduction, although all these villages experienced greater downward than upward mobility. Kompong Tnaot had 33 percent more downwardly mobile than upwardly mobile households; Dang Kdar had 4 percent and Khsach Chi Ros 14 percent more downward than upward movers.

As this discussion illustrates, mobility groups are not equally distributed across communities. Household mobility reflects village trends and performance over the study period, as Chapters Three and Four will show. Sixty-three percent of all comfortably rich households are in just three villages (Prek Kmeng, Kompong Tnaot and Ba Baong). These villages experienced greater prosperity prior to 2001; however, Ba Baong, an accessible agriculture-reliant village, has continued to experience growth, while consumption fell in Kompong Tnaot and Prek Kmeng, both of which are fishing-dependent and affected by declining CPR. The falling into poverty segment is over-represented in Prek Kmeng and Kompong Tnaot (47 percent of households). Sixty percent of households in the climbing into wealth segment are in the strongly performing villages Krasang, Ba Baong and Andoung Trach, where incomes are rising as a result of improved agricultural productivity (Krasang and Ba Baong) and access to cross-border migration (Krasang and Andoung Trach). One quarter of all chronically poor households and one-third of households in the deepening poverty segment are in Dang Kdar, a less accessible forest-dependent village with limited arable land.

### ***Male- and Female-Headed Households Experience Different Trajectories***

As Tables 2.04 and 2.05 illustrate, male- and female-headed households experienced different mobility patterns between 2001 and 2004/05. Only 42 percent of female-headed households in the very poor group in 2001 were able to move up, compared to 51 percent of male-headed households in the same group. Fifty-eight percent of female-headed households in this group remained trapped in poverty compared to 49 percent of male-headed households.

Female-headed households in the moderately poor group showed much greater capacity to improve their status: 48 percent were well off in 2004/05 compared to only 32 percent of male-headed households who were moderately poor in 2001. However, upward movement by female-headed households appears to be less stable: 12 percent of female-headed households that were well off in 2001 had fallen sharply into the very poor group by 2004/05 compared to only 7 percent of male-headed households.

There was almost no difference between non-movers: 53 percent of male- and 52 percent of female-headed households did not change their status between 2001 and 2004/05. A larger proportion of female-headed households moved upwards (about 29 percent of female-headed households compared to 24 percent of male-headed households). A smaller proportion of female-headed households moved down (19 percent compared to 23 percent of male-headed households). However, fewer female-

headed households were able to maintain their well-off status (22 percent compared to 25 percent of male-headed households).

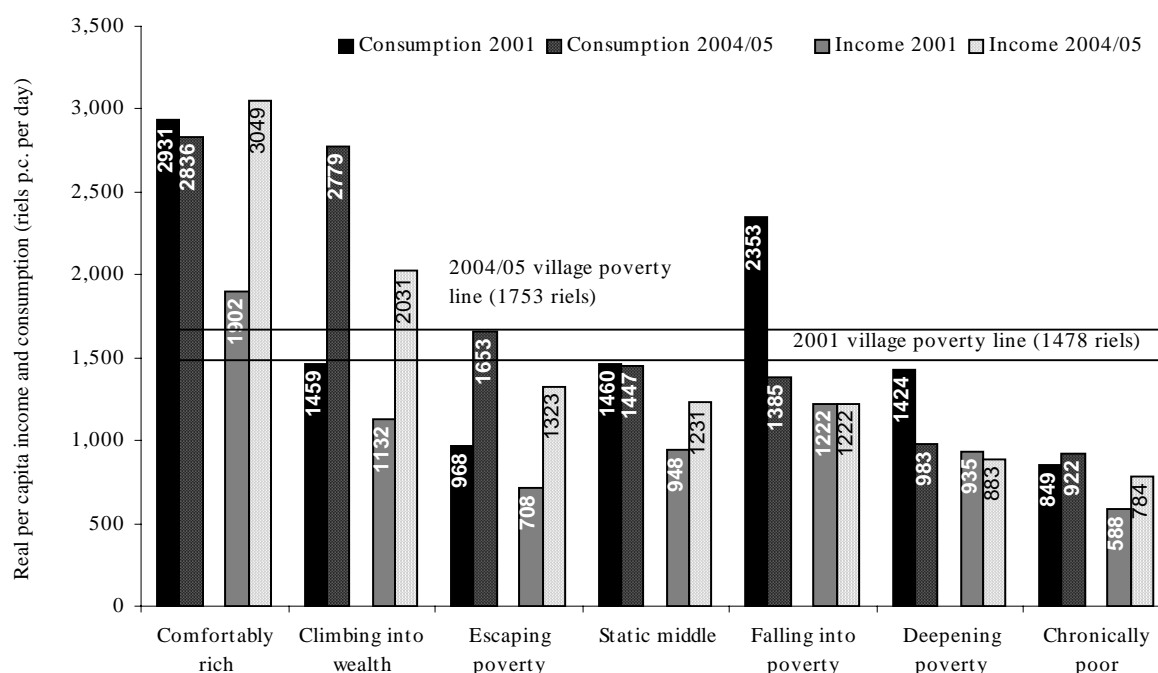
It appears that female-headed households that moved up did so, not by increasing agricultural production (where they experience a relative disadvantage due to smaller landholdings and fewer adults who can participate in production) but by accessing new employment and small business opportunities. Fewer dependants are also an advantage for these households.

One possible explanation for the instability of upward movement among female-headed households is that they have fewer earners (1.7 on average compared to 2.1 in male-headed households). At the same time, upwardly mobile female-headed households increased consumption more than male-headed households in the same mobility groups, implying less capacity to save, and perhaps higher expenditure on health care. These households are more vulnerable to shocks; they have fewer earners who can continue to generate an income if a breadwinner falls sick or dies, and smaller savings to cushion them from family shocks and crises.

### ***Rich and Upwardly Mobile Households Gained the Most from Rising Incomes, with Significant Increases in Per Capita Consumption***

Across the nine villages, average real per capita income rose by 46 percent, from 1160 riels per day in 2001 to 1692 riels per day in 2004/05. Average real per capita consumption rose by only 3 percent, from 1800 riels in 2001 to 1854 riels per day in 2004/05. Increases in income and consumption were significantly higher in the comfortably rich and upwardly mobile groups, while consumption and income fell in the downwardly mobile groups (Figure 2.10, 2.12a and 2.12b).

**Figure 2.10: Per Capita Consumption and Income by Mobility Group 2001 & 2004/05**



Source: 890 panel households in 2004/05

The comfortably rich increased average per capita income by 60 percent, while their consumption *fell* by 3 percent. This segment has the highest value assets of any mobility group and experienced the greatest increase in the value of assets between 2001 and 2004/05, suggesting its members are directing surplus funds into savings and accumulation rather than consumption. Among the upwardly mobile groups, average per capita incomes increased by 81 percent in the escaping poverty segment, and by 79 percent in the climbing into wealth group. Per capita consumption increased by 71 percent in the escaping poverty segment and by 90 percent in the climbing into wealth group. Consumption was much higher among households climbing into wealth than in other segments.

### ***Consumption and Income among Poorer Households Are Well below the Poverty Line***

Average per capita incomes also increased among the poorer non-mover groups: the static middle and the chronically poor experienced an increase of 30 and 46 percent respectively. However, given lower average incomes, the amounts involved were very small. These two segments also experienced a slight increase in consumption.

Unsurprisingly, households in the downwardly mobile groups experienced static incomes and falling consumption. The deepening poverty group experienced a 6 percent decrease in income and a 31 percent decrease in consumption, while average incomes in the falling into poverty group remained stable, and consumption fell by 41 percent. The gap between average per capita consumption and income was much higher among the falling into poverty segment in 2001 than in 2004/05, perhaps indicating the use of credit and asset sales to fund consumption (including high expenditure on health care), which may also help to account for the downward movement of these households.

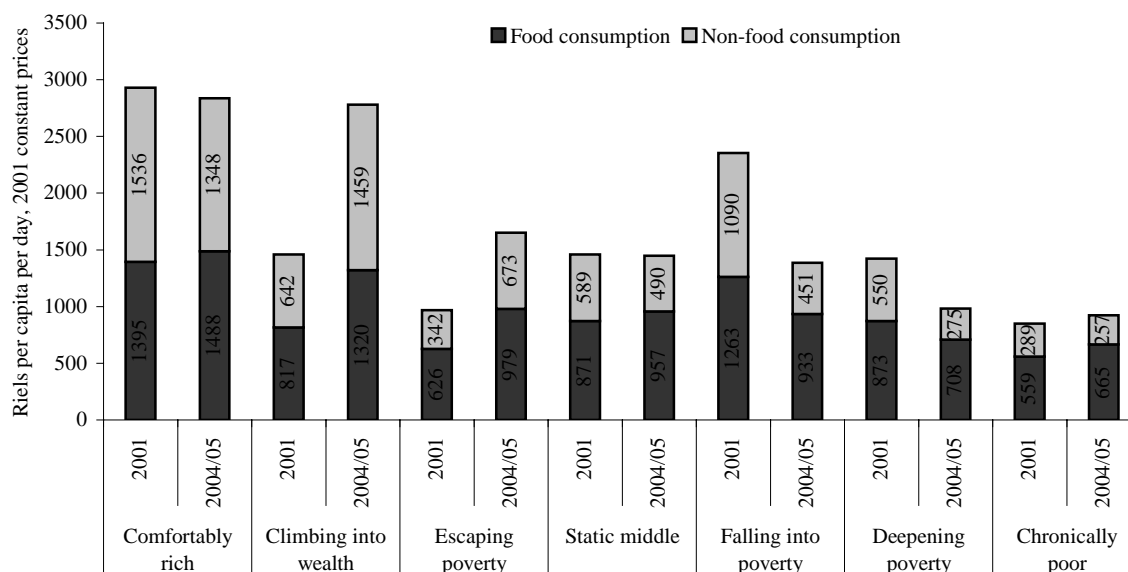
For five of the mobility groups—the chronically poor, stable middle, deepening poverty, falling into poverty and escaping poverty segments, between them accounting for 64 percent of study households—average per capita consumption was well below the absolute poverty line of 1753 riels per person per day for all study villages (Figure 2.10). Households in the chronically poor segment earned just 784 riels per person per day, while those in the deepening poverty segment earned 883 riels a day. Consumption for households in these two mobility groups was 47 and 44 percent below the poverty line in 2004/05 respectively: this is a critical finding, given that in Cambodia most poor households are said to be located close to the poverty line, so that small increases in income and/or consumption can quite dramatically alter poverty rates (Murshid 1998: 5). Data on food security, use of loans to support consumption and asset sales, together with qualitative information gathered in focus groups, do, however, tend to support the MOPS finding, as discussed below in Chapters Three and Four.

### ***Consumption Patterns Vary by Village, Mobility Groups and Sex of Household Head***

*“People’s living conditions in this village have slightly improved over the past four to five years. There are more motorbikes in addition to bicycles, and many villagers have a small colour TV at home and live in good, big houses.”—Male youth focus group, Kanhchor*

The balance between food and non-food consumption varies between villages and mobility groups, with non-food consumption increasing significantly among upwardly mobile households, in particular the climbing into wealth group. As road and market access has improved, rural Cambodians have begun to acquire commodities. By 2004/05, 43 percent of panel households had a television (compared to 18 percent in 1998), 26 percent had a cassette player (18 percent in 2001) and 29 percent had a radio (24 percent in 2001). Sixty-three percent of households had a bicycle (up from 44 percent in 1998) and 19 percent had a motorbike (12 percent in 1998) (Table 2.08 in the Annex to Chapter Two).

**Figure 2.11: Food and Non-Food Consumption by Mobility Group, 2001 & 2004/05**



Source: mean per capita consumption (unweighted) of 890 panel households, 2004/05 deflated by 18.59 percent inflation based on 2001 prices

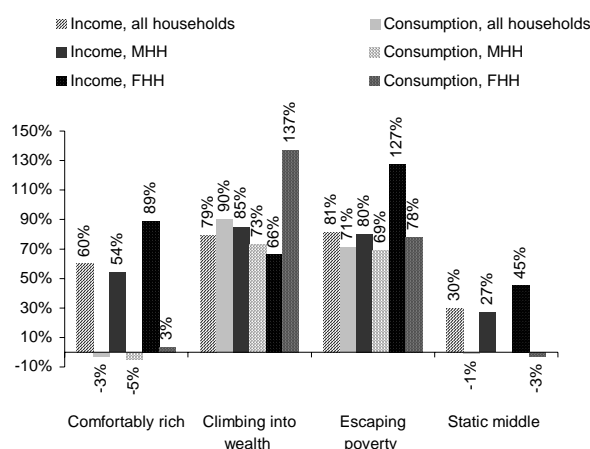
Consumption remained relatively static among the non-moving households: households in these three segments increased their food consumption slightly, while their non-food consumption declined. Households in the upwardly mobile segments increased both food and non-food consumption, while food and especially non-food consumption fell among the downwardly mobile groups, most markedly among those households falling into poverty.

There were significant differences between male- and female-headed households in the upwardly mobile segments. Female-headed households in the climbing into wealth segment increased their non-food consumption by 236 percent compared to 88 percent for male-headed households in this group, while those in the escaping poverty group increased non-food consumption by 109 percent, compared to 94 percent for male-headed households in the same segment.

While it is often suggested that female-headed households spend more on health care and education (Chant 2003: 29, Lee, S. 2006), this was not the case for all female-headed households in the nine study villages. Although female-headed households in the sample did spend more on health care and treatment, they spent less on education. However, upwardly mobile female-headed households not only spent considerably more on health care than their male counterparts, but also spent as much or more on education (Table 2.09, Annex to Chapter Two). This suggests that when more income is available, female-headed households do spend more on the welfare of members than do male-headed households.

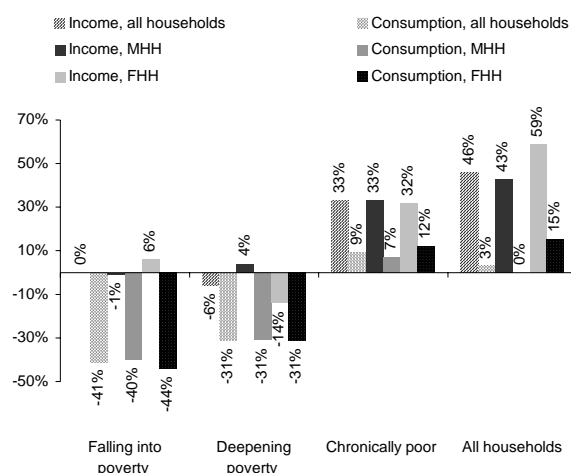
As noted earlier, higher non-food consumption among upwardly mobile female-headed households may also help to explain the instability these households experience compared to their male counterparts: they are less likely to accumulate savings and more likely to move down as a result of family shocks and crises, including illness.

**Figure 2.12a: Change in Real Per Capita Income and Consumption, 2001-2004/05, Rich, Upwardly Mobile and Static Middle Households**



Source: 890 panel households in 2001 and 2004/05. 2004/05 income and consumption deflated by 18.59 percent

**Figure 2.12b: Change in Real Per Capita Income and Consumption, 2001-2004/05, Downwardly Mobile, Poor and All Households**



Source: 890 panel households in 2001 and 2004/05. 2004/05 income and consumption deflated by 18.59 percent

### ***Male- and Female-Headed Households in Different Mobility Groups Showed Varying Capacity to Improve Incomes and Increase Consumption***

As Figures 2.12a and b show, male- and female-headed households in the upwardly mobile segments experienced quite different changes in income and consumption between 2001 and 2004/05. Comfortably rich female-headed households had a 89 percent increase in income and a 3 percent increase in consumption, compared to a 54 percent increase in income and a slight (3 percent) drop in consumption among male-headed households. Interestingly, female-headed households climbing into wealth increased consumption by 137 percent, and income by only 66 percent, while male-headed households in this segment had a 85 percent and 73 percent increase in income and consumption respectively. Male-headed households in the escaping poverty segment increased consumption by 69 percent and income by 80 percent, while female-headed households increased incomes by 127 percent compared a 78 percent increase in consumption.

Among downwardly mobile groups, male-headed households in the deepening poverty group had a 4 percent increase in income, while their consumption fell by 31 percent. Female-headed households in this group experienced falling incomes, by 14 percent, and consumption, by 31 percent. In contrast, female-headed households in the falling into poverty group experienced a 6 percent increase in incomes, but had a 44 percent decline in consumption. Male-headed households experienced no change in income and a 40 percent decline in consumption.

Finally, chronically poor female- and male-headed households experienced similar increases in consumption and income. Consumption change was also similar in the static middle segment, although female-headed households there increased their incomes by 45 percent compared to 27 percent for male-headed households.

Female-headed households in the escaping poverty and falling into poverty segments had lower incomes in 2001 than their male counterparts, and the increases they received simply raised their incomes to more comparable levels by 2004/05. In the upwardly mobile segments, female-headed households were able to raise their incomes substantially by employing different income generation

strategies—more dependent on selling labour and small business and less on agriculture—than their male counterparts. Higher consumption than income in the upwardly mobile climbing into wealth segment may not represent a rise in living standards. As suggested earlier, these households may be sustaining high consumption (to meet costs of health crises and crop failures) through asset sales, borrowing or use of savings, and their upward mobility may be quite transitory as a result. This suggests that consumption alone is not a sufficient measure of living standards for specific groups and that other measures such as income and assets, as well as analysis of consumption patterns, are required.

### ***Movement Out of Poverty Is Substantial but Unstable***

A substantial proportion—26 percent—of households were able to move out of poverty between 2001 and 2004/05, but this movement was unstable, in particular for female-headed households with fewer earners, higher consumption and less “insurance” (in the form of breadwinners and savings) against shocks and family crises. In addition, because around 22 percent of households moved down during the same period, the net effect was a 4 percent upward movement between 2001 and 2004/05. The capacity to move out of poverty was also dependent on location, with just under half of all upwardly mobile households located in the three strongly performing villages, Krasang, Ba Baong and Andoung Trach, while downwardly mobile and poor households were concentrated in the poorly performing villages. Even though strongly performing villages achieved good net gains in poverty reduction, they also experienced rising income inequality, as discussed in Section 2.3 below.

In addition, while there was progress on poverty reduction in the strongly and most moderately performing villages, a majority of households, including those in the upwardly mobile escaping from poverty’ segment, were unable to raise consumption above the absolute poverty line. With average per capita daily consumption of 2836 riels, even comfortably rich households in the MOPS villages cannot be considered wealthy, compared to the richest quintile Cambodia-wide, whose per capita consumption rose to 7067 riels in 2004 (World Bank 2006: 27).

Most panel studies focus on differentiating the chronically poor, who are “always” poor and whose status does not improve over time, from the transitory poor, who are able to escape poverty but sometimes fall back into it at a later date. In the MOPS, the net gain in upward mobility was just 3 percent, suggesting that the capacity of many households to hold on to improved well-being is tenuous. It is possible that there is considerable churning as households move in and out of poverty; however, it is possible to define the transitory poor only when three periods are available for analysis. A further round of the MOPS will be required to fully understand the extent to which upward movement is permanent or transitory.

### **2.3. ‘The Rich Get Richer and the Poor Get Poorer’: Rising Inequality and Social Stratification**

*“The gap between the rich and the poor has been getting wider ... as the common saying goes: ‘The rich are getting richer. They keep on increasing the price of pots and jars that they are trading. The poor are getting poorer. They keep on decreasing the price of charcoal and firewood that they are producing.’”—Moved out of poverty focus group, Dang Kdar*

In its 2006 Poverty Assessment, the World Bank notes that rising inequality is inevitable in the transition from a poor centrally planned economy to a market economy, and that as long as absolute poverty falls, rising inequality is not in and of itself a problem (World Bank 2006: 29); it is in a sense a side effect of economic growth. As the 2006 Poverty Assessment and other international studies point out, however, a *high* degree of inequality is correlated with slower economic growth and poverty reduction. High inequality constrains growth and acts as a brake on poverty reduction in the following circumstances: when access to economic opportunities is unequal, for example because the

poor can't participate in credit markets or invest in human capital; when pronounced economic inequalities lead to institutions that favour the rich over the poor; and when trust in public institutions is undermined, leading to instability and conflict (World Bank 2007: 5-6, Ravallion 2005: 16).

While consumption data from household surveys are commonly used to measure changes in inequality, ownership of assets may be more reliable than expenditure flows because asset ownership can be more easily observed, and because assets are means of production used to generate income (Harriss 2007: 7). Even in circumstances where overall inequality is static, there may be gainers and losers who cannot be identified in cross-sectional surveys (such as the CSES) but only in panel surveys (such as the MOPS) (Ravallion 2005:3).

Importantly, consumption-based measures of change in the poverty headcount and inequality do not take into account the socio-political dimensions of inequality. These dimensions are often ignored in poverty research, in particular the relationship between distribution of economic resources and political power. Poverty cannot be separated from the social processes which lead to the accumulation and distribution of wealth; to do so leads to a focus on the poor and their characteristics, rather than the wealthy and their role in perpetuating poverty and inequality (Harris 2007: 17). As noted in Chapter One, previous CDRI studies have shown that political and economic power are interlinked in Cambodia: the rich use their wealth to buy power and influence and the powerful use their social and political capital, networks and influence to build wealth. Locally, elites capture the gains from growth while the poor are locked out (Ballard 2007, Pak *et al.* 2007).

This section therefore focuses on inequality from two perspectives: changes in inequality between households and communities, using consumption, income and assets as key measures of change, and perceptions about changing inequality drawn from focus group discussions, which necessarily include both economic and socio-political dimensions.

A key finding is that inequality between households and communities increased significantly between 1993 and 2004/05. While the aggregate well-being of villages and households has improved, and a majority of households experienced some improvement in living standards, inequality has reportedly increased. According to recall-based evidence, inequality has increased sharply in the past five years. Critically, inequality has risen fastest in those villages which performed strongly on income and consumption growth, in particular Krasang and Ba Baong, as well as in the moderately performing village of Kanhchor. As discussed below, this suggests that the benefits of economic growth are not being shared among households and among communities, but are increasingly concentrated in the hands of the better off, in particular the comfortably rich and upwardly mobile households in strongly performing communities.

### ***Socio-Economic Stratification Emerged in the Early 1990s, Following the Reintroduction of Private Property Rights***

*“In 1993, we all seemed equal ... there was almost no one who was rich.”—Moved into poverty focus group, Krasang*

In 1993, villagers recall, most people were more or less equally poor, although there were some disparities in land ownership between male and female households in rural areas. This was a direct result of Cambodia's history and the civil war period.

Between 1975 and 1979, all property rights and social classes were eliminated by the Khmer Rouge. Under the Khmer Rouge regime, no private ownership of property or assets was permitted; humans, animals and inanimate property all belonged to the state. Agriculture, especially rice production, was the top priority, and everybody had to work in the fields. “After the failure of the Khmer Rouge in 1979, the country was devastated ... [there was] widespread famine, millions of displaced and starving people returned to their home villages” (Sik 2000: 4).

The new government was faced with severely damaged infrastructure, a lack of human resources and limited foreign support (mainly from the Communist bloc). Property rights were established for farming land; due to labour shortages and a lack of draft animals and production equipment, collectives of 10–15 people (*krom samakki*) were created to help produce the required food.

The *krom samakki* were unable to provide sufficient food security. As a result, the government decided to reform the whole economy and adopt a free market economy, reintroducing private property rights in 1989. Each household received 1–2 hectares of arable land, depending on household size, to prepare for the introduction of a free market economy. However, people's livelihoods were largely unchanged, with most rural households still reliant on subsistence agriculture. Households fell into two groups, characterised by their subsistence production: food sufficient or non-poor and food insufficient or poor.

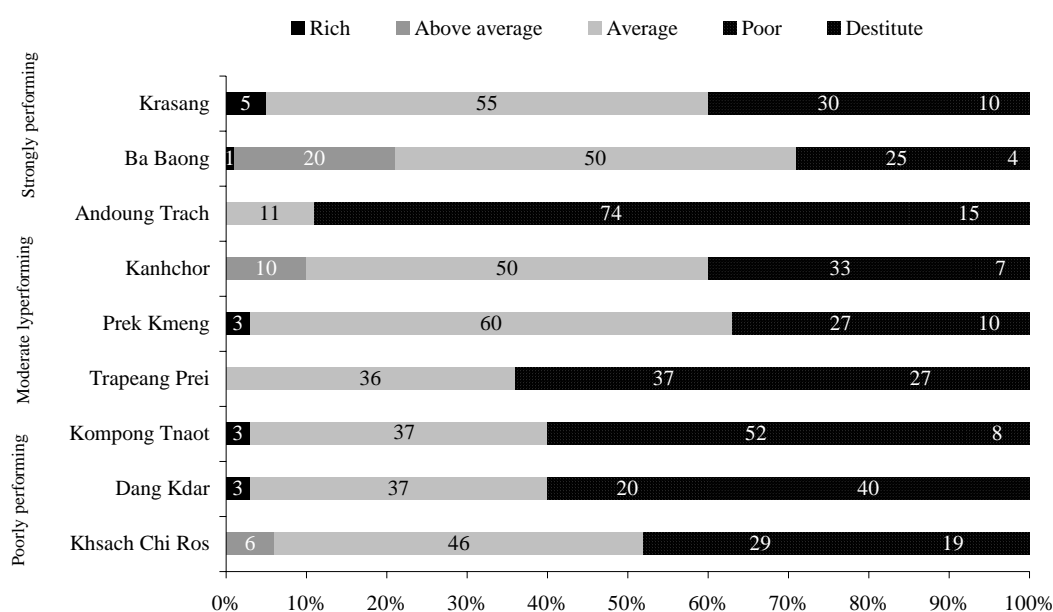
Households with sufficient adult male labour and farming equipment were able to convert inundated or shrub land for rice production and thus increase their landholdings. Many of these households were able to produce surplus rice for sale, using their savings to establish other businesses or purchase land from poorer households. According to FGDs, some households, in particular female-headed households without adult labour or draft animals, were at a disadvantage, since they were granted smaller landholdings and were unable to clear other land for production. Lack of adult male labour also constrained their ability to access other opportunities for income generation, including employment.

*“Five percent of village households, especially the single female-headed households, became destitute in 1993 after land distribution in 1989. That was because they had few members and received small lands, lacked male labour and farming tools and often had poor harvests, then sold their farm land to neighbours and became worse and worse off.”—Moved into poverty focus group, Ba Baong*

### Stratification Has Accelerated since 1998

According to participants in qualitative exercises in each village, differences in livelihoods and well-being have grown since 1993, accelerating rapidly after the 1998 election, in particular in those villages experiencing strong growth.

**Figure 2.13: Household Socio-Economic Groups by Village 2004/05**



Source: Average figure derived from various estimates reported in three or four focus groups in each village

While three groups of households—average, poor and very poor—were reported to have emerged by 1998, in 2004/05 some villages had experienced even more differentiation, with four to five groups or classes now apparent: the rich, above average, average, poor and destitute. Although these groups were defined differently within and between villages, all participants stressed that new groupings were evident and that inequality was increasing.

However, it should be noted that a “rich” household will be defined differently in a well-off community than in a poorer village. Rich and above average households were not perceived to exist in all communities, while the other three “classes” occurred in all the study villages. The characteristics of each socio-economic group are described below.

**Rich households** are perceived to exist in only five of the study villages—Krasang, Ba Baong, Prek Kmeng, Dang Kdar and Khsach Chi Ros. These households are characterised by secure incomes derived from multiple sources. They own 5–10 hectares of arable land and let some of this land to other households for cultivation. They live in large wooden or fairly good concrete houses. Women in these households tend to run small businesses as traders and moneylenders. They own one or two vehicles such as tractors or hand-tractors, which they use for farming, but also for taxi businesses to earn extra income (usually run by adult men). They hire 5–10 of their poorer neighbours to work for them, depending on the size of their businesses. Most of their children are able to complete high school and often get good jobs. They generate savings and use these to buy more land. They remain in good health. Rich households have good social networks that provide them with up-to-date information about new markets and other income generation opportunities. They own televisions, radios and a few motorbikes as well as mobile phones, which are used in their businesses.

**Above average households** are found in only three villages—Ba Baong, Kanhchor and Khsach Chi Ros. They are similar to rich households but have accumulated less wealth. They own two to three hectares of arable land (in Kanhchor and Khsach Chi Ros) and in Ba Baong up to nine hectares. Like rich households, they have constant income from multiple sources including rice farming, renting farm machinery, rice milling, moneylending and petty trade. They are able to accumulate enough capital to buy tools to increase their income, for example tractors or hand-tractors to cut more wood (in Kanhchor) or fishing equipment (in Khsach Chi Ros and Ba Baong). They own four or five cows, a television, radio and one or two motorbikes. Some of these households can provide their children with an education in Phnom Penh.

**Average households** are the largest group in most villages, with the exception of Kompong Tnaot, Andoung Trach and Dang Kdar, where more households are perceived to be poor or destitute. They normally experience good food security and own one to three hectares of arable land (up to five hectares in Andoung Trach). They own fairly good houses and a few cattle and have some farming equipment. Some of these households regularly borrow money to invest in production, from either rural credit schemes or local moneylenders. As a result, only a few have a rice surplus to sell after their loans are repaid. In addition to farming rice, they sell labour in or outside the village. Most have televisions or radios and a few bicycles. Some own motorbikes or hand-tractors and have small rice mills. Some of the women in these households run small businesses such as village grocery shops or are petty traders.

**Poor households** are reportedly present in large numbers in Andoung Trach, Kompong Tnaot and Trapeang Prei. They tend to live in small thatched houses, have five or six children and commonly face food shortages for four to five months even when harvests are good. These households keep some livestock, such as pigs or poultry. They rely heavily on access to CPR available in their area, and on selling labour within or outside the village. Often their earnings are simply used to repay loans. Their children, especially girls, quit school after only a few years to help their parents eke out a living. They often fall sick and become indebted due to the cost of health care.

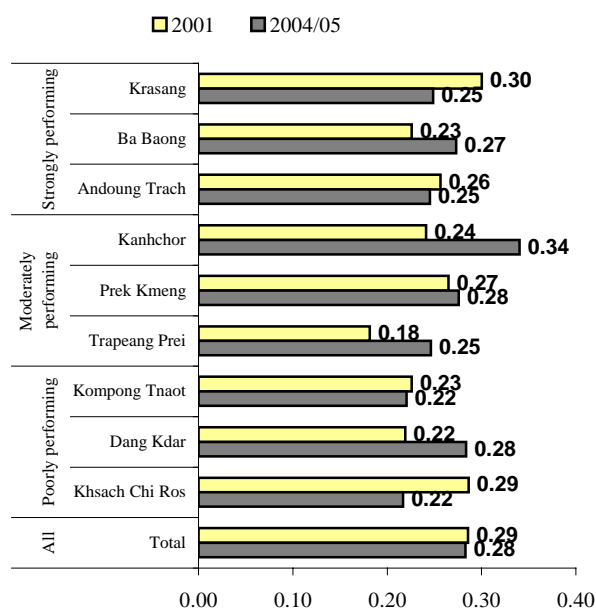
Destitute *households* are more common in Dang Kdar, Trapeang Prei, Khsach Chi Ros and Andoung Trach than in other villages. They are often headed by women, older people or people with disabilities. They frequently have large families, of six or seven children, and no assets and live in small fragile cottages on land owned by another household. They earn income on a hand-to-mouth basis, or work in exchange for food. The household heads can barely manage to earn enough to feed themselves, so all family members have to work in order to eat. The children of these households are unable to attend school. People in these households often fall sick, and domestic violence is reportedly prevalent in these families. This group is said to be beyond the reach of current development policy and development assistance, including emergency aid.

**Consumption and Non-Land Asset Inequality Was Stable, Income Inequality Rose, and Landholding Inequality Fell, 2001–2004/05**

*“Since 1998 the gap between the rich and the poor has been getting wider and wider. The rich have been growing faster than the poor. For instance, the rich can earn 30,000 riels per day while the poor can earn only 5000 riels per day. The rich make money for savings while the poor make money for spending.”—Male youth focus group, Kompong Tnaot*

Analysis of household survey data shows differences in consumption, income and asset inequality between villages and in the aggregate for all panel households. The Gini coefficient for per capita consumption fell slightly, from 0.29 to 0.28, for all panel households between 2001 and 2004/05 (Figure 2.14a), and was lower than the consumption Gini for rural Cambodia in 2004, 0.35 (World Bank 2007: 21). Consumption inequality rose in four villages (Ba Baong, Kanhchor, Trapeang Prei and Dang Kdar), fell in two villages (Krasang and Khsach Chi Ros) and was stable in the remaining three (Andoung Trach, Prek Kmeng and Kompong Tnaot).

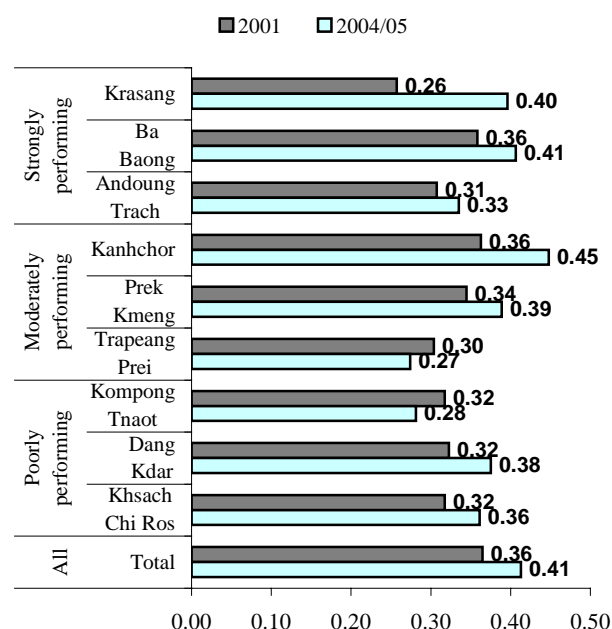
**Figure 2.14a: Consumption Inequality (per capita daily consumption) 2001–2004/05**



Gini Coefficient

Source: 890 panel households in 2004/05

**Figure 2.14b: Income Inequality (per capita daily income) 2001–2004/05**



Gini Coefficient

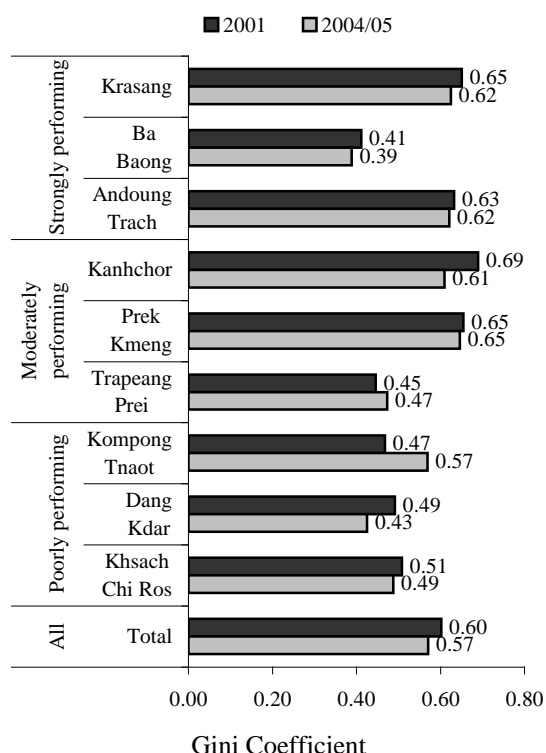
Source: 890 panel households in 2004/05

The Gini coefficient for per capita income in the study villages rose from 0.36 in 2001 to 0.41 in 2004/05 for all panel households (Figure 2.14b). Most villages, in particular Krasang and Kanhchor, experienced rising income inequality, although income inequality appears to have fallen slightly in Trapeang Prei and Kompong Tnaot. Income inequality is higher than consumption inequality, 0.41 compared to 0.28 for consumption in 2004/05.

Land and non-land asset inequality, like income inequality, is much higher than consumption inequality, consistent with the high Gini coefficient for landholding inequality for the country as a whole, at 0.65 (World Bank 2007: 56). Inequality in landholding size fell slightly between 2001 and 2004/05, from 0.60 to 0.57, while non-land asset value inequality rose from 0.62 to 0.63. Again, there was significant variation between the study villages. Krasang had high asset inequality in 2004/05 but inequality had fallen for both landholding size and non-land assets in this village. In Ba Baong, landholding inequality was much lower at 0.39 and had also fallen slightly, while non-land asset inequality rose by 0.03 to 0.55 in 2004/05. Andoung Trach experienced a slight decline in inequality for both land and non-land assets.

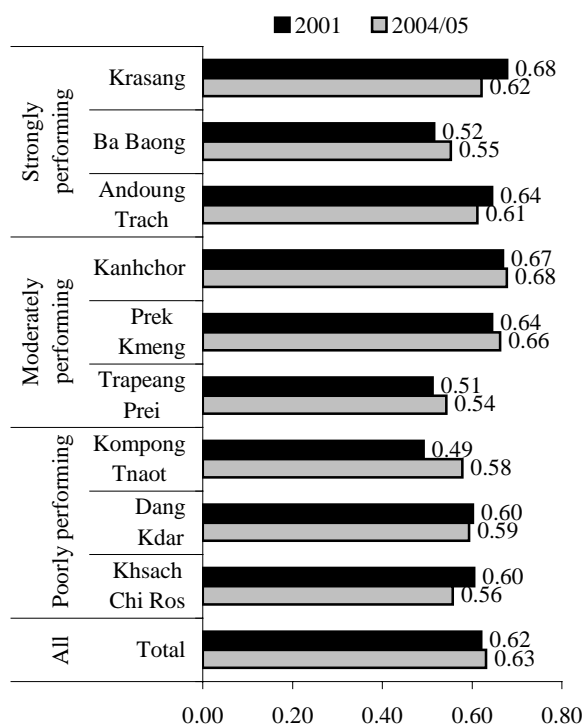
Of the moderately performing villages, landholding inequality fell in Kanhchor, while non-land asset inequality was static; landholding inequality was static in Prek Kmeng, while non-land asset inequality rose slightly; in Trapeang Prei asset inequality rose slightly. Of the poorly performing villages, Kompong Tnaot had an increase in asset inequality; Dang Kdar had a decline in landholding asset inequality and static non-land asset inequality, while Khsach Chi Ros experienced a decline in both.

**Figure 2.14c: Land Asset Inequality**  
(landholding per household (ha))  
2001-2004/05



Source: 890 panel households in 2004/05

**Figure 2.14d: Non-Land Asset Inequality**  
(assets per household)  
2001-2004/05



Source: 890 panel households in 2004/05

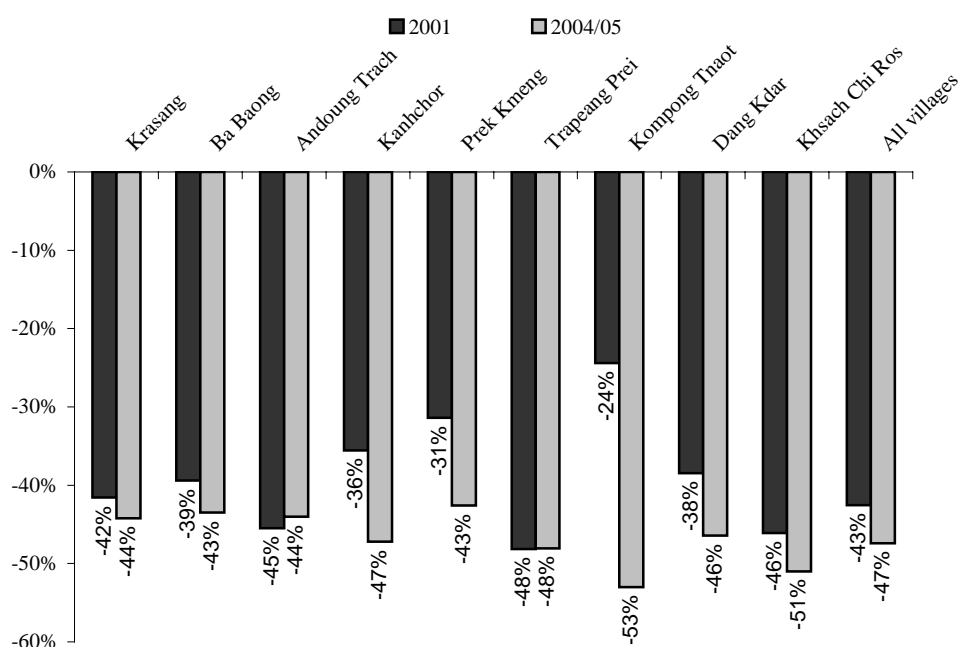
For all study villages, therefore, aggregate consumption and asset inequality was relatively stable, although asset inequality was very high, in particular for non-land assets. Income inequality increased significantly over the three years, however. This suggests that, consistent with the findings of the World Bank Equity Report 2007, inequality rose in the study villages prior to 2001, most markedly in terms of asset accumulation, but did not increase more recently. However, the rise in income inequality does suggest an aggregate change in the distribution of wealth and in the study villages. It will be very interesting to determine whether these trends still hold between 2004/05 and 2008: one possibility is that income inequality will have contributed to rising asset inequality as households invest savings in asset accumulation.

***The Gap Has Increased between Consumption and Income of the Wealthiest Households in Better Off Villages and the Poorest Households in Poor Villages***

As noted earlier, aggregate data may obscure household gains and losses. A second way to examine changing inequality between better off and poor households is to look at the changes in real consumption, incomes and assets between the villages. While the number of households in the seven mobility groups within each village is relatively small (one or two households in some cases), it is also interesting to compare differences in consumption, income and asset holdings between the richest and poorest households in each community.

In 2001 the consumption ratio between the villages with the highest and lowest average per capita consumption (Kompong Tnaot and Trapeang Prei) was 2.5:1. In 2004/05 the ratio of average per capita consumption between the villages with the highest and lowest per capita consumption (Prek Kmeng and Khsach Chi Ros) was 1.7:1, consistent with falling consumption and declining consumption inequality. In 2001 the ratio of average per capita consumption between the wealthiest and poorest mobility groups (comfortably rich and chronically poor) was higher at 3.5:1. In 2004/05 the ratio had fallen to 3.1:1, reflecting falling consumption among the comfortably rich.

**Figure 2.15: Difference between Average Per Capita Consumption of Chronically Poor Households and Village Poverty Lines, 2001-2004/05**



Source: 890 panel households in 2004/05

While not statistically reliable, it is also interesting to note that in 2004/05 the ratio between consumption of households climbing into wealth in Kanhchor (with the highest consumption of all households, at 4761 riels per capita per day) and chronically poor households in Khsach Chi Ros (with the lowest consumption, 819 riels per capita per day) was 5.8:1. In 2001, the ratio between consumption of comfortably rich households in Krasang and chronically poor households in Khsach Chi Ros was 4.5:1 (Table 2.10 in the Annex to Chapter Two).

In addition, the poorest households (chronically poor and deepening poverty) had consumption well below the village poverty line in all communities in 2004/05. In the chronically poor households, average per capita daily consumption was 40–50 percent below the village poverty line in most villages, 53 percent below in Dang Kdar and 51 percent below in Khsach Chi Ros. In 2004/05 the consumption of chronically poor households in most villages had fallen even further below the village poverty line than in 2001, or was static in relation to the poverty line.

In most villages the comfortably rich and climbing into wealth households had per capita consumption considerably above the village poverty line. Trapeang Prei was the exception, comfortably rich households in this village having average per capita expenditure only just above the village poverty line (1852 riels per day), while upwardly mobile households had considerably higher consumption (2466 riels for climbing into wealth households and 2000 riels for households escaping poverty). The “surplus” (average per capita consumption above the poverty line) decreased in all comfortably rich households between 2001 and 2004/05, contributing to the fall in aggregate consumption inequality. At the same time, the value of their assets increased considerably, as discussed below.

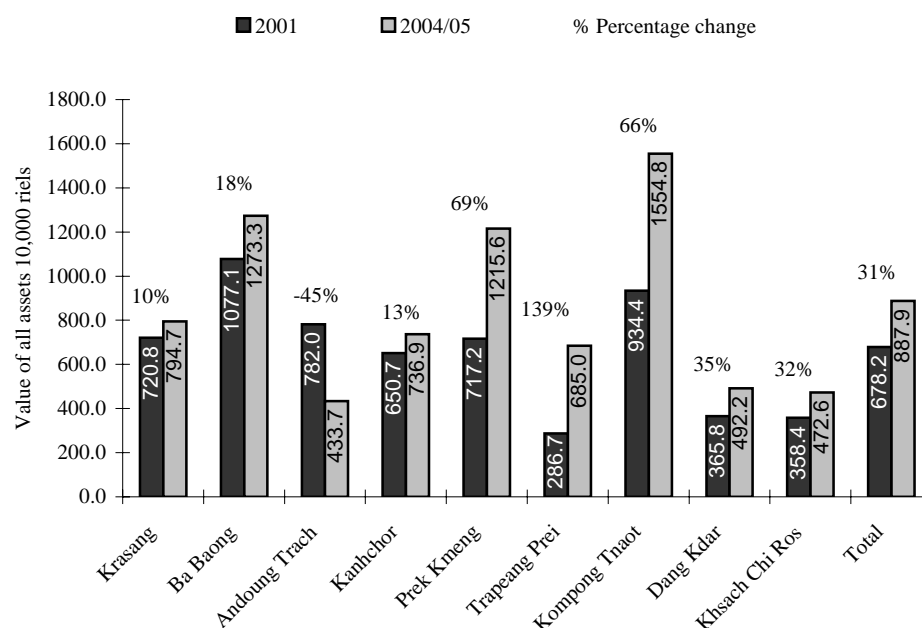
In 2001 the ratio between average income in the village with the highest per capita income (Prek Kmeng) and average income in the village with the lowest average per capita income (Dang Kdar) was 2.5:1. In 2004/05 the ratio between average per capita income in the village with the highest average per capita income (Krasang) and the village with the lowest per capita income (Khsach Chi Ros) was 2.9:1. The income gap increased even more markedly between the wealthiest and poorest mobility groups. In 2001 the ratio of income of comfortably rich households to chronically poor households was 3:2, in 2004/05 it was 3.9:1.

In 2001 the ratio between the average per capita incomes of the best off and worst off households (the comfortably rich in Prek Kmeng and the chronically poor in Dang Kdar) was 5.1:1. In 2004/05 the ratio between average income in the very wealthiest households (the comfortably rich in Ba Baong, with average per capita income of 4201 riels per day) and the very poorest households (the chronically poor in Khsach Chi Ros, with average per capita income of just 445 riels per capita per day) was 9.4:1 (Table 2.11 in the Annex to Chapter Two). Chapter Four examines the sources of income and direction of change in detail. However, it is worth noting that the increase in per capita incomes in villages such as Ba Baong comes primarily from agriculture, while in villages such as Khsach Chi Ros incomes of poor households are falling primarily as a result of declining CPR.

### ***Disparities in Consumption and Income Are Reflected in the Accumulation of Assets in Villages and Households***

*“We can distinguish between the rich and the poor based on assets in this community. The rich have modern motorbikes, brand new in 2004, while the poor have very old bicycles.”—Female youth focus group, Krasang*

**Figure 2.16: Change in Value of All Assets, Including House and Land, by Village, 2001-2004/05**



Source: value of all assets (un-weighted) of 890 panel households in 2004/05.  
Prices are nominal and have not been deflated.

Those villages with higher proportions of comfortably rich and climbing into wealth households (often the only households in a village with average per capita consumption above the poverty line) had more valuable assets in 2004/05 (Figure 2.16 and Table 2.06). These include the strongly performing villages of Krasang and Ba Baong, as well as two moderately and poorly performing villages, Prek Kmeng and Kompong Tnaot. Land values rose significantly in the latter two communities, by 222 percent in Prek Kmeng and 184 percent in Kompong Tnaot. These households also had the highest proportion of comfortably rich households of all villages (45 percent of households in Prek Kmeng and 44 percent in Kompong Tnaot), the mobility group that experienced the greatest increase in asset value between 2001 and 2004/05. While aggregate consumption fell in these two villages, and income rose only slightly, comfortably rich households have been able to maintain consumption and invest in asset accumulation. At the same time, a substantial proportion of households in these villages moved into poverty. The next MOPS will assess to what extent comfortably rich households in these villages are able to maintain their wealth or are affected by the slow growth and increasing poverty in their villages.

Those villages with higher proportions of downwardly mobile and chronically poor households, including the poorly performing villages Dang Kdar and Khsach Chi Ros, were still able to increase the value of their assets between 2001 and 2004/05 but had assets of lower overall value in 2004/05 than other communities.

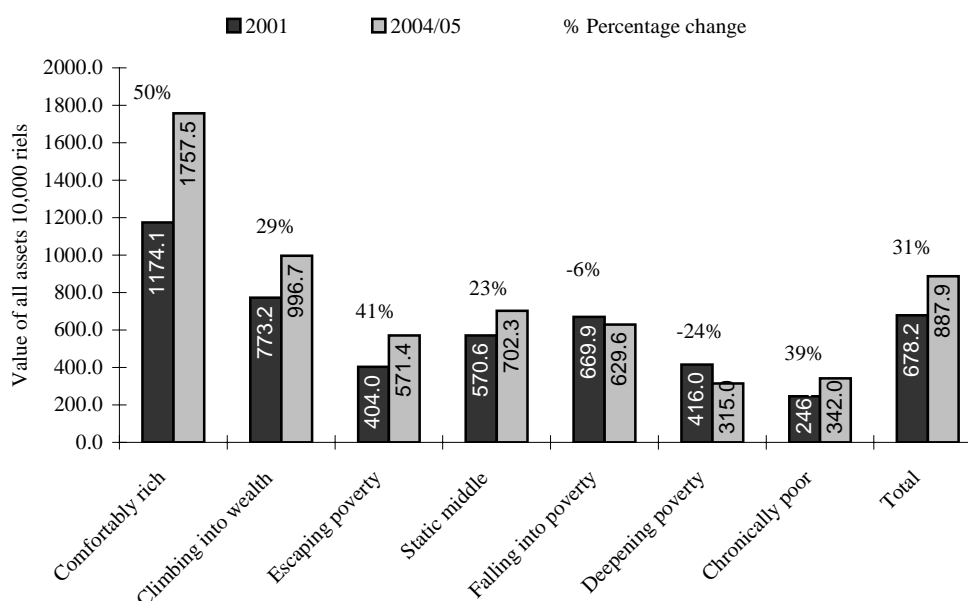
Two exceptions should be noted. Trapeang Prei, which had the second fastest rise in per capita income between 2001 and 2004/05 (Figure 2.03), also generated the highest percentage increase in the value of household assets of all the study villages (139 percent). Most of the increase was due to the rise in land values in this village (by 193 percent), with land prices being driven up by land speculation. Andoung Trach, on the other hand, had a substantial decline in the value of household assets, in particular agricultural land. Land values fell by 49 percent in this community. In addition, 16 percent of households in this village sold their land between 2001 and 2004/05, which may help to explain the declining value of assets, in particular agricultural land, in this community (Table 2.06).

**Table 2.06: Change in Mean Value of Assets by Village (in 10,000 riels per household), 2001–2004/05**

	House			Residential land			Agricultural land			Change in land values (price per ha)
	2001	2004/05	Change	2001	2004/05	Change	2001	2004/05	Change	2001–2004/05
Krasang	133.3	146.6	10%	273.9	163.4	-40%	297.0	383.8	29%	73%
Ba Baong	336.9	329.5	-2%	249.7	272.7	9%	299.7	502.5	68%	45%
Andoung Trach	93.2	114.9	23%	137.3	118.1	-14%	438.8	147.3	-66%	-49%
Kanhchor	230.7	317.0	37%	139.0	149.6	8%	92.1	136.5	48%	126%
Prek Kmeng	348.4	616.1	77%	131.5	223.0	70%	81.7	241.9	196%	222%
Trapeang Prei	71.8	209.9	192%	40.7	157.2	286%	64.9	253.2	290%	193%
Kompong Tnaot	256.1	293.9	15%	361.2	773.6	114%	192.9	280.4	45%	184%
Dang Kdar	218.4	204.7	-6%	33.1	81.2	145%	25.3	91.2	260%	52%
Khsach Chi Ros	90.2	177.1	96%	67.3	34.5	-49%	85.0	137.5	62%	88%
<b>All villages</b>	<b>213.2</b>	<b>281.7</b>	<b>32%</b>	<b>170.4</b>	<b>230.8</b>	<b>35%</b>	<b>171.9</b>	<b>246.5</b>	<b>43%</b>	<b>99%</b>

Source: value of all assets (unweighted) of 890 panel households in 2004/05. Nominal prices for 2004/05 assets have been included without price deflation.

In 2001 the ratio between the value of assets held by the village with the highest value of assets (Ba Baong) and the value of assets held by the village with the lowest value of assets (Khsach Chi Ros) was 3:1. In 2004/05, the ratio between the value of assets held by the village with the highest value of assets (Kompong Tnaot) and those held by the village with the lowest value of assets (Andoung Trach) was 3.5:1.

**Figure 2.17: Change in Value of All Assets, Including House and Land, by Mobility Group, 2001–2004/05**

Source: value of all assets (un-weighted) of 890 panel households in 2004/05. Prices are nominal and have not been deflated.

As shown in Figure 2.17 and Table 2.07, the value of assets belonging to the comfortably rich and upwardly mobile segments increased significantly between 2001 and 2004/05, by 50 percent for the comfortably rich group, 29 percent for those climbing into wealth and 41 percent for those escaping poverty. The static middle and the chronically poor were able to increase the value of their assets by

23 percent and 39 percent respectively between 2001 and 2004/05, but had assets of considerably less value than the better off households.

Households in the downwardly mobile groups experienced a decrease in the value of their assets of 6 percent for the falling into poverty group and 24 percent for the deepening poverty group. Some households in the downwardly mobile groups sold their houses and land, in order to fund consumption and deal with shocks such as ill health and to repay loans (see the discussion on landlessness in Chapter Three). In 2001 the ratio between the value of assets belonging to households in the comfortably rich segment and those belonging to the chronically poor was 4.8:1, by 2004/05 this had risen to 5.6:1.

**Table 2.07: Change in Mean Value of Assets Held by Mobility Groups (in 10,000 riels per household), 2001–2004/05**

Mobility group	House			Residential land			Agricultural land		
	2001	2004/05	Change	2001	2004/05	Change	2001	2004/05	Change
Comfortably rich	436.3	553.6	27%	267.8	532.9	99%	268.3	384.9	43%
Gradually into wealth	213.2	314.0	47%	191.7	206.7	8%	184.9	307.6	66%
Escaping poverty	117.8	180.7	53%	93.0	129.4	39%	118.0	195.6	66%
Static middle	139.4	244.8	76%	165.0	147.0	-11%	148.7	230.9	55%
Falling into poverty	167.0	196.4	18%	196.1	149.6	-24%	223.3	216.1	-3%
Deepening poverty	175.7	87.7	-50%	97.1	65.8	-32%	63.9	101.3	58%
Chronically poor	59.8	105.3	76%	63.0	78.0	24%	67.2	124.5	85%
<b>Total</b>	<b>213.2</b>	<b>281.7</b>	<b>32%</b>	<b>170.4</b>	<b>230.8</b>	<b>35%</b>	<b>171.9</b>	<b>246.5</b>	<b>43%</b>

Source: value of all assets (unweighted) of 890 panel households in 2004/05. Nominal prices for 2004/05 assets have been included without price deflation.

This examination of changes in village and household consumption, income and asset holding suggests that consumption at the top and bottom ends of the spectrum does not reflect the actual situation of the wealthiest and poorest households. The rich are not spending as much as in the past, but are saving and investing in assets; hence their consumption is falling even as their incomes rise. The upwardly mobile are using rising incomes to fund consumption, accumulating assets but at a slower rate than the comfortably rich. The downwardly mobile are experiencing falling incomes and consumption, sometimes turning to asset sales to fund consumption and cope with shocks, while the chronically poor are living in deepening poverty (further below the poverty line than in the past) despite slight increases in income, consumption and the value of assets. While consumption inequality has decreased in aggregate, it has risen in some communities. In addition, rising aggregate income inequality and high asset inequality indicate that better off households have a greater share of livelihood assets and wealth, while the situation of the poor is static or worsening. This suggests that growth, while lifting aggregate consumption, income and value of assets, and moving some households out of poverty, is not altering the circumstances of the very poor.

### ***Social and Political Capital and Access to Opportunities and Services Are Concentrated in the Hands of Better Off Households***

*“With high incomes, the rich have enough food to eat and thus stay in good health ... they do not use a lot of energy and tend to do non-labour-intensive work ... Unlike the rich, the poor work hard in hazardous and tough environments, do not have enough food to eat and so frequently fall sick.”—Moved into poverty focus group, Krasang*

Qualitative research in study communities suggests that inequality is rising and constraining economic growth and poverty reduction, due to the intersection of economic wealth and socio-political power and influence. Participants in focus groups stressed that it is not only income and assets, but also social and political capital and access to opportunities and services that are increasingly concentrated

in the hands of better off households. While these dimensions of inequality are discussed in more detail in Section 3.3 of Chapter Three, they are outlined briefly here.

Rising inequality was very strongly emphasised in FGDs in all study villages. Participants in all villages spoke about the multiple dimensions of inequality and the way that economic wealth and socio-political power interact and are mutually reinforcing. The richest households in a community have networks and relationships that facilitate access to resources and decision making, allowing them greater access to natural resources as well as new economic opportunities and employment. Poor households lack these networks and are therefore unable to access these resources and opportunities, in particular when corruption costs are involved.

*“The rich have money and also power, while the poor always starve and are powerless ... the poor are getting poorer and do not have any relations with forest authorities necessary to run a wood cutting business ... The rich are getting richer; the rich spend money under the table [bribes] and have special relations for easy access to wood cutting businesses ... and ... the rich and the poor are now clearly distinguished ... The rich are heavily involved in corruption and are enjoying running wood cutting businesses while the poor cannot get access to this business and have to depend on selling labour.”—Moved into poverty focus group Dang Kdar*

Better off households are more easily able to invest in human capital. They are better able to afford to spend money on health and education, keeping their family members in good health and their children in school longer. Unlike the poor, they tend not to work in physically demanding jobs that lead to health problems, and they have better food security, which also helps them to maintain good health. The poor must take any opportunities available to them, even when they are physically demanding or dangerous.

*“The rich are rarely sick because they have enough food to eat and stay in good health ... they complete a lot of non-physical tasks and send their children to school for better education ... The poor have one or two plates, have no house and no arable land, no cattle or buffaloes, do a lot of physical tasks in tedious working environments ... the poor do not have a permanent job and sell labour, doing any kinds of tasks offered by others .... they therefore tend to work too hard when there are many job opportunities and sometimes do nothing when the others do not need any labour ... the poor do not usually keep their children in school for longer than grade two or three.”—Female youth focus group, Dang Kdar*

Poorer households are dependent on better off households in their communities for employment and sometimes for assistance. Often poor households have no choice but to accept this employment and no capacity to negotiate the terms of their work, including wages. This creates resentment and a feeling of exploitation, in particular when better off households are seen to benefit from illegal activities, access to natural resources that are restricted under the law or corruption.

*“The rich become richer while the poor remain trapped in poverty or become worse off. The reason for inequality in this community is that the better off have large arable land and are able to hire the poor and destitute to work for them. They just use only their brain and money in order to get high earnings, while we use strong labour and get very little pay in return.”—Female youth focus group, Andoung Trach*

Often, better off households are the moneylenders and traders in their communities, exercising virtual monopolies over some products such as rice through interlocked credit arrangements that require farmers to sell to them at reduced prices to repay loans. Their economic power translates into control over access to markets and use of natural resources, and a disproportionate say in decision making in their communities. Poorer households are unable to challenge this power because of their financial dependence on these households.

*“The rich normally influence the poor in this community. For instance, a few rich households that are rice traders now take care of the access road in the village ... They work closely with the pagoda committee to repair the road ... The negative side is that the rich dominate the rice market and form their control territory ... Other traders are afraid to come into this village to buy our rice. Therefore, we have limited options to sell our produce. It is hard to say that they put pressure on us because many of us normally seek help or buy farm inputs on credit from the village traders ... We can sell our rice to whoever we prefer, but in the end they will not listen to us when we need help from them.”—Community Synthesis Report, Ba Baong*

Critically, better off households are able to ensure a positive outcome when conflicts, including legal disputes, arise. They are able to buy their way out of trouble or use their influence to secure a favourable decision or have an issue overlooked or resolved in a way that benefits them. Poorer households typically are unable to pay the costs, and lack influence or social networks that can be mobilised to ensure a favourable outcome. Poor and destitute households express the view that they are increasingly locked out of these relationships and networks, and that discrimination against poor households is increasing.

*“The rich have more wealth, so their voice is important ... For example, in any conflict between the rich and the poor, the poor are the losers and the rich are the winners, no matter whether the rich have committed any misconduct. They are always the winner if they spend their money on the police or the government authorities.”—Stagnant focus group, Khsach Chi Ros*

*“The rich build good relationships with the rich and move upwards quickly ... while the poor are left behind and are [only] able to build relationships with the poor ... Discrimination has emerged and is increasing ... Discrimination has already created some problems of inclusion and exclusion in village gatherings ... Some people are happy, while others are struggling to survive ... it’s a big worry, really.”—Male youth focus group, Ba Baong*

Participants in all study villages reported that traditional forms of social capital, such as labour exchange, which previously provided a measure of protection for the poor, have been replaced by labour selling and other market-based forms of exchange. Mutual help and assistance, while strong in the aftermath of the Pol Pot period, have been eroded by the emergence of a cash economy and increasing competition for declining natural resources.

*“People still take turns and help one another to harvest or transplant, but the trend of such activity has declined, especially during the last three or four years ... because the medium households now have money and prefer to hire labour and save their time to do other businesses ... Before, people would share wild animals that were caught, but people have to purchase even the lemon grass now. This change has occurred when cash society played a role in our village, especially after the Pol Pot regime ... When society develops, people tend to seek their own interests and benefits and tend to forget the solidarity or collaborative efforts ... before, if we wanted shrimps for our soup, we just asked from one another, but now we have to spend money for that.”—Moved-out focus group, Dang Kdar*

Rising inequality was perceived to contribute to poverty because economic and socio-political resources and power are increasingly concentrated in the hands of better off households, while the poor are increasingly locked out of opportunities to improve their status. In addition, as discussed in Chapter Three, corruption and weak rule of law are reportedly contributing to rising inequality as better off households either pay corruption costs in order to go about their business or actively benefit from rent seeking and informal payments, while poorer households, which can ill afford these costs, lose precious income and resources as a result.

### Gender Norms Are Changing, but Inequalities Persist

The MOPS suggests that perceptions of gender equality and women's rights are changing, partly as a result of recent media, government and civil society initiatives to promote women's rights and participation. For example, participants in focus group discussions commented:

*"Men and women have equal rights; husbands and wives have equal rights."—Moved into poverty focus group, Dang Kdar*

*"Women have full support from the laws of the nation. Therefore, men and women have equal rights; they are aware of their rights and will not provoke fighting, which can cause problems for their family."—Moved into poverty focus group, Kompong Tnaot*

However, participants also pointed out that this progress was only "skin deep" and that while these rights may exist in theory, it is very difficult for women to exercise them in practice. In reality, gender inequalities persist; men still have greater power and privileges in the household and in the community.

*"A man and woman in principle should have the same rights. However, a man is reported to have more rights, therefore more freedom, than a woman in this community because they still have control over family decision making and can walk late at night or go anywhere they wish. By contrast, the movement of a woman is still culturally and socially restricted and involves high risks if they try to do the same as a man or go a greater distance in search of better earnings without any male or elderly companion."—Community Synthesis Report, Ba Baong*

Other dimensions of gender inequality are discussed in more detail in Chapters Three and Four.

It should be noted that while participants in all villages talked about rising inequality between rich and poor households, no rich households were reported to exist in four of the study villages (Andoung Trach, Khsach Chi Ros, Kanhchor and Trapeang Prei). It is likely that comments by some respondents actually reflect perceptions about differences between the rich and the poor *in general*, rather than in their own community. These perceptions may also be shaped by encounters with powerful outsiders such as middlemen, traders, government officials and businesspeople (those who provide the "strong back" so often mentioned in focus groups), who often reap the greatest benefits from a community, in particular through extraction of natural resources.

In addition, while they may be perceived by other villagers to be rich, better off households are not accumulating wealth on the same scale as urban elites. Although most comfortably rich and climbing into wealth households had average per capita consumption well above the poverty line, most of these households were still earning less than USD1 per capita per day in 2004/05. Their wealth is relative, appearing more substantial when compared to the often extreme poverty of their neighbours.

### Inequality Is Rising and Is Constraining Poverty Reduction

The MOPS suggests that while consumption inequality is static, income inequality is rising, and asset inequality, while stable, is very high. While consumption has fallen among the comfortably rich, both comfortably rich and upwardly mobile households are earning more and investing more in assets than in the past. Downwardly mobile households are experiencing declining incomes and consumption, as well as declining asset values, while poor households are falling further below the poverty line. Households in strongly performing communities are benefiting the most, with higher average incomes and consumption and more households moving out of poverty. Households in moderately and poorly performing communities are losing out, including in those villages (Prek Kmeng and Kompong Tnaot) which did well prior to 2001 but are now experiencing slow income growth, falling consumption and rising poverty. Although some households in these two villages have maintained

high incomes and consumption and invested in assets, many have moved into poverty. The poorest households, in particular in the poorest villages, appear to be trapped in poverty and are unable to raise their living standards.

In addition, access to economic opportunities and human services such as health and education, as well as to social and political capital, is increasingly concentrated in the hands of comfortably rich and upwardly mobile households. As incomes rise, the means of production and income generation are more and more unequally distributed between households and villages. Many households are locked out of opportunities to increase their income and improve well-being, and socio-economic stratification is widening as a result.

The MOPS suggests that inequality *is* a problem for Cambodia: the poor *are* being locked out of economic opportunities and the chance to invest in human capital, institutions *are* favouring the rich over the poor, and trust in public officials *is* declining, in particular higher officials, as discussed in Chapter Three. While economic growth has clearly benefitted some households and communities, inequality does appear to be constraining poverty reduction. Better off households are pulling ahead; poor households do not appear to be catching up, but are falling further behind.

*“It is not easy for the poor to catch up with the average because the poor earn little and not enough for food and have lots of outstanding debts accumulated over time ... How can they move out of poverty in such a situation? ... In the end, they have to sell their small plots of land to repay their loans ... Losing land is a loss of food security ... The poor have no land or other assets to rely on ... no capital to invest in alternative businesses ... Most poor here take a new loan to repay an outstanding loan, meet food shortages or cure sick household members ... If someone falls into this vicious poverty, it is almost impossible for them to escape ... There is no hope for the destitute to escape chronic poverty without help from a humanitarian programme.”—Village key informants in Trapeang Prei*

## **Chapter Three.**

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### **Factors in Community Well-Being and Household Mobility: Conditions and Contexts**

### **Summary**

- The end of armed conflict was an important milestone in village development, leading to improved security, greater freedom of movement and more open travel and communication in study villages. Villages that experienced the “peace dividend” earlier, including the strongly performing villages Ba Baong and Andoung Trach and the moderately performing village Prek Kmeng, have been able to focus on income generation for longer periods. Villages that experienced active conflict up to the time of the second national election, including the strongly performing Krasang, and poorly performing Dang Kdar and Khsach Chi Ros, have had a shorter time in which to build prosperity.
- Strongly performing villages are located close to national roads and provincial towns and have good roads, enjoying better access to markets and employment, including over the Thai-Cambodian border (in the case of Krasang and Andoung Trach). Of the moderately performing villages, two are more isolated (Kanhchor and Prek Kmeng) while Trapeang Prei is well located, with good roads. Among the poorly performing villages, Kompong Tnaot is more accessible, while Dang Kdar and Khsach Chi Ros are more isolated. Prek Kmeng and Khsach Chi Ros are inaccessible by road for five to six months a year. More isolated villages lack opportunities for trade and employment, sell their produce at lower prices because of transport costs and pay more for food and other goods.
- Strongly performing villages (in particular Krasang and Ba Baong) have good soil and irrigation, mainly cultivating rice, while most moderately and poorly performing villages (apart from Prek Kmeng and Khsach Chi Ros) are CPR-reliant, with poor soil and no irrigation. Poorly and moderately performing villages are particularly affected by the declining availability of CPR, including fish stocks and forests, as a result of over-exploitation and illegal fishing and logging. These villages rely more on growing other crops and raising livestock than do strongly performing communities.
- Rice yields for wet and dry season rice increased in Krasang and Khsach Chi Ros and Ba Baong, while dry season rice yields increased in Prek Kmeng between 2001 and 2004/05. No other village was able to increase rice yields substantially, and some villages (Andoung Trach, Kanhchor and Trapeang Prei) experienced declining yields. Only 35 percent of households produced enough rice for their consumption in 2004/05, ranging from 62 percent of households in Ba Baong to only 11 percent in Prek Kmeng. More households in moderately and poorly performing villages experienced food insecurity. Better off households with larger landholdings had sufficient rice to meet their own needs.
- While development interventions were limited, strongly performing villages received more development assistance than other communities. Only Krasang, Ba Baong, Andoung Trach and Khsach Chi Ros received agricultural development assistance: all other poorly and moderately performing villages have yet to receive agricultural extension services, despite significant unmet demand. Other development assistance, such as road construction, health care services and schools, has been uneven. Most development assistance has been provided by NGOs and international aid agencies, often on a one-off basis, without maintenance or ongoing support.
- Most households in moderately and poorly performing villages lack clean water and sanitation. Households in the strongly performing villages of Krasang and Ba Baong were more likely to have a toilet or own a water pump than those in other villages. A significant proportion of households in Dang Kdar, Andoung Trach and Trapeang Prei had access to a pump or well for drinking water, compared to only a very few households in Kanhchor, Prek Kmeng, Kompong Tnaot and Khsach Chi Ros.

- Health services have improved for all study villages. However, strong and moderately performing villages have better health services, while the more isolated villages (Prek Kmeng, Dang Kdar and Khsach Chi Ros) continue to experience poorer health outcomes. Private health care services are preferred because the quality is perceived to be better, and informal payments are commonly required by public health providers. Comfortably rich households spend five times as much on health care as the chronically poor. The poorest households take out loans and sell assets, including land, in order to pay for health care, or miss out altogether. The quality of health services is often poor: public health services lack medicines and staff, while private practitioners are sometimes unqualified or poorly trained, particularly in more isolated villages.
- More children are now attending school and remain in school for longer periods. Primary school attendance is reportedly high, at around 70–80 percent of children in most villages. Most adult villagers have attended only primary school; however, rates of educational attainment were lower in moderately and poorly performing villages. Members of comfortably rich households have an average 4.3 years of education, compared to 2.5 years for chronically poor households. Education spending has fallen since the introduction of universal free primary education in all study villages; however, comfortably rich households spend six times as much on education as the chronically poor. The quality of education is poor, due to a lack of teachers, and informal payments were reported in two villages. Children in the poorest households and villages, especially girls, continue to miss out on education. The opportunity cost of keeping children in school is significant, due to the importance of their labour to the household. Most parents aspire for their boys to achieve more schooling than their girls, and also expect that this will be the reality. Aspirations, in particular for boys, are higher among better off households and in villages that have experienced relatively longer periods of prosperity (Ba Baong, Prek Kmeng and Kompong Tnaot).
- Awareness and understanding about governance and the role of public institutions were low among ordinary villagers, and political participation was largely confined to voting in elections and involvement in community meetings. Most households had members who belong to associations. However, more households had members in religious, credit or savings or health and education associations than in political or economic groups.
- Examples of poor governance and weak institutional capacity, raised in all study villages, were consistent with previous CDRI studies. Those with power, including higher authorities, law enforcers and large commercial interests, use their power and influence to build wealth at the expense of ordinary villagers and their environment. Better off households also use their resources and “strong back” (connections with higher status individuals, including authorities) to obtain opportunities for trade and employment, often exercising considerable influence in their communities as a result. Justice is available only to those with wealth or a “strong back”, who can pay bribes or who have connections to help them secure a favourable outcome. It is difficult for the poor to seek redress or resolve conflicts when powerful interests are involved; poor people are often afraid even to make complaints against the authorities or those with greater wealth and resources. Corruption was reportedly endemic and worsening in study villages, with “transaction costs” imposed on everyday activities (such as social services, travel to markets and cross-border migration) in all study villages, driving up the cost of living. Corruption costs have a disproportionate impact on the poor.
- Fishing and forestry villages were most affected by corruption, intimidation, violence and conflict over natural resources. Although natural resource management policies have brought some benefits, in particular in fishing villages, corruption and weak institutions have resulted in local policy failure and conflict. Forestry villages experienced over-exploitation as a result of forest concessions: illegal logging continues, with large illegal traders and firms operating unchecked in collusion with forest authorities. Some better off

households in forestry villages benefited from the concession period and the illegal logging that followed, while poorer households have been increasingly locked out of forests and their by-products. Fishery reform resulted in initial benefits for many households; incomes rose when community fishing lots were established. But fish stocks are now declining as a result of fishing in reserved areas and use of illegal equipment. Participants in fishing villages report widespread corruption and impunity: use of illegal fishing methods by wealthier households and traders goes unpunished by fishing authorities, while ordinary villagers are penalised for engaging in legal fishing using approved equipment.

- Trust and satisfaction in authorities are low, in particular in regard to higher officials. Villagers are more satisfied with the performance of local authorities and more likely to see them as trustworthy. Local authorities, however, are considered to be unable to respond effectively to corruption, conflicts between powerful interests and ordinary villagers or new forms of insecurity, such as drug use, gang violence, violence against women and other crimes. Security concerns were mentioned more frequently in forestry communities, more accessible villages and those close to the Thai-Cambodian border. Incidents of petty theft and domestic violence had decreased in some communities, in part as a result of intervention by local authorities.
- Demand for good governance appears to be growing. Examples of group claims for justice, usually over natural resources, were raised in study villages. While these are generally unsuccessful, they point to greater awareness of and willingness to pursue legal rights. Participation in elections, the introduction of local planning and media and NGO education campaigns have raised awareness about rights and entitlements and changed villagers' expectations of leaders and officials. Patron-client relationships that traditionally provided protection and assistance to those with lower status are seen as being eroded by increasing greed and self-interest among the wealthy and powerful.

Chapter Two described what happened: trends in well-being and mobility of study villages and households between 2001 and 2004/05 according to panel survey data. Chapters Three and Four set out to examine why these changes took place through a discussion of factors contributing to the trends outlined in Chapter Two. This chapter analyses the underlying conditions and development and governance contexts that contribute to or constrain village and household growth and mobility. Chapter Four focuses on household strategies and vulnerability and their role in improving or undermining household prosperity.

Section 3.1 describes the impact of the “peace dividend”, the time during which communities have experienced increased stability and security and have therefore been able to focus on improving their well-being; the location and accessibility of the study communities; and their geographic endowment, including soil quality, irrigation and the relative importance of CPR.

The extent to which development interventions and governance and institutional arrangements have contributed to or constrained community well-being and household mobility is discussed in Sections 3.2 and 3.3 respectively. Section 3.2 examines development assistance, development of infrastructure including roads, water and sanitation and basic public services such as health and education in each community.

Section 3.3 focuses on the perceptions of villagers about governance and the capacity of public institutions to deliver security, justice and opportunities to communities and households. This section explores how well concepts such as governance and democracy are understood; community participation in decision making; the relationship between powerful people and interests and ordinary villagers; corruption; conflict over natural resource use and management; satisfaction with local authorities; and new forms of insecurity that threaten community and individual well-being.

### 3.1. Legacy and Location: Geographical Endowment and the Timing of the ‘Peace Dividend’

As described in Chapter Two, the study villages vary considerably in location, geographic endowment and the time during which they have experienced stability and security. These factors are particularly important for community-wide well-being, but also affect the capacity of households to diversify and maximise their incomes and access services, information and markets for trade and employment.

#### *Study Villages Experienced Peace and Improved Security at Different Times*

*“This village was free from armed conflicts after the defection of all Khmer Rouge troops in 1998. Having security significantly helps improve people’s livelihoods in the area ... The village was terribly insecure in the 1980s and early 1990s ... Having security helps us to earn more income from forests and cultivation. We no longer need to worry about keeping portable pots and pans. We can make some savings for building a good house ... No people in our community dared to build a house during the period of armed conflict, because ‘When elephants attack one another, the ones who die are the ants’.”—Moved out focus group, Kanhchor*

The villages experienced the peace dividend at different times. Of the strongly performing villages, Andoung Trach has experienced good security since 1994, while Ba Baong has benefited since the late 1980s. Krasang gained full security only after the second national election. In Andoung Trach and Krasang, large areas of arable land were abandoned prior to the end of armed conflict, and villagers rarely dared to enter lakes or streams near the Tonle Sap or forest areas, which were held by Khmer Rouge troops. From 1994 in Andoung Trach and 1998 in Krasang, these communities were able to return abandoned land to cultivation, and access to CPR improved.

Of the moderately performing villages, Kanhchor and Trapeang Prei have had good security since the late 1990s, while Prek Kmeng has experienced peace since the early 1990s. Among the poorly performing villages, Kompong Tnaot experienced peace from 1997, Dang Kdar from 1998 and Khsach Chi Ros from 1994/95. However, both Dang Kdar and Khsach Chi Ros were affected by the conflict between Khmer Rouge and government soldiers until after the second national election. Villagers in these communities were concerned with being able to evacuate at a moment’s notice, kept only portable assets such as pots and pans and were unable to focus on livelihood generation.

Households in villages that experienced the peace dividend earlier (such as Ba Baong, Andoung Trach and Prek Kmeng) have been able to focus on income generation for longer periods, as reflected in the strong growth in these communities in the 1993-1998 period according to recall-based evidence (Table 2.03), generating more savings, accumulating assets and investing in improved housing conditions. Households in villages that experienced active conflict up to the second national election in 1998 (Krasang, Dang Kdar and Khsach Chi Ros) have had a shorter period in which to build prosperity.

The end of armed conflict and overall improved peace and security are viewed by villagers in all communities as important in local development. Prior to the 1998 election, villagers had to seek permission from local authorities to travel outside the village; freedom of movement was often cited in focus group discussions as an important right and is clearly appreciated. New security concerns are emerging, however, in part as a result of the greater accessibility of villages to outsiders. The emergence of new forms of insecurity such as gang and gender-based violence, including rape and domestic violence, is discussed in Section 3.3 and Chapter Four.

### ***Strongly Performing Villages Are More Accessible Than Other Communities***

*“We already have good roads, roads on which it’s easy to travel ... In the past it took us a morning just to go to the market outside the village, but now it takes less than 30 minutes to get there.”—Moved out focus group, Andoung Trach*

The strongly performing villages of Krasang, Ba Baong and Andoung Trach are all accessible, close to national roads and provincial towns. Krasang and Andoung Trach, in Battambang province, are close to the Thai-Cambodian border, which facilitates cross-border trade and migration, while villagers in Ba Baong can access employment and markets in Prey Veng and Phnom Penh.

The moderately performing villages of Kanhchor, Trapeang Prei and Prek Kmeng vary considerably in accessibility. Kanhchor is located in a relatively inaccessible forest area in Kratie; however, with improved roads since 2002, villagers are able to migrate to work and markets, including to Poipet and Phnom Penh (a four-to-five-hour drive away). Trapeang Prei is located in Kompong Speu and has good road connections to a nearby market town and to the national road, just a one and a half hour drive from Phnom Penh. Prek Kmeng, in Kandal, is more isolated, inaccessible except by boat for six months of the year, although roads have recently improved, allowing villagers to travel to markets for three or four months a year.

Of the poorly performing villages, Kompong Tnaot is the best located, halfway between Kampot and Kep, on the national road that connects these two towns. Dang Kdar in Kompong Thom province is located in a forest area, 20 kilometres from the nearest town and 58 kilometres from the provincial centre, and has had good roads since 2002. Khsach Chi Ros, the poorest village in the study, is also the most inaccessible, unreachable by road for five to six months a year, and without good roads even in the dry season; travel to Kompong Thom takes three to four hours by boat.

### ***These Villages Have Better Access to Markets and Employment***

Greater accessibility and security facilitate travel, migration and access to markets and employment opportunities. Most villages are now able to access nearby markets and market towns, have experienced an increased flow of consumer goods and find it easier to sell their farm produce.

In strongly performing villages, accessibility facilitates petty trade and is particularly important for households that rely on selling labour outside the village.

*“Before we had a good road, the poor, especially female heads of households, rarely dared to go to sell labour far from the village ... When road conditions were very bad, there were not as many taxis available as now to make travel quicker ... If they did leave the village to search for work, it was just to areas from which they could return home in the evening ... There are more transport facilities such as remorques [trailers pulled by motorbikes] and taxis that can provide better service almost 50 percent cheaper than before 2002, when the road was really bad ... The poor landless and others have migrated farther from the village in search of work; before 2002, when travel was expensive and it took longer to reach the work destination, they had to think twice.”—Community synthesis report, Ba Baong*

In poorer, less accessible villages such as Khsach Chi Ros, opportunities for employment and trade are limited, which decreases prices for village produce and inflates costs of food and other goods brought into the community.

*“Not many traders come to buy goods from us, and if one comes to do business, it is with a cheap price. Let’s say one pig costs 300,000 riels at Kompong Thom market, but the trader gives us only 250,000 riels because the transport cost is not yet calculated. Furthermore, if we buy vegetables in the community, it costs 1600 riels per kilogram*

*compared to 1000 riels at Kompong Thom market. It is the same with the fish price.”—  
Male youth focus group, Khsach Chi Ros*

Households in more accessible villages are more easily able to maximise their incomes, including by diversifying sources. As a result, more households in these communities are able to move out of poverty and stay well off. Even the poorest households in these villages benefit, although at a much slower rate than the better off households, as shown in Table 2.10 and 2.11 in the Annex to Chapter Two. Households in less accessible communities experience relative disadvantage, in particular in those villages that are cut off by flooding for up to six months a year, such as Khsach Chi Ros. It is more difficult for even better off households in these communities to diversify their income, a key livelihood strategy in villages where agricultural productivity is low and CPR are declining. The capacity of households to move upwards or maintain their well-off status is constrained by these circumstances, which contribute to the likelihood of households moving down.

### ***Strongly-Performing Villages Have Good Soil and Irrigation, Mainly Cultivating Rice***

Those villages that have been able to generate higher per capita incomes are characterised by good soil and irrigation, allowing them to produce both wet and dry season rice. Moderate and poorly performing villages generally lack good soil and irrigation (limiting them to lower yielding wet season rice) and are characterised by greater dependence on declining fish stocks, forests and other CPR. Most villages, however, have been affected by natural disasters in the past five years, including floods and droughts that have severely affected productivity and rice yields, as discussed in Chapter Four.

Of the strongly performing villages, Ba Baong and Krasang have good soil and irrigation and are able to generate good yields with both wet and dry season rice. Fishing is an important source of secondary income in these communities. Andoung Trach also has good soil but no irrigation, and villagers are primarily reliant on fishing and growing floating and wet season rice, with low yields.

Villagers in Kanhchor grow wet and dry season rice, and are able to achieve good yields. However, the village has limited agricultural land, which constrains rice production, and villagers are largely reliant on forests and CPR. Trapeang Prei has poor soil, and households depend on rainfall to grow wet season rice, with low yields even in good years. Prek Kmeng is primarily a fishing community, but villagers also cultivate wet and dry season rice, achieving good yields.

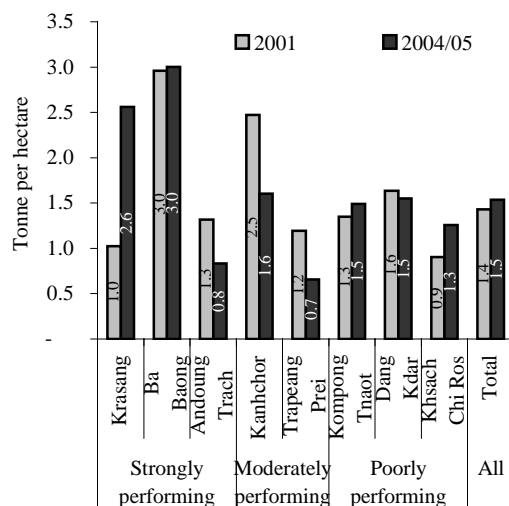
Kompong Tnaot is a coastal village, and villagers fish and collect CPR; with poor soil and damage from sea water, dry season rice yields are low. Like Kanhchor, Dang Kdar is forest-dependent, and with poor soil and no irrigation, rice yields are low. Finally, in Khsach Chi Ros, fishing is the main source of income, although households now cultivate floating and dry season rice, achieving good yields.

The geographic endowment of the study villages is reflected in rice productivity. The two strongest performing villages, Krasang and Ba Baong, have achieved good and increasing rice yields even when affected by drought and floods (Figures 3.01a and 3.01b). With the exception of Khsach Chi Ros and Prek Kmeng (growing dry season rice only) no other village has been able substantially to increase yields between 2001 and 2004/05, and some villages have experienced declining yields, in particular Andoung Trach (generally a strongly performing village) and Kanhchor (a moderately performing village). Improved rice yields have not yet resulted in rising consumption or income in Khsach Chi Ros, which was still the poorest of the study villages in 2004/05. Yields for both wet and dry season rice were higher among comfortably rich and upwardly mobile households with larger landholdings, as discussed in Chapter Four.

Those villages with good soil and irrigation have been able to increase or at least maintain agricultural productivity, while villages with poor soil and no irrigation, in particular those

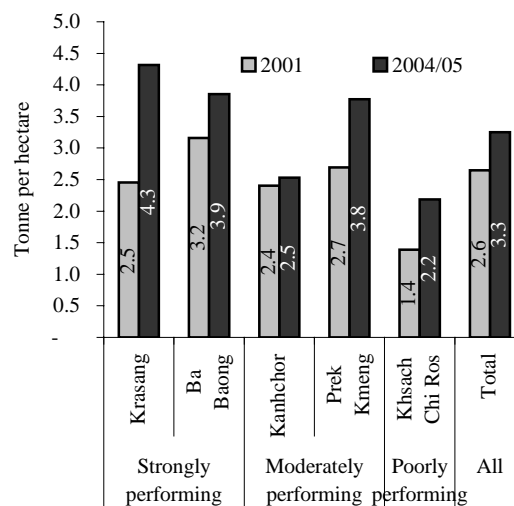
heavily reliant on fishing, forestry and been affected by declining natural resources and are unable to produce enough rice to compensate for this decline. As noted above, households in more accessible villages are able to cope with low productivity and declining CPR by selling labour and migrating for work (including across the Thai-Cambodian border); these strategies are less feasible for households in remote or difficult to reach areas.

**Figure 3.01a: Wet Season Rice Yield by Village, 2001 & 2004/05 (tonnes/ha)**



Source: 493 of 1005 households cultivating wet season rice in 2001 and 492 of 1010 households cultivating wet season rice in 2004/5.

**Figure 3.01b: Dry Season Rice Yield by Village, 2001 & 2004/05 (tonnes/ha)**



Source: 277 of 1005 households cultivating dry season rice in 2001 and 318 of 1010 households cultivating dry season rice in 2004/5.

In addition to good soil and irrigation, the third factor contributing to improved rice yields in Krasang, Ba Baong and Khsach Chi Ros is modernisation of farming practices and inputs. This accounts for the significant difference in rice yields between these and other communities; with irrigation, mechanisation and extensive use of chemical fertiliser, dry season rice yields in some households tripled from two to six tonnes per hectare between 2001 and 2004/05. For example, 68 percent of panel households in Ba Baong had a water pump in 2004/05, while in other villages cultivating dry season rice 6–18 percent of households had a water pump, compared to only a handful of households in villages that did not cultivate dry season rice in 2004/05. While supported by development assistance in particular in Khsach Chi Ros, these practices are usually available only to better off households and are therefore discussed in the context of household strategies in Chapter 4.

Paddy rice continues to be the main food source for most rural households. Cash crops including fruit, vegetables, cereals such as maize and sugar cane are also an important source of food and income in many rural communities. Very few households in the three strongly performing villages grew crops other than rice in 2004/05, however. A handful of households in Andoung Trach grew beans or sesame and harvested fruit from trees; a few households grew vegetables and fruit in Ba Baong; and slightly more households in Krasang grew these crops as well as maize, sugar cane and beans.

#### ***Most Moderately and Poorly Performing Villages are Reliant on CPR***

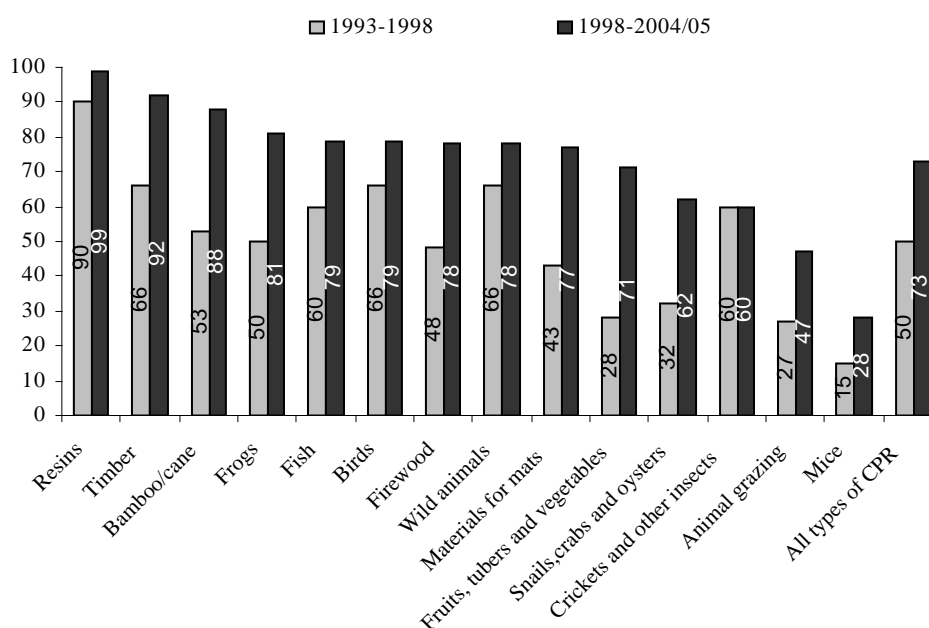
Common property resources, in particular forests and fisheries, have been a mainstay of rural livelihoods in Cambodia, enabling better off households to accumulate additional capital, and buffering poor and vulnerable households against shocks and insufficient rice production. Cambodia has the largest quantity of fresh water in south-east Asia, and forests cover 60

percent of the country's total land area (Chan and Acharya 2002). In addition to fishing and forestry, villagers collect a range of CPR such as insects, land and aquatic plants and animals.

Moderately and poorly performing villages tend to be more reliant on CPR than the strongly performing communities, which rely more on agricultural production. This is particularly the case in the two forestry communities (Dang Kdar and Kanhchor), both of which lack agricultural land, and in the fishing communities Prek Kmeng and Khsach Chi Ros. However, both of these communities did experience some increase in agricultural productivity between 2001 and 2004/05. Almost all households, ranging from 87 percent in Krasang to 100 percent in Andoung Trach, Khsach Chi Ros, Dang Kdar and Kanhchor, had access to some form of CPR in 2004/05.

However, the amount and quality of CPR have been declining in all communities, with a significant acceleration in this decline since 1998, as shown in Figure 3.02. In Ba Baong and Trapeang Prei, villagers no longer collect CPR because all common land has been privatised or encroached on since the late 1990s. Forest access in Dang Kdar and Kanhchor has been restricted, and forest areas have eroded as a result of forest concessions and illegal logging following the ban on logging in 1998/99 in these villages.

**Figure 3.02: Proportion of Respondents Reporting Decline in the Availability of Different Types of CPR 1993-1998 and 1998-2004/05**



Source: 1010 respondents in 2004/05

All focus groups reported that fishing stocks have declined in the Mekong and Tonle Sap areas since the mid-1990s, and in Kompong Tnaot, a coastal village, large marine animals have been declining and only small fish and crabs can now be collected (although these attract better prices than in the past). Natural resource management policies have been introduced since the late 1990s in both forest and fishing communities. Due to poor governance and weak institutions, implementation of these policies has been uneven, as discussed in Section 3.3. A decline in availability of common property resources was reported in all villages and is shown in Figure 3.02, using recall-based data from the household survey. Incomes from CPR have declined in all villages, in particular the strongly and moderately performing villages, and among all mobility groups (see Chapter Four).

***Villages with Poor Soil and No Irrigation Rely More on Cash Crops than Better Off Communities***

Most poorly and moderately performing villages, with poor soils and no irrigation, produce wet season rice yields of around 1–1.5 tonnes per hectare, depending on weather conditions. Villages cultivating wet season rice are reliant on rainfall and affected by natural disasters including drought and flooding. Even in Andoung Trach, a strongly performing village which has received a number of agricultural development interventions, lack of irrigation constrains productivity. Rice yields declined in many of these communities between 2001 and 2004/05 (Figures 3.01a and b). Paddy rice yields declined significantly in Andoung Trach, Kanhchor and Trapeang Prei (Figure 3.01a), fluctuating at around 1 tonne per hectare in other villages. The exception was Prek Kmeng, which improved dry season rice productivity between 2001 and 2004/05 as a result of good soil and access to water. The combination of low rice yields and natural resource decline drives many of the households in these communities into poverty and accounts for rising food insecurity in many of the study villages.

*“In the future we are sure that we can no longer depend on the forest because the forest has been greatly degraded. Our land is not suitable for rice cultivation because it is mostly cleared forest land, but it does have potential for growing cassava, cane etc. The poor can also grow cassava and may force themselves to grow those crops because there is nothing else that can be grown or depended on. We do not need any rice donation or gifts because such aid or support is not sustainable. What we need is agricultural processing factories that can absorb our potential cassava and cane ... These factories also can generate employment for our villagers.”—Moved out focus group, Dang Kdar*

Given limited arable land and poor soil, other crops were particularly important in the two moderately performing villages, Kanhchor and Trapeang Prei, as well as two poorly performing villages, Dang Kdar and Kompong Tnaot. In forestry villages, where land is either unavailable or unsuitable for rice cultivation, households grow cash crops. A substantial proportion of households in Dang Kdar have grown cash crops such as cashew and cassava for the past six or seven years, while a few households in Kanhchor were beginning to grow soybeans and peanuts in 2004/05. In Trapeang Prei, households had grown cash crops such as watermelon, sweet potatoes and vegetables since the mid-1990s, but most had stopped by 2004/05 due to poor harvests. According to focus group discussions, in Kompong Tnaot an estimated 40 percent of households were growing corn, nuts, watermelon and cucumbers, up from 20 percent in 1998.

However, households were experiencing some difficulties growing cash crops. In Trapeang Prei, as noted above, most households had already given up cash crops. In Dang Kdar villagers lack markets for their products, while in Kanhchor land for cash cropping is restricted except for a few better off households.

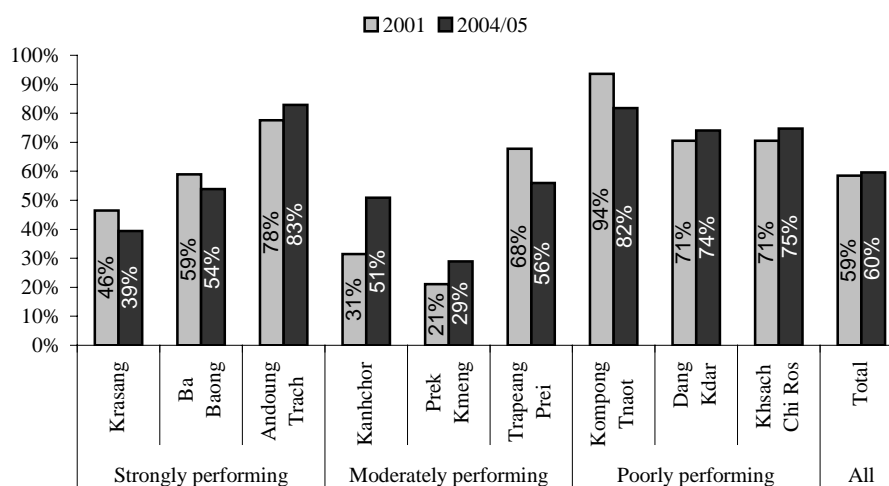
*“We wish to have processing factories for foods such as white sugar and cassava so that they can absorb agricultural produce from our area and generate some employment for our children. Yes, there’s potential land [previously forest land] where we can grow some cash crops. But when we want to have land for growing cash crops, they [concession companies and people who have links with them] say it’s their land. We expect to make some money from growing cash crops by learning growing techniques from others. So far people in our area have never grown cash crops.”—Moved out focus group, Kanhchor*

***Households in Moderately and Poorly Performing Communities Are More Reliant on Livestock than in the Past***

Livestock was an important source of household income in all communities in 2004/05, around 60 percent of households earning some income from it (Figure 3.03).

But the proportion of households raising livestock fell between 2001 and 2004/05 in the two strongly performing communities of Krasang and Ba Baong, as did the proportion of household income from livestock. In Krasang, raising livestock had reportedly declined in potential due to disease and the cost of inputs. In Ba Baong, returns on livestock were said to be minimal apart from income from draught animals (cattle and buffaloes), and fewer households were keeping these animals due to lack of available pasture; disease was also an issue in this community. In Andoung Trach, five percent more households were earning income from livestock in 2004/05 than in 2001. Most medium households were reported to raise livestock on a small scale in this community, as a form of saving and also to rent to neighbouring households. Actual income from livestock fell in Krasang, and rose in Ba Baong and Andoung Trach.

**Figure 3.03 Proportion of Panel Households Earning Income from Livestock 2001-2004/05**

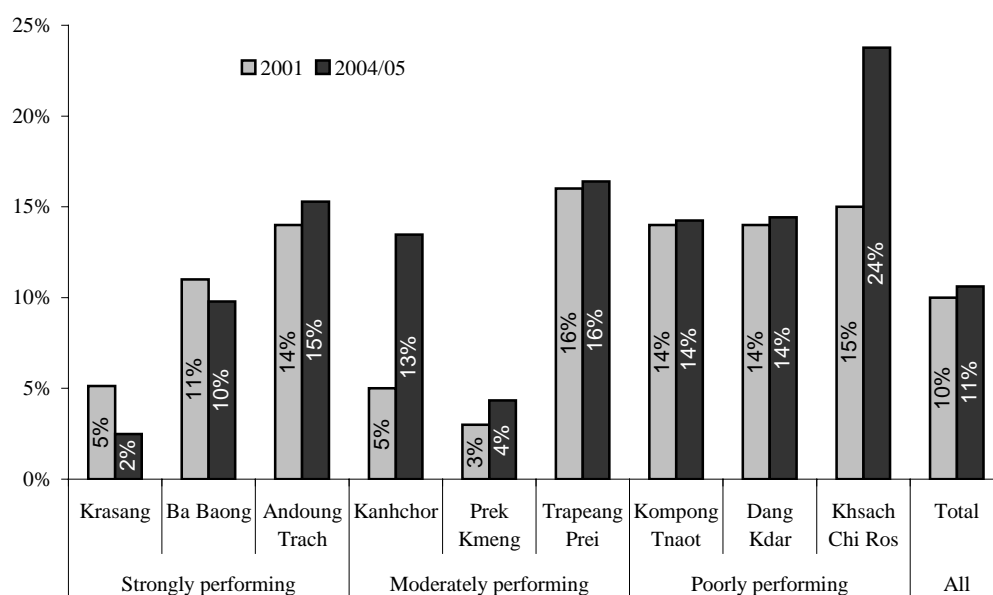


Source: 890 panel households in 2004/5

Many households in poorly and moderately performing communities continue to raise livestock as a form of savings, a source of additional income and a way of managing risks associated with other income sources. The proportion of households raising livestock for income increased in the two more isolated and CPR-dependent moderately performing villages, Kanhchor and Prek Kmeng, while it fell in Trapeang Prei (Figure 3.03). In Kanhchor, raising livestock has been increasingly common, including cows, goats and semi-commercial pig-raising by a few households, while in Prek Kmeng households raised pigs, draught animals and poultry. As in Ba Baong, the number of households raising cattle had fallen due to limited pasture land. In Trapeang Prei a majority of households raise livestock, which has been an important source of household income since 2002, although profits have been less than expected due to lack of agricultural extension services and disease, as well as limited water and pasture land.

In poorly performing communities, the proportion of households earning income rose very slightly in Kompong Tnaot and Dang Kdar and markedly in Khsach Chi Ros. Households in Kompong Tnaot raise pigs for piglets, not meat. Raising livestock is associated with upward mobility in some households in this village. In Dang Kdar, raising livestock is an important source of secondary income after cash crops, and around 70 percent of households are reportedly involved.

In Khsach Chi Ros, more households have raised livestock, including pigs, chickens and cattle, since access to markets improved in the late 1990s.

**Figure 3.04 Income from livestock as a proportion of annual income, 2001-2004/5**

Source: Total annual income of 890 panel households in 2004/5.  
2004/5 income is deflated by 18.59 percent

*“Traditionally, people in this community raise livestock as provision for emergencies such as health problems or house renovations. Since 1998, the number of households that keep livestock has been increasing because people no longer fear attacks of the Khmer Rouge, who used to come and take pigs or chickens from the villagers. Also, veterinarians have come to train us how to feed and take care of livestock, and we have learned more about that. We are now more confident about raising livestock. They are really useful when we need money urgently to do something. In my family, sometimes we need money to rent a pump to irrigate our farm land, so we have a cow for which we can get cash immediately.”—Male youth focus group, Khsach Chi Ros*

The proportion of annual household income from livestock rose in all moderately and poorly performing villages between 2001 and 2004/05. Actual annual income from livestock also rose in these six villages, in particular in Kanhchor.

While raising livestock is potentially profitable, in particular in communities where demand is said to be increasing such as Ba Baong, Trapeang Prei and Dang Kdar, it is also risky, due to disease, lack of extension services, and use of credit to buy animals, feed and medicines.

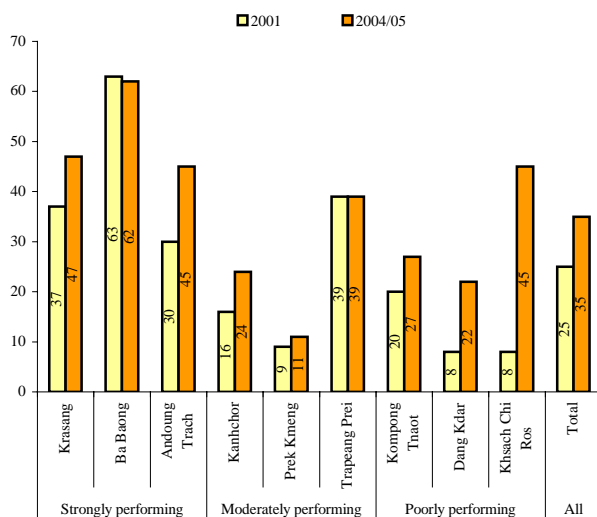
*“Raising livestock is not so common in this village because it requires a significant capital and involves risks”... “I had only 100,000 riels, which I spent on purchasing two pigs. My pigs died one after another. I was so sad about this.”—Moved into poverty focus group, Kanhchor*

### **More Households in Moderately and Poorly Performing Villages Experience Food Insecurity**

The proportion of households that produced enough rice for consumption, or surplus for sale, was very low in most villages in 2004/05. Strongly performing communities experienced relatively less food insecurity than other villages, 62 percent of households in Ba Baong, 47 percent of households in Krasang and 45 percent of households in Andoung Trach reporting that they produced enough rice for consumption or sale (Figure 3.05a). Less than two in five households in other communities reported sufficient rice production, with the exception of Khsach Chi Ros, which had a proportion of food-secure households similar to Andoung Trach’s. In the strongly performing communities food security had improved between 2001

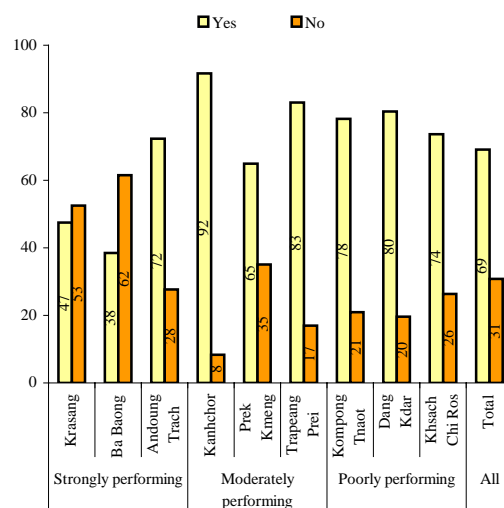
and 2004/05 (by 27 percent in Krasang and 50 percent in Andoung Trach), while in Ba Baong the rate of food security remained at 62–63 percent over the period. Of the other villages, Kanhchor, Kompong Tnaot and Dang Kdar also experienced slight improvements, while in Trapeang Prei food security was static and Khsach Chi Ros had a significant improvement, up from 8 percent in 2001 to 45 percent in 2004/05.

**Figure 3.05a: Percentage of Households With Food Sufficiency from Own Rice Production, by Village, 2001 & 2004/05**



Source: 890 panel households in 2004/05

**Figure 3.05b: Percentage of Households Reporting Fear of Food Insecurity, By Village, 2004/05**



Source: 890 panel households in 2004/05

Fear of food insecurity is very high, with many households reporting that insufficient production was a threat to food security, ranging from 42 percent of households in Ba Baong to 92 percent of households in Kanhchor (Figure 3.05b). The majority of households in the study villages have no choice but to supplement their income from rice production with CPR and labour selling, as discussed in Chapter 4.

Unsurprisingly, better off households, with larger landholdings and higher yields, have sufficient rice to meet their own needs and experience less food insecurity (Figure 3.06a and b). All mobility groups were able to improve food security between 2001 and 2004/05, but food insecurity was very high among the chronically poor in particular, 93 percent of these households reporting fear of food insecurity in 2004/05.

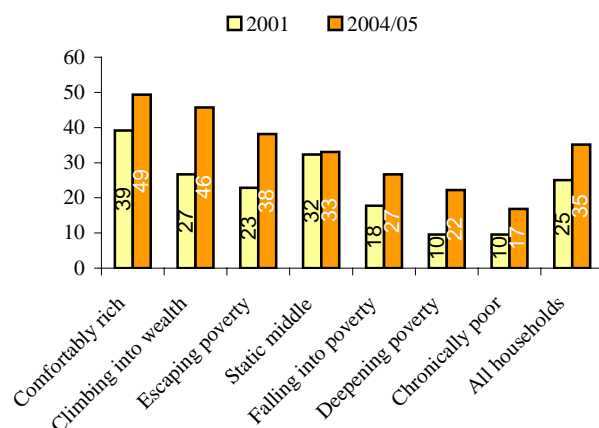
### ***Villages Have Varying Potential for Future Prosperity***

Some study villages (Ba Baong and Krasang) are already performing well as a result of their location and geographic endowment. With agricultural extension, they should be able to continue to improve productivity. However, opportunities to expand agricultural income appear to be underdeveloped in these villages, which had limited cash crop production and declining incomes from livestock between 2001 and 2004/05. Reliance on small businesses and selling labour is likely to continue in these communities, in particular Krasang.

Others have significant unrealised potential. For example, Andoung Trach is well located and has good soil but has yet to realise the benefits of irrigation and modern farming techniques. Migration is likely to continue to be an important income source in this village. Remote fishing villages with good water access could benefit from land conversion if water use is well managed and conflicts over water are resolved (Prek Kmeng and Khsach Chi Ros). Improving agricultural production is critical, because even if fisheries are well managed in these two villages, over-exploitation appears inevitable given population pressures. All these

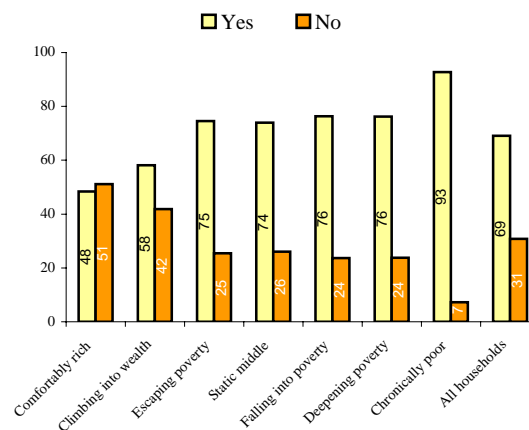
villages require development interventions such as agricultural extension programmes and modern farming inputs, machinery and techniques to realise their potential.

**Figure 3.06a: Percentage of Households with Food Sufficiency from Own Rice Production, by Mobility Group, 2001 & 2004/05**



Source: 890 panel households in 2004/5

**Figure 3.06b: Percentage of Households Reporting Fear of Food Insecurity, by Mobility Group, 2004/05**



Source: 890 panel households in 2004/5

A third group have poor soil or limited agricultural land and are reliant on declining natural resources. These villages are likely to experience significant future difficulties unless alternative income sources can be tapped by a substantial proportion of households. Trapeang Prei and Kompong Tnaot are relatively well located and may be able to benefit from migration and other employment opportunities; Trapeang Prei has already been affected by rising land prices and land speculation by outsiders. Other agricultural income sources, such as cash crops and raising livestock, appear to have mixed potential in these communities, in particular in Trapeang Prei. The future appears gloomier for Kanhchor and Dang Kdar; even if pro-poor natural resource management is properly implemented, it will take a long time to regenerate forests sufficiently to meet demand for these resources, and the potential to increase income from agriculture, including cash crops and livestock, as well as other sources, appears to be limited.

## 3.2. Development Interventions: Infrastructure and Services

### *Strongly Performing Villages Have Received the Most Development Interventions*

*“We were lucky to receive an influx of rural development programmes of NGOs from the early 1990s. It is impossible to recall all the development activities we have received ... Development aid flowed into the village immediately after resettlement of the returnees in our village.”—Community focus group with local leaders, Andoung Trach*

In 2004/05 most study villages had received little in the way of development assistance, with the exception of the three strongly performing villages. Accessible locations and good security attract development interventions; the three strongly performing villages, Krasang, Ba Baong and Andoung Trach, which are close to national roads and which have experienced peace and stability for longer than other communities (with the exception of Krasang), received significantly more development interventions over 1992–2004/05 than other study villages. These three communities received interventions from the early to mid 1990s and are the only communities (with the exception of Khsach Chi Ros) to have received agricultural development programmes and have also benefited from infrastructure development such as road construction and access to rural credit (Table 3.01).

The moderately and poorly performing villages received fewer interventions, although this is changing because some communities are now more accessible due to recent road construction. For example, now that Dang Kdar is accessible by road, a school has been built by the SEILA programme. Khsach Chi Ros has received development assistance to convert floating rice land to dry season land, enabling villagers to grow two crops a year and improve yields.

**Table 3.01: Development Interventions in the Study Villages, 1992–2004/05**

Sectors	<i>Strongly-performing</i>			<i>Moderately-performing</i>			<i>Poorly-performing</i>		
	Krasang	Ba Baong	Andoung Trach	Kanhchor	Prek Kmeng	Trapeang Prei	Kompong Tnaot	Dang Kdar	Khsach Chi Ros
Agriculture	3	6	5	-	-	-	-	-	2
Credit	4	4	3	-	-	2	4	-	1
Health care	3	1	1	1	1	1	1	1	-
Clean water	1	3	3	-	1	-	-	-	-
Roads	3	-	2	-	-	1	1	1	-
Schools/ education	-	-	2	-	1	1	1	1	1
<b>Total</b>	<b>14</b>	<b>14</b>	<b>16</b>	<b>1</b>	<b>3</b>	<b>5</b>	<b>7</b>	<b>3</b>	<b>4</b>

All other poorly and moderately performing villages are yet to receive any agricultural development assistance, despite significant unmet need and demand for farming and livestock programmes in these communities. While security is no longer an issue, the relative inaccessibility of these villages continues to act as a barrier to development interventions.

Other development assistance is similarly uneven; while most villages have received health care programmes (with the exception of Khsach Chi Ros), only four have received water and sanitation programmes, and credit programmes have not been offered to date in three villages. All villages, including the strongly performing ones, lack agricultural extension services, constraining productivity.

### ***Roads Have Improved, with Both Positive and Negative Impacts***

Good roads make a significant difference to the capacity of communities to access markets for trade and employment and services such as health and education. This has obvious implications for policy makers, but investment in roads has been uneven, in particular in road maintenance.

Roads have improved significantly in most study villages, with the exception of Khsach Chi Ros and Prek Kmeng. Most road construction has been undertaken by development programmes run by aid agencies or through national road construction, while occasionally villagers have cooperated to build local roads. For example, new roads were constructed in Andoung Trach by the CAREERE rehabilitation programme in 1993 and in Krasang by Health Age International in 1997. Roads were built in other villages more recently, in either the late 1990s or early 2000s. In Ba Baong, construction of a national road from Neak Loeang to Prey Veng was completed in early 2002, while village fishery leaders and the pagoda committee worked together to build a local road in 2001. The SEILA programme built a village road connecting Trapeang Prei to Bat Doeng market, about three kilometres away, in 1999, and a national road was built by the provincial Department of Public Works in 2003, connecting Bat Doeng market to Odongk district and Thnal Totueng on National Route 4.

The targeting of road construction and the benefits conferred by roads are uneven, as discussed earlier. In those villages with improved roads, the cost and time involved in travel are substantially reduced, facilitating access to markets, greater flow of goods and services

and increased travel between communities. Those villages with good roads are generally more dynamic; small businesses flourish in these communities.

*“The number of village shops selling groceries, second hand or new dresses and household commodities has increased remarkably since 2000 ... There are a few mechanical workshops for repairing farm machinery in this village that did not exist in 1998 ... This is good progress but there are only a few spare parts available ... If we want to buy a bicycle or a new dress or clothes, we still go to Neak Loeang market for a greater choice ... but some shop owners now consider selling bicycles.”—Male youth focus group, Ba Baong*

Better off households are particularly well placed to benefit from improved roads. Better and faster transport results in increased demand and higher prices for local produce, including CPR, allowing more vulnerable households to offset food shortages due to poor harvests or unpredictable weather. Households in more accessible communities are also able to take up new employment opportunities outside the village, including across the Thai-Cambodian border. Roads also facilitate access to services such as health and education that may not be available locally, which contributes to greater use of and participation in health and education by most households, apart from the very poor and destitute, as discussed below.

Improved roads are not without risks and negative impacts. The major risks associated with greater freedom of movement and travel relate to community security, health and degradation of natural resources. Better roads attract outsiders and are perceived to contribute to criminal activity such as theft. Increased travel for work and migration has facilitated men's contact with sex workers and sexual partners outside marriage, with the associated risk of contracting HIV/AIDS and infecting their wives; this was reported as a particular problem in Krasang and Andoung Trach in Battambang province, where cross-border migration is common. Villages heavily dependent on CPR cannot afford to compete with outsiders for limited resources, yet several of these communities have experienced immigration, for example Khsach Chi Ros and Dang Kdar. Rapid exposure to a cash economy after a long period of isolation is also destabilising for some villages.

Although road construction is often the first priority for development assistance in a community (for example in the commune development plan), infrastructure development is still inadequate, with poor maintenance and repair cited as a problem in many villages. In some villages such as Ba Baong, better off rice-trading households have taken responsibility for road maintenance using their own funds, but have used this as a way of locking out other traders and controlling market competition.

*“Households with a taxi-vehicle are the rice traders and moneylenders here. They purchase rice from farmers at the same price ... These people help maintain the village road and do not allow other traders from outside the village to come and buy paddy rice in this village ... Many traders from outside the village have tried to come into the village to buy paddy rice from the medium households who are not debtors to the six village traders, but only a few times, then they were afraid to come back ... because they are always warned by the six village traders that they did not help to build the road here ... But if traders come to buy pigs, chickens and fish, it is okay.”—Moved into poverty focus group, Ba Baong*

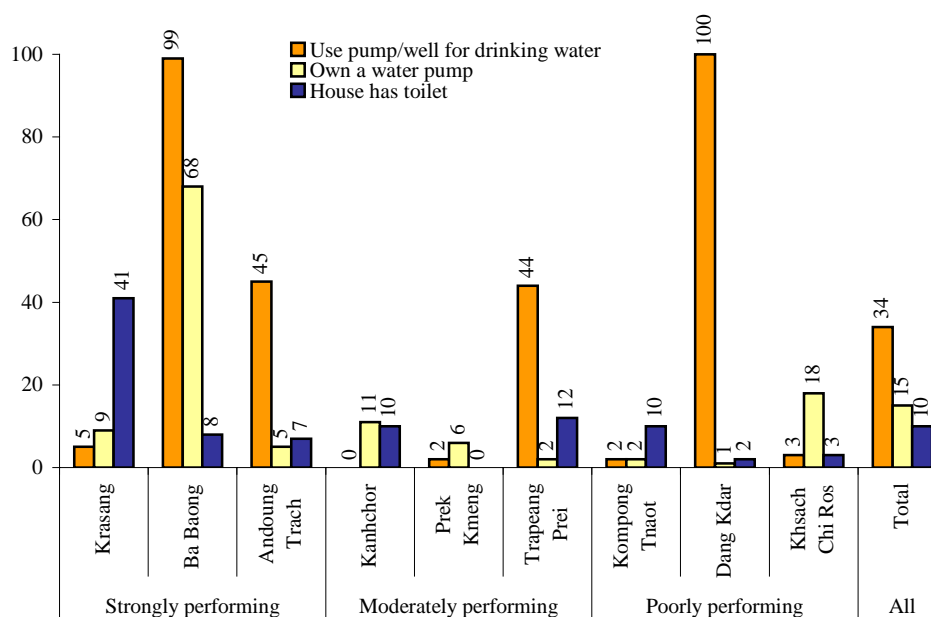
As this example illustrates, basic infrastructure development is a public good and should ideally be provided by government institutions, not NGOs or private interests, to ensure that benefits are more evenly distributed within and between communities. Road maintenance is also a public responsibility. While some communities are undertaking this work, resources are scarce. Given the critical importance of roads to rural communities, this service should be provided by government.

### ***Most Moderately and Poorly Performing Villages Lack Clean Water and Sanitation***

As is the case across Cambodia, many of the study villages lack clean water and sanitation, with severe consequences for health. Again, households in strongly performing villages that have received more development interventions were more likely to have clean drinking water and sanitation. Only 10 percent of households have a toilet, however, ranging from 41 percent in Krasang to zero in Prek Kmeng. Households in villages cultivating dry season rice were more likely to have a water pump than other villages: 68 percent of panel households in Ba Baong, 18 percent in Khsach Chi Ros, 11 percent in Kanhchor and 9 percent in Krasang had a water pump in 2004/05.

Among the strongly performing communities, villagers in Krasang mostly use water from local ponds or streams. Nevertheless, few health problems from bad water were reported in this village, because villagers are careful to boil their water. In Ba Baong, development initiatives since the late 1980s have included construction of wells. Most households have built their own wells after observing improved health among their neighbours, 93 pump wells being available in the village in 2004/05. Clean drinking water has been available to many households in Andoung Trach as a result of development initiatives since 1994, which have included constructing wells and installing pumps; around 45 percent of villagers take drinking water from these sources.

**Figure 3.07: Percentage of Households With Access to Clean Water and Sanitation, By Village, 2004/05**



Source: 890 panel households in 2004/05

Of the moderately performing villages, in Kanhchor all households use the Mekong River as their main source of drinking water. In Prek Kmeng, the majority of villagers use water from local ponds and streams; some wells and pumps have been constructed, funded by external assistance, by the pagoda committee and by private households. Some reduction in health problems has been reported by village leaders as a result.

*“After having water from the three pump wells installed by CDRI in 2001, many households did not have diarrhoea, stomach-ache and so on, unlike those who use the water from the river, streams or lakes ... Since the village is stretched along a small stream and there is a high demand for clean water, the pagoda committee collected [funds] and built another pump well. As a result of both initiatives, more and more households, since then, decided to build similar pump wells. We have observed that the*

*number of people who have diarrhoea, cholera and typhoid has decreased remarkably.*”—Village leaders focus group, Prek Kmeng

As in other communities, better off households in Prek Kmeng are more likely to have their own water pumps and are therefore able to avoid illness, while poorer households rely on communal ponds and wells, which frequently dry up during the dry season. In the dry season, villagers have to buy drinking water; poorer households cannot afford this, with prices as high as 2000–3000 riels for a small jar of water. These households continue to experience poor hygiene and illness. In Trapeang Prei, 44 percent of households use water from wells while the remainder use local ponds and streams. Trapeang Prei suffers from water shortages due to drought, and wells constructed in the late 1990s frequently fail in the dry season. According to focus group participants, villagers had to buy drinking water in the dry season in 2004/05, paying 2000–3000 riels for 500 litres.<sup>5</sup> Among the poorly performing villages, villagers in Kompong Tnaot primarily drink water from ponds and streams. Households in Dang Kdar have water from dug wells. Most villagers in Khsach Chi Ros drink water from a small stream outside the village. Often this water is unboiled, and as a result villagers experience a range of health problems, including typhoid.

*“There is no hygiene in this community, especially for drinking water, which we take from the small river alongside the village. Almost all people in this community drink water without boiling it because sometimes they are lazy and sometimes they have no time to do so.”*—Male youth focus group, Khsach Chi Ros

### **Health Services Have Improved in All Study Villages**

*“Health is increasingly better. It is about level four as of 2004/05 because they offer us better quality services, unlike 1998 or even unreliable public services in the early 1990s. For instance, before 2000 expectant mothers who had abnormal pregnancies outside the uterus could not be cured. But unbelievably, now they can be rescued. We have received free vaccination for our children over the past six or seven years ... thanks to the government for such help.”*—Community timeline focus group, Kompong Tnaot

Health services are an important indicator of development and well-being in a community. They are also critical for households, because health shocks and the cost of health care are a significant factor in downward mobility. Affordable quality health care and health insurance are key strategies for preventing downward mobility because rich households can weather these shocks, while poor households cannot.

Information on health services is largely drawn from FGDs, because the quality and availability of health services were not addressed in any detail in the household survey. Health services are reported to have improved in all study villages over the decade. All communities are able to access a range of health providers and interventions, including vaccinations, training and information on health issues, private medics and clinics, communal health centres and district and provincial hospitals. In addition, many participants continue to use traditional medicines, partly due to belief in their efficacy but also because of their lower cost. Participants generally expressed their appreciation of improved health services and cited better health services as a sign of development in their community; in many communities the incidence of common diseases had reportedly fallen. While health services were more widely available than in the past, they were often said to be unaffordable for poor households and sometimes of questionable quality.

New conditions, such as high blood pressure, stomach problems and diabetes, were also reported in many of the study villages as a result of changes in diet, and perhaps also due to

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5 Prices cited for clean drinking water are for the 2004/05 season. One possible explanation for the difference in prices for drinking water in Prek Kmeng and Trapeang Prei is Prek Kmeng’s relative isolation, while Trapeang Prei is close to Phnom Penh.

the stresses associated with poverty. HIV/AIDS was also emerging as a concern in the two villages close to the Thai-Cambodian border, as well as in Kanhchor.

### ***Strongly Performing Communities Have Better Health Services***

In the strongly performing villages, Krasang, Ba Baong and Andoung Trach, particularly the last two, villagers had experienced improvements in health service delivery for longer periods. Villagers in Krasang and Andoung Trach rated the health situation as significantly improved since the early 1990s, with decreasing incidence of common health problems such as malaria and tuberculosis. Participants in Ba Baong rated the health situation as worsening, with new health problems emerging, including abnormal births and deliveries, which were attributed to overuse of chemical fertilisers. Children in all three communities receive vaccinations, and in Krasang and Andoung Trach training and information are available; in Krasang this includes antenatal care and information about HIV/AIDS. All three communities have access to a nearby health centre (in the commune), as well as provincial hospitals. Private clinics are also available in market and provincial towns.

Among the moderately performing villages, improvements in health care were reported in Kanhchor and Trapeang Prei. Both of these communities have health educators or agents, and children receive vaccinations. Both also report a declining incidence of diseases such as tuberculosis and malaria. Health centres and hospitals are available in the commune, and villagers in Trapeang Prei can go to private clinics in the market town of Bat Doeng.

*“Health conditions in the village have improved. There are fewer people affected by malaria, TB or fever. There have been three village volunteers: one for health training, one for violence and another for gender. About 70–80 percent of children in the village have been vaccinated against six major diseases. The health volunteer goes to each household and explains about the major diseases and how to prevent them ... She is trained by an NGO in Chhloung district, about 12 kilometres from the village. Occasionally there are health staff coming into the village to provide vitamin A and vaccination against tetanus.”—Female youth focus group, Kanhchor*

In Prek Kmeng some health promotion programmes have been offered, and more health services are available than in the past, but these are not accessible to the poor.

*“During the peak disease season, the rainy season, there are people riding their motorbikes to announce how to take precautions against some diseases. Since 1998, vaccination and vitamin A are supplied to children in the village ... In the past, there was a lack of medicines, but now since a hospital was built at the district, about four kilometres from the village, and with support from an NGO, the health service is better. If people get sick at night, they just go to private medics ... There are also two medicine shops in the village. In the State of Cambodia regime, those local medics learned from the district medics.”—Community timeline focus group, Prek Kmeng*

Among the poorly performing villages, Kompong Tnaot has experienced significant improvement in health services, including vaccinations for children and birth-spacing and nutrition programmes. Hospital facilities are available in nearby Kampot town. The poorest villages, Dang Kdar and Khsach Chi Ros, report significant health problems, despite some health interventions on nutrition and hygiene in these communities. Both communities rely primarily on private providers, including “medics” with limited training, because communal health centres and provincial hospitals are too far away unless there is a serious illness.

*“Our health situation has remained almost the same over the past 10 years ... However, the number of people with malaria, cold, stomach-aches and typhoid has decreased over the past four or five years ... The health centre is too far away in L’ak area, about 16 kilometres from the village ... Our hospital also charges a fee for services that are not so good. As of 2004, our villagers usually use private doctors’ services in the village ... and the service is very expensive.”—Moved out focus group, Dang Kdar*

***Better Off Households Spend More on Health Care than Poorer Households***

The 2005 Cambodia Demographic and Health Survey, cited in the World Bank's 2007 Equity Report, found that household expenditure on public and private health services fell by a third between 2000 and 2005 (World Bank 2007: 106). Aggregate health spending was static in the MOPS, however, falling by just 2 percent (Table 3.02). Health spending fell slightly in six villages and rose markedly in three villages (Andoung Trach, Trapeang Prei and Kompong Tnaot). Falling health expenditure may not reflect reduced health costs, because poorer households (in particular downwardly mobile groups) tend to cut health spending, while rising health spending may reflect health shocks, as well as an increased capacity for investment in health care among upwardly mobile households.

**Table 3.02: Expenditure on Health Care, by Village, 2001 & 2004/05 (riels per capita per day)**

		2001	2004/05	Change
Strongly performing	Krasang	159	155	-2%
	Ba Baong	241	210	-13%
	Andoung Trach	81	173	113%
Moderately performing	Kanhchor	124	104	-16%
	Prek Kmeng	203	190	-7%
	Trapeang Prei	46	107	133%
Poorly performing	Kompong Tnaot	77	128	66%
	Dang Kdar	177	106	-40%
	Khsach Chi Ros	132	95	-28%
All villages	Total	146	143	-2%

2004/05 expenditure is adjusted by 18.59 percent inflation. Source: 890 panel households in 2004/05.

In every village, the cost of health care was raised as a significant problem, in particular for the poorest households. Better off households spend considerably more on health care than the poorest households, the two upwardly mobile segments significantly increasing spending on health care between 2001 and 2004/05. Comfortably rich households spent five times as much on health care in 2004/05 as chronically poor households. Upwardly mobile female-headed households increased their spending on health care considerably more than male-headed households did, while health spending in downwardly mobile households fell between 2001 and 2004/05 (Table 3.03).

**Table 3.03: Expenditure on Health Care, by Mobility Group, 2001 & 2004/05 (riels per capita per day)**

	2001	2004/05	Change
Comfortably rich	261	241	-8%
Climbing into wealth	108	258	138%
Escaping poverty	52	130	150%
Static middle	100	97	-3%
Falling into poverty	217	78	-64%
Deepening poverty	119	45	-62%
Chronically poor	53	54	2%
Total	146	143	-2%

2004/05 expenditure is adjusted by 18.59 percent inflation.  
Source: 890 panel households in 2004/05.

These patterns of health spending impact on the type and quality of services households receive. Better off households often opt to use private services available locally or in the commune, district or province. Poor households often use traditional medicine and tend to delay seeking help until health conditions are very serious, resulting in poor outcomes and high overall costs because they pay for different forms of treatment before seeking proper care.

Health centres were used by poor households in some villages only when the problem was serious or when they could not afford the high costs charged by private practitioners, while hospitals are used only when the condition is very serious. Although the cost of health care has fallen in some communities, the cost of travel and treatment in the public system was frequently cited as a barrier to using public health services.

*“Now severely sick patients are sent to the referral hospital in the district, but the majority of us go to private clinics when we get sick. The quality of public health service is poor ... no free medicine ... so there are not so many patients. It would be ideal if people did not have to pay for hospital beds so as to allow the worst off access to some health services. Overall, the cost for medical services has gone down. An eye operation used to cost around 250,000 riels, but now costs only around 100,000 riels... but it’s still high, especially for the worst off.”—Community timeline focus group, Krasang*

#### ***In the Public Sector, the Cost of Treatment Is Driven Up by Corruption***

In all villages, participants stressed that health care costs in the public system are driven upwards by corruption. Many public providers demand informal payments for services that are supposed to be low cost or free. In addition, public health officials often run private clinics or provide private services “on the side” to supplement their income. These “private practitioners” are often preferred to public services, even though they may be more expensive, because they are available locally and can provide medicines and injections that public services sometimes lack.

*“For normal sickness, we prefer private medical practitioners in the village to the commune health service for treatment ... whoever we go to, we have to pay for the service—without money, the patient will be waiting to die. To our knowledge, if we don’t have money for treatment, we die. For instance, they provide us with good care only when we give 20,000–30,000 riels to each nurse and medical staff. Normally they avoid us after three days, when we run out of money.”—Community timeline focus group, Kompong Tnaot*

*“In principle, the poor can use services at public hospitals for free but in general still do not go there because they need to have some connections, meaning persons who can help to get this service. So when they suddenly fall ill, they run to the private medical practitioners, who do not require any documentation or connections but just money.”—Moved out focus group, Krasang*

#### ***‘Those Who Do Not Have Money And Fall Ill Can Do Nothing Except Wait To Die’***

In all villages, participants stressed that the poorest households faced significant consequences because of lack of capacity to pay for health services. Poor households that cannot afford treatment often take loans to pay for health care, and land sale and debt due to health shocks were frequently cited as reasons for moving into poverty. As discussed in Section 4.2 of Chapter Four, 52 percent of household crises in 2004/05 were related to illness and the costs of treatment, ranging from 22 percent in Khsach Chi Ros to 68 percent in Andoung Trach. The poorest households, with no assets to sell or capacity to obtain credit, must simply wait for the person to recover or die.

*“Whenever a family member falls sick, mostly we go into debt or have to mortgage or sell our land. After recovering, we become village workers or have nothing to rely on any more.”—Moved into poverty focus group, Khsach Chi Ros*

*“Those who do not have money and fall ill can do nothing except wait to die ... because medicines are expensive, in addition to a considerable amount paid for medical staff.”—Stagnant focus group, Kompong Tnaot*

### ***The Quality of Health Services Is Questionable***

While more health services are available now than in the past, they were reported to be of varying quality. Public health services were often said to have insufficient medicines and staff to treat patients effectively. Public health officials were also reported to discriminate against those who cannot afford to pay. The strong preference for private practitioners is largely driven by the cost and questionable quality of public health services in all villages, as these quotes from Andoung Trach (a strongly performing village), Kanhchor (a moderately performing village) and Khsach Chi Ros (a poorly performing village) illustrate.

*“The local [private] clinic has most likely absorbed more villagers than the health care centre and district and provincial hospitals, about 60 percent, because the health care centre just provides medicines such as tablets, pills and so forth. Moreover, it does not have enough medicines for treatment. In contrast, the local clinic provides enough medicines, and an injection is also included, if people have enough money to pay for treatment.”—Moved into poverty focus group, Andoung Trach*

*“The [public health] centre offers almost free consultation, which costs only 500–1000 riels ... Large numbers of the poor and the ‘have nots’ go to this centre when they feel sick ... However, most people still go to buy tablets from the local grocery shops or local clinics without consulting with an experienced health care practitioner when they feel sick ... The rich and medium as well as the majority of the poor who can afford the cost of private services prefer private health-care practitioners to the service offered by the health centre because of better treatment and/or better medicines ... But the costs charged by private providers are extremely high compared to that charged by the commune health care centre and are not affordable by the poor and destitute.”—Moved out of poverty focus group, Kanhchor*

*“Almost all people who fall sick go to private doctors. Only a few, especially the poor, go to the commune health centre near Kompong Kou pagoda and pay 500 riels for the service. We have to buy medicines whichever health service we use. People prefer the private doctors, either in the village or in Kompong Thom, to the health centre. Every time we approach the commune health centre for treatment, they provide us only aspirin.”—Moved into poverty focus group, Khsach Chi Ros*

Although private practitioners and shops selling medicines were available and widely patronised in all villages, they were often poorly or insufficiently trained, in particular in poorer, more isolated villages. In villages such as Krasang, qualified public staff were reportedly working as private providers to supplement their incomes. In other villages, private practitioners are not doctors or nurses, but individuals who have received some limited training from NGOs or other agencies, or who have some practical experience providing health care, such as the so-called Pol Pot “medics” (soldiers who served as medics during the Pol Pot regime) in Kompong Tnaot, Dang Kdar and Khsach Chi Ros. Providing health care is a good source of income; with no training or regulation, the quality of care offered by these providers is questionable. Given that health shocks are one of the main reason for falling into poverty, health system delivery and quality, together with health insurance, are critical issues that poverty reduction strategies must address.

### **More Children Are Attending School and Stay in School Longer**

*“There are now more schools available near our village. This is because of development efforts having been put into our area in the last four or five years ... Before students studied in two small fragile thatched buildings which were subject to frequent attacks by the Khmer Rouge, and during each attack both the students and the teacher had a hard time escaping from bombs, bullets and being killed.”—Male youth focus group, Dang Kdar*

Participants in all villages reported that the availability of education and participation and retention rates have improved significantly over the previous decade. Five of the study villages (Ba Baong, Andoung Trach, Prek Kmeng, Kompong Tnaot and Dang Kdar) now have primary schools and in some cases preschool education, while in the others (Krasang, Kanhchor, Trapeang Prei and Khsach Chi Ros) primary school education is available in nearby villages.

As a result of improved availability, better roads and the introduction in the early 2000s of the government’s universal education policy, which provides for free registration up to grade nine, primary school attendance has increased in all study communities. Most children attend primary school, and many children now stay in school for longer periods. In better off villages, such as Krasang, primary school attendance was described as 100 percent, and in other villages it was said to be 70-80 percent. A majority of children were also said to complete primary school in most communities. But many children from poor and destitute households, in particular girls, were still likely to miss out, as discussed below.

**Table 3.04: Expenditure on Education 2001 & 2004/05 (riels per capita per day)**

		2001	2004/05	Change
Strongly performing	Krasang	250	61	-76%
	Ba Baong	103	94	-9%
	Andoung Trach	75	56	-26%
Moderately performing	Kanhchor	101	99	-2%
	Prek Kmeng	117	65	-44%
	Trapeang Prei	49	40	-18%
Poorly performing	Kompong Tnaot	262	129	-51%
	Dang Kdar	47	19	-59%
	Khsach Chi Ros	55	29	-47%
All villages	Total	122	68	-44%

2004/05 expenditure is adjusted by 18.59 percent inflation.

Source: 890 panel households in 2004/05.

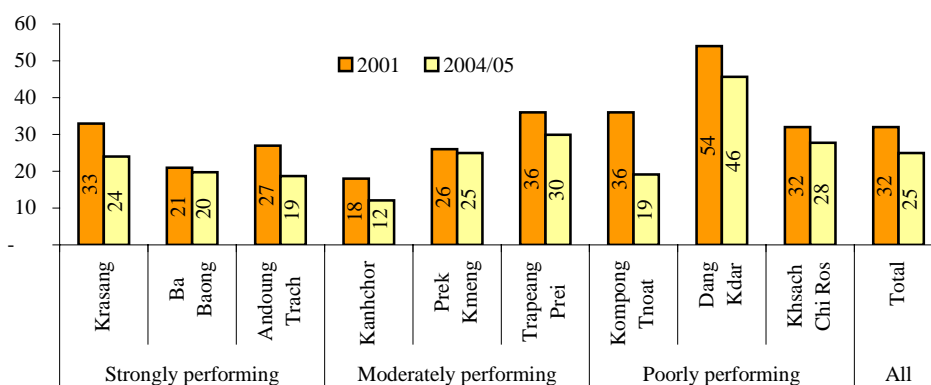
At the secondary level, there is considerable variation between communities and households. Not all villages have nearby secondary schools, and children often have to travel to continue their education. As a result, attendance and completion rates are much lower. In poorer communities such as Prek Kmeng and Khsach Chi Ros, lower secondary education is a considerable distance away, and few children can attend. Attendance in the other communities depends more on sex and household income because lower secondary schools are within travelling distance. Very few children attend upper secondary school, and villagers very rarely cited examples of local children attending university.

Educational expenditure fell by 44 percent across all villages between 2001 and 2004/05, reflecting the introduction of universal free primary education in the early 2000s. There was significant variation between villages, spending on education being higher in Ba Baong, Kanhchor and Kompong Tnaot, and lower in other villages, in particular Dang Kdar and Khsach (Table 3.04). Education spending also fell in all mobility groups, with the exception of those escaping poverty, who increased education spending slightly between 2001 and 2004/05 (Table 3.06 below).

### ***Educational Attainment Varies by Location and Is Correlated with Mobility***

While participation in education has increased among the current generation of children, educational attainment among the population aged 15 and over in the study villages is low. Most villagers are either illiterate or have only primary school education: only 17 percent have progressed beyond primary school.

**Figure 3.08: Illiteracy by Village, 15-54-Year-Olds, 2001 & 2004/05 (%)**

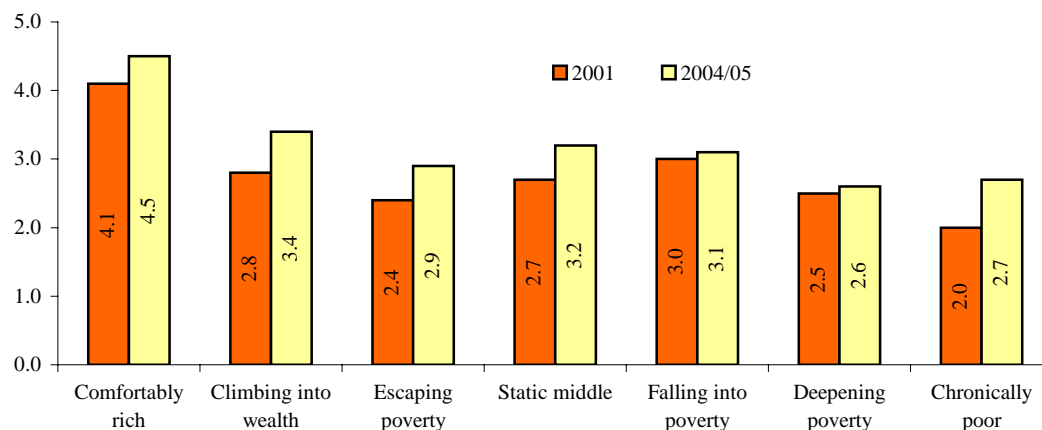


Source: 2891 individuals in 2001 and 3047 individuals in 2004/05

In 2004/05, one in four people aged 15–54 had no schooling, ranging from 12 percent in Kanhchor to 46 percent in Dang Kdar. Strongly performing villages tended to have slightly higher educational attainment. An exception was Kanhchor (a moderately performing village), where 88 percent of villagers had some schooling (Figure 3.08). The majority of villagers (57 percent) had attended only primary school, and the average schooling was three years, ranging from 4.1 years in Ba Baong, to only two years in Dang Kdar, which is lower than the rural average of 3.6 years (World Bank 2007: 127).

Literacy rates had improved between 2001 and 2004/05 in all villages, although poorly and moderately performing villages had higher illiteracy rates in 2004/05, with the exception of Kanhchor. Unsurprisingly, rates of educational attainment were lower for women. Only 70 percent of women had some schooling (compared to 82 percent of men), and 12 percent of women had attended school beyond the primary level (compared to 24 percent of men). Women averaged 2.7 years of school education compared to 4.1 for men (Table 3.07 in the Annex to Chapter Three).

**Figure 3.09: Average Education of Household Members Aged 15 and Over by Mobility Group, 2001 & 2004/05 (years)**



Source: 890 panel households: 2974 individuals in 2001 and 3207 individuals in 2004/05

There is a correlation between mobility group and education: members of better off mobility groups have higher average years of education. Average education of members aged 15 and over in 2004/05 was 4.5 years for comfortably rich households, compared to only 2.7 years in chronically poor households (Figure 3.09).

Higher education among members of comfortably rich households is likely to reflect their longer term prosperity and capacity to invest in education for younger members of the family; this group spent more than double the average expenditure on education in 2004/05 (139 riels per capita per day, compared to an average of 68 riels). Household members in the climbing into wealth segment also had more years of education, which may also be a sign of their improved capacity to fund education. Whether education is a result of prosperity or upward mobility, or a contributing cause, requires further investigation.

It is interesting to note that household members aged 15 and over in the falling into poverty segment had more average years of education than those in all other segments, apart from the comfortably rich and climbing into wealth groups. This suggests that, while education is associated with maintaining prosperity and upward mobility, it is not sufficient to prevent households from moving down. As skilled paid employment becomes more important as a source of household income, education may be more strongly correlated with upward mobility and staying wealthy; this deserves further investigation in the next round of the MOPS.

### ***Education Is Increasingly Valued by Parents and Young People***

In addition to the lower direct costs associated with education and the increased availability of schools, the emergence of new employment opportunities that require some basic education is contributing to higher participation rates, in particular for girls. Participants in FGDs in most villages identified the link between education and employment as a reason for keeping their children in school. New employment opportunities include garment work and jobs in construction and food processing in Thailand, where secondary education is a requirement for promotion. Lack of education restricts employment opportunities: only low-paid, unskilled jobs that are physically strenuous and expose workers to health hazards such as chemicals used in agricultural production are open to those with no or limited schooling.

*“Education is the most important asset of people in this world. Being well educated, one can find a good job with a high standard of living ... With a good education, he or she can manage to have a better life or be able to set a clear goal ... An educated person never fears financial insecurity since he or she has a permanent well-paid job ... For example, a literate adult woman is able to find a good job in a garment factory now ... Those who have no education can not find such fortune and become mobile labourers, a more risky job.”—Female youth focus group, Trapeang Prei*

### ***Poor Children, Especially Girls, Still Miss Out***

*“Because we are poor, our children quit school at an early age or after only one or two years in order to help their parents earn a living. Unfortunately, they cannot go as far as the rich do in obtaining skills to earn a living. As a result of being trapped in illiteracy, we have poor knowledge and are without ideas, remaining short-sighted and powerless.”—Moved into poverty focus group, Khsach Chi Ros*

Across all villages, children from poor and destitute households were less likely to attend school or to receive as many years of schooling as children from better off families. This was particularly the case in the poorest households and villages, such as Khsach Chi Ros. Although direct education costs have fallen, the opportunity cost of keeping children in school is significant, due to the importance of their labour to the household. Child labour outside the household is not uncommon; while the extent of child labour was not explored in the household survey or in focus groups, one of the coping strategies of households affected by

shocks is to send their children to work for other households or in occupations such as salt farming in Kompong Tnaot. These children miss out on schooling that might enable them to improve their living standards later in life. Differential education is one of the main indicators of rising inequality identified by participants in the study villages.

*“Children are forced to quit their schooling to help their parents in fishing or selling labour in salt farms, while the children of rich households are able to continue their education ... Some of them are sent for further study in Phnom Penh. They not only get a good education but also have good networks and/or build ‘strong backs’ there. Then they have still more and wider economic opportunities ... While the poor are economically confined in the bore hole [well] like a frog ... What they can see is the cloud over the bore hole.”—Community timeline focus group, Kompong Tnaot*

It is usually girls who are kept out of school to help the family. The exception is forestry communities such as Kanhchor, where boys are more likely to miss out on education because their labour is required in the peak forestry season. Despite new employment opportunities for young women, in particular in the garment sector, investment in girls’ education continues to be seen as less worthwhile than ensuring that boys are educated. Girls’ movements are generally more constrained than boys’, as discussed in Chapter Four. Safety and the belief that if girls are literate they will “write love letters” (have the freedom to engage in romantic relationships without their parents’ knowledge) were cited as reasons for taking girls out of school.

*“We also want to go to school like the better off girls here, but it is impossible for us since our parents are poor ... Our parents face difficulty feeding the family ... We have to help our parents or brothers row a boat for fishing and take care of our little brothers and sisters and look after animals ... Those who have a good education can find well-paid jobs in garment factories in Phnom Penh ... Unfortunately, it is difficult for us even to go searching for work since we can not read the signposts on the road.”—Female youth focus group, Ba Baong*

Young women in several communities expressed regret that they had missed out on education and have therefore lacked the opportunity, not only to gain employment and move out of poverty, but also to participate fully in their communities.

*“We are not happy that we did not have a chance to stay long in school. It’s difficult for those who have little knowledge to make money. For example, if we cannot read or write, we cannot work in some jobs such as in garment factories. When we are illiterate we do not want to go to Phnom Penh because we may get lost.”—Female youth focus group, Prek Kmeng*

Traditional gender attitudes that see investment in boys’ education as more worthwhile were reflected in parents’ aspirations for their children. Many parents of both sexes aspire to have their boys achieve more schooling than their girls; they also anticipate that this will be the reality, and that their boys will attend school for longer than their girls (Table 3.05).

**Table 3.05: Schooling Parents Aspire to and Expect for Their Children (%)**

	Schooling parents aspire to for their children		Schooling parents expect their children to achieve	
	Male children	Female children	Male children	Female children
None	0	0	1	1
Less than primary	0	1	9	11
Completed primary	3	7	15	19
Less than secondary	18	27	29	30
Completed secondary	32	25	21	16
Post-primary vocational	7	6	3	2
University or other secondary	25	18	7	3
NA	14	16	15	17
<b>TOTAL</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Better off households have higher aspirations for their children. Comfortably rich parents were much more likely to aspire to send their children to university than other mobility groups (37 percent for boys and 28 percent for girls). Interestingly, the falling into poverty group also had higher aspirations for boys and much lower expectations for girls (31 percent wanted their boys to attend university, compared to 13 percent for girls). The poorest groups (the deepening poverty and chronically poor segments) had lower aspirations; more households in these segments aspired for boys to complete secondary school (40 and 39 percent) and for girls to complete less than secondary school (30 and 34 percent) (Table 3.08 in the Annex to Chapter Three). Expectations about the education children will actually achieve were lower among all mobility groups, with the exception of the comfortably rich. Most parents expect that their children will complete less than secondary education. Aspirations for boys were highest in communities that have been prosperous for longer: parents in Ba Baong, Prek Kmeng and Kompong Tnaot were more likely to hope their boys would attend university (37, 39 and 32 percent respectively), while parents in other villages were more likely to aspire for their boys to complete secondary education. In most villages, parents aspired for their girls to undertake or complete secondary education. Ba Baong was the exception; more parents in this community hoped their girls would attend university than complete secondary education. In all villages, more parents thought their boys would attend or complete secondary school, and that girls would attend (but not complete) secondary school. A substantial proportion of parents in Andoung Trach, Krasang and Kompong Tnaot thought their girls would complete only primary school.

#### ***The Quality of Education Is Poor, and Informal Payments Are Reported in Some Villages***

Greater availability of education and rising participation have resulted in increased demand. Participants in many of the study villages said that there were not enough teachers to meet the needs of the community. This point was stressed in both strongly performing and poorly performing villages. Participants in the poorest villages (where education has been available for shorter periods than in the strongly performing villages) spoke positively about the quality of education. Participants in better off communities were more likely to voice concerns about their children's schooling.

*"I have doubts about the quality of schooling. My son, who is in grade six now, cannot even read his name. I wonder what he's doing at school. The teacher just lets him pass the class."*—Male participant, moved out of poverty focus group, Krasang

In two villages (Kompong Tnaot and Krasang), participants voiced concerns about teachers requiring informal payments. In Kompong Tnaot, teachers were reported to require students to attend private classes for a fee; these classes cost around 400–500 riels per session and provide information that students require in order to pass exams.

Some teachers also charge for their public classes, and reportedly sell food and other goods that students are compelled to purchase. This practice was also reported in Krasang but was said to be decreasing. In Ba Baong, the teacher was not able to provide full-time schooling because of the need to engage in other employment to earn a living.

Although household expenditure on education has fallen in most villages since the introduction of the free primary enrolment policy in 2000 (Tables 3.04 and 3.06), informal payments appear to be driving education costs up, which may account for the higher education spending in Kompong Tnaot. Families in this village are reportedly forced to pay up to 600–800 riels per child per day for fees alone.

**Table 3.06: Expenditure on Education by Mobility Group, 2001 & 2004/05 (riels per capita per day)**

	2001	2004/05	Change
Comfortably rich	259	139	-46%
Climbing into wealth	90	73	-20%
Escaping poverty	47	50	5%
Static middle	85	54	-37%
Falling into poverty	140	42	-70%
Deepening poverty	57	29	-50%
Chronically poor	35	23	-32%
Total	122	68	-44%

2004/05 expenditure is adjusted by 18.59 percent inflation.  
Source: 890 panel households in 2004/05.

*“I have three children. I spend 4000 riels to buy my children’s [examination] scores ... but not knowledge for my children ... If our children do not take extra classes with their teachers, they are going to fail in the exams ... Moreover, if our children do not buy whatever their teachers sell at school, they are stared at when seen buying something from others ... The food corner at school is full of teachers’ shops ... so we have to give a lot of money to our children ... There has been an increase in extra classes that students have to take to pass the exams over the past four or five years ... Before students took extra classes only during their exam years [diploma or bachelor II], but now we have them even at primary level.”—Female participant, community timeline focus group, Kompong Tnaot*

### ***Benefits of Development Assistance Have Been Unevenly Distributed***

Although some development assistance has been available to the study villages since the early 1990s, and more villages and households have better infrastructure and social services than in the past, these benefits have been unevenly distributed among communities and households. Development assistance and infrastructure development are primarily determined in the community and are a function of the location and history of the village. Access to social services such as health and education is determined by availability within a village, but also and as importantly by household income.

Strongly performing villages have received more development interventions, have benefited from road construction and clean water and have also had more health care and education, for longer periods, than poorly performing villages. Better off households are in a position to capitalise on improved roads, easier travel to markets and employment and agricultural extension services where these are available, and can also afford to construct wells and buy private pumps if community water supplies are unsafe or insufficient. The MOPS identifies a clear nexus between good roads and clean water and irrigation, and improvements in village and household well-being, suggesting a strong imperative to increase investment in infrastructure and its maintenance in rural communities. The MOPS therefore supports the finding of the World Bank’s Equity Report that investment in infrastructure development and maintenance, most particularly in roads, improves connectivity and helps reduce poverty (World Bank 2007: 77).

Although the availability and quality of social services such as health care and education vary between villages, inequality in health care and education is even more marked between poor and better off households, as observed in all study villages. Although government policy promotes free or low-cost health care and free primary education for all Cambodians, and the costs of education in particular have fallen, there are indirect costs in both sectors, including corruption costs in health care and opportunity costs associated with keeping children in

school. With relatively greater capacity to invest in health and education, rich and upwardly mobile households have been able to benefit from recent improvements in service availability. Poor households, on the other hand, cannot afford the informal costs in the public health system or pay for relatively more expensive private care. Nor can they afford to lose their children's labour while they attend school. There is a generational dimension to this inequality: health shocks drive households into debt and poverty that is often passed on to children, while low education is correlated with low income, constrains movement out of poverty and limits the capacity of households to fund education for the next generation. Widespread interventions such as health insurance and incentives such as scholarships and free meals are required to break this cycle of rural poverty.

Further, the MOPS suggests that government institutions have limited capacity and funding to provide development assistance, develop and maintain infrastructure or deliver much needed local social services. In the study villages, development interventions were often funded by NGOs and international organisations rather than by government agencies or programmes. Often these interventions were one-off and not maintained or sustainable. For example, roads built by NGOs or international agencies were frequently not maintained, undermining their benefits. Infrastructure development and service delivery should be the responsibility of the state: over-reliance on non-state actors promotes an *ad hoc* approach to development that is neither consistent nor sustainable, to the detriment of rural Cambodians.

### **3.3. 'When Elephants Attack One Another, the Ones Who Die Are the Ants': the Impact of Governance and Institutions on Study Communities and Households**

The MOPS suggests that inequality is increasing and that the benefits of development assistance, including improvements in infrastructure and availability of social services, have been unevenly shared between communities and households. The study further suggests that poor governance and weak institutions have contributed to rising inequality and unequal access to infrastructure and social services, acting as a brake on economic growth and poverty reduction.

This section discusses the ways in which weak governance and poor institutional capacity impact on community well-being and household mobility. Qualitative data from focus groups in each village are the main source used in this discussion. Many of the questions relating to governance in the household survey were not answered by a significant proportion of respondents. To many of the survey questions on governance issues, respondents answered that they "do not know", in particular in response to questions about government above the commune, which they are less familiar with. It may be the case, as noted below, that some participants were afraid to answer these questions, or that their limited awareness of governance and institutions prompted these responses.<sup>6</sup> As noted in Chapter One, the survey was overly long, and respondent fatigue may also account for some of these responses.

Participants in focus groups were not always able to articulate responses to questions about abstract concepts such as governance and democracy. They did, however, give many specific examples of poor governance, including corruption, failure to manage resources such as forests and fisheries sustainably and for the benefit of all community members, difficulties managing conflicts (in particular when powerful interests are involved) and failure to provide a secure environment for communities and individuals. Examples of successful governance and more effective institutions were also raised in some communities, in particular positive interventions by local authorities.

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<sup>6</sup> Participants were more likely to say they did not know when asked about national government, and more likely to give responses when asked about local government. Where household survey data are used, the number of respondents is therefore indicated.

Those communities reliant on natural resources—the forestry villages of Kanhchor and Dang Kdar and fishing communities such as Ba Baong, Prek Kmeng, Kompong Tnaot, and Khsach Chi Ros—were more likely to experience conflicts over resource use. Villages that are benefiting from strong growth and are close to the Thai-Cambodian border, or that have considerable experience of migration, such as Krasang and Andoung Trach, were more likely to be experiencing security problems. That said, the responses from participants on the impact of weak governance and institutions on communities and households were largely consistent across all villages: strong, moderate and poorly performing villages all report similar concerns about governance. In households there is more differentiation, as better off households stand to benefit from weak governance and corruption, while poor and destitute households, unable to pay corruption costs and without powerful connections and a “strong back”, generally suffer.

The findings from the MOPS are broadly consistent with the findings from other CDRI studies, in particular the *Participatory Poverty Assessment of the Tonle Sap Region* (the PPA), and with the framework for analysis of governance in Cambodia set out in the literature review conducted for the CDRI accountability study (Ballard 2007, Pak *et al.* 2007). Taken together, these studies tell a consistent story: neo-patrimonialism dominates Cambodian political culture, onto which so-called liberal democratic institutions, processes and values have been unevenly and uneasily grafted. Patronage networks exist alongside formal roles and responsibilities, with real power and decision making located in the patronage network rather than in formal positions or institutions. Patronage relationships, which provide the weaker party with the “strong back” essential for political and economic protection and advancement, exist throughout society and allow those with power and influence to extract wealth and resources, including from the natural environment. Corruption is a feature of patronage relationships and is endemic at all levels of society and decision making.

It is very difficult for ordinary villagers to challenge these power relationships without fear of retribution. In seven of the nine study villages (Ba Baong, Andoung Trach, Kanhchor, Trapeang Prei, Kompong Tnaot, Dang Kdar and Khsach Chi Ros), some focus group participants were reluctant or afraid to talk publicly about governance issues, including power relations, the behaviour of local authorities and influential people in the community and corruption. Some participants said that they were unwilling to speak because they didn’t trust others in their community. Others said they were frightened of being beaten up or “disappearing”. This concern was raised by the general population in community timeline focus groups and in youth focus groups. Participants in forestry villages and in Kompong Tnaot were particularly likely to raise fears of physical violence.

*“We cannot speak through media or talk out loud regarding corruption ... if we talk about it, we will disappear for an unknown reason or there will be someone going to kill us ... It is a fear, really!”—Community timeline focus group, Kompong Tnaot*

*Despite the concerns voiced by some participants, issues of power, corruption and weak governance were extensively discussed in focus groups. In all FGDs, participants expressed a desire to have their communities develop, and increased demand for good governance was evident in all study villages, as noted below.*

*“We do not want to talk because we are afraid of being ‘disappeared’, one. And second, even if we speak out, nothing changes; every kind of misconduct remains the same and valid ... But we do want the development of our country; that’s why we talk now.”—Community timeline focus group, Kompong Tnaot*

### **Concepts Such as Governance and Democracy Are Not Well Understood by Many Villagers**

*“Good governance is something good only on paper, but in reality it’s totally different. People are not seen as being important and are not given priority.”—Community timeline focus group, Krasang*

Poor understanding about terms such as “governance” and “democracy” was evident in all study villages, in particular among participants in youth and mobility focus groups. With a few exceptions (young men in Kompong Tnaot, young women in Kanhchor and the moved out of poverty group in Dang Kdar), participants in the mobility and youth focus groups said that they had heard the term “democracy” but did not know what it meant. Often respondents said that while they had heard the term on the radio or TV, it had little relevance to their daily lives. Participants in many of the mobility and youth focus groups also appeared to have little awareness or understanding about governance as well as national institutions and their role and functions. While they were prepared to discuss local authorities and their performance, participants in several groups said that they “don’t know” about national governance.

*“We have very little knowledge about these issues because we rarely communicate with the higher level [authorities at/above the commune].”—Moved into poverty focus group, Kanhchor*

Participants in the village leader focus groups were generally better informed, and were able to explain what democracy meant to them.

*“Democracy means giving importance to people ... It’s when people still listen to each other ... The importance of people means people are the ones who make decisions for all important issues. It’s a bottom-up approach ... from the small items to the big items. For example, Prime Minister Hun Sen is elected by the people. The lawmakers are there because of people. That’s democracy.”—Community timeline focus group, Krasang*

In the village leader focus groups in Ba Baong and Krasang and in a few mobility group discussions (for example the moved out of poverty group in Dang Kdar), participants also had some understanding of governance, relating it to good management, transparency and prioritising people’s needs. When asked about governance, participants in village leader groups in eight of the study villages immediately referred to governance *failures*, in particular corruption, which was perceived to be the direct opposite of good governance and a sign of failed policy implementation.

In the FGDs with village leaders and the few mobility and youth groups in which participants said they understood the term, democracy was associated with freedom and rights, including the right to vote, freedom of speech and movement and freedom to conduct business and choose a marriage partner, as well as the rule of law and right to equal justice under the law. Some participants, for example in village leader focus groups in Khsach Chi Ros, Dang Kdar and Krasang, also talked about democracy in terms of decentralisation and participation in local decision making. Democracy was also associated with development and poverty reduction in many of the village leader focus groups. Participants in focus groups in four villages (Ba Baong, Kompong Tnaot, Andoung Trach and Khsach Chi Ros) stressed that while the concept of democracy was positive, it was far from a reality in rural Cambodia.

*“We go to vote these days just to complete all the ballots and free ourselves from being asked to vote ... It’s not because people want to practise democracy or vote according to what they want ... People do not understand what democracy is. Those who are at the top and claim to practise and support democracy just use democracy for grabbing power ... They do not respect the power of people. We have such practices at the top, so how can it be well implemented at the grass roots?”—Moved out of poverty focus group, Kompong Tnaot*

Some rights and freedoms (such as the right to vote and freedom of movement) were considered to be largely available to all Cambodians since the UNTAC period and the end of armed conflict. Other rights, such as freedom of speech and expression, and in particular the right to equal justice under the law, while guaranteed under Cambodian law and by government policy, were perceived to be unavailable in practice, due to weak rule of law and corruption. In addition, while some villages (such as Krasang and Andoung Trach) had received training programmes on rights delivered by NGOs, participants in other communities

(such as Ba Baong) said that ordinary people are often not aware of their rights. Rights and freedoms are compromised by poverty and inequality; they are available to the rich, but the poor cannot exercise or enforce them.

*“We now have full rights to speak, and no one warns us not to voice our concerns or ask for help ... but the authorities also have the right to ignore our concerns ... The difference is that they have the power to force us to follow the law, but we have no way to force them to cease their misbehaviour.”—Community timeline focus group, Ba Baong*

Participants in village leader, mobility and youth groups in seven villages also talked about men and women having equal rights, including the right to freedom of movement, to choose their own marriage partner and to participate in community and household decision making. As noted in Chapter Two, however, participants pointed out that while men and women have equal rights in theory, in practice gender inequalities persist and constrain women's lives.

*“We can say now women and men have equal rights or freedom in law ... It is not true for all cases. Women have to be cautious when travelling at night or to search for work far from the village. Women have rights in law but when they are raped they have not been able to claim their rights if they have no money to pursue the court case.”—Moved out focus group, Ba Baong*

As the above quotation illustrates, while western liberal values and concepts such as rights and democracy have been grafted onto Cambodian society and culture, they are only skin deep, while traditional norms and practices are deeply rooted. An uneasy fit between concepts such as freedom and rights and Cambodian values such as respect for authority and elders was evident in some study villages. For example, village leaders in Ba Baong, Andoung Trach, Prek Kmeng and Trapeang Prei saw the introduction of these concepts as quite negative. Rights and freedom were associated with the introduction of foreign values via the media and were seen by these participants as threatening community stability and security.

*“Since 1993, people in this community have heard the words rights and freedom through radio ... Before 1993, people never insulted each other, but from 1993 until now, people have been starting to use their rights, which has been a problem. People know their own rights but they don't know others' rights ... They dare to insult the local authorities. Extreme use of rights is not democracy but anarchy. When people start having rights, they are spoiled. The authorities say you have no right to use forbidden fishing tools, but people reply, 'I've a right to do business'. Their rights have caused problems for the local authorities; it is so difficult to manage these people.”—Community timeline focus group, Prek Kmeng*

There are signs of some generational change: participants in youth focus groups tended to see the emergence of new rights and freedoms as positive. Young women in particular (in Andoung Trach, Khsach Chi Ros, Prek Kmeng, Kanhchor and Trapeang Prei) stressed that they have greater freedom of movement, are able to speak up in their family and choose their own marriage partner and can seek employment outside the village. But it was also acknowledged that this period of relative freedom ends when women get married.

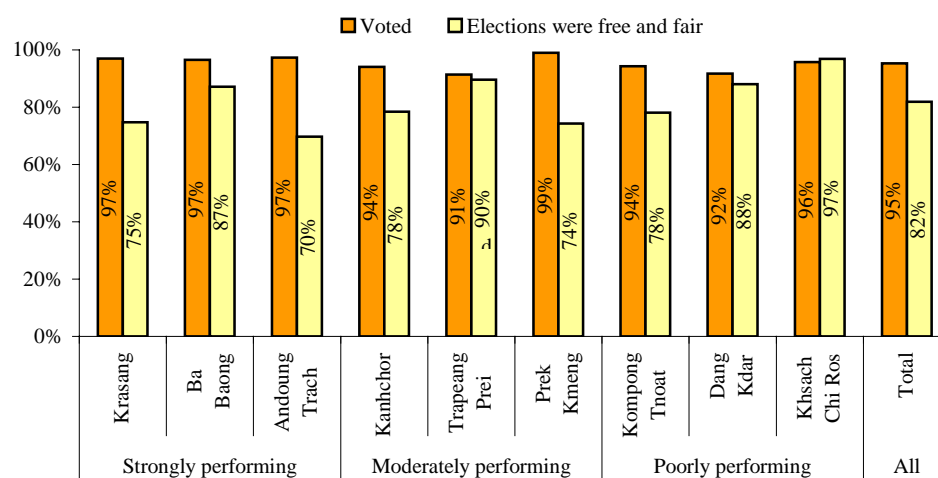
*“Now we have power to choose someone to marry. No one can choose for us, not even our parents.”—Young women focus group, Trapeang Prei*

*“If we are single ... we are free from any pressure except that imposed by our parents ... but it is not a severe pressure because they just advise us or do not allow us to walk alone late at night ... It is just care and not pressure ... If we get married we will have a lot of pressure and have less freedom.”—Young women focus group, Kanhchor*

### Political Participation Is Largely Confined to Voting in Elections

*“Going to vote plus a free and fair electoral process means having democracy.”—  
Female youth focus group, Kanhchor*

**Figure 3.10: Voted In 2003 National Election, By Village (%)**



Source: 862 panel households

Democracy is associated with the right to vote, which was widely valued and cited as an important freedom in FGDs in all villages. Household panel data show that most people vote in national and local elections; 95 percent participated in the 2003 national elections and 88 percent in the 2002 commune council elections. In addition, most respondents (82 percent) thought that the national elections were fair, and that it was easy or normal to get out and vote (87 percent). Similarly, 86 percent said the process for the 2002 commune council elections was easy or normal.<sup>7</sup> There was some variation between communities but little differentiation between mobility groups in terms of voting and overall satisfaction with the national and commune elections (see Figures 3.17 and 3.18 in the Annex to Chapter Three).

In FGDs, some participants did express dissatisfaction with the outcomes of national and commune elections. Voting is strongly associated with achieving development and democracy, and participants in many focus groups and villages expressed disappointment that voting does not always deliver these results. In Krasang, Ba Baong, Andoung Trach, Kanhchor and Khsach Chi Ros, some participants said that they were seeing results from elections, for example because schools and health centres were constructed and roads were built. Other participants in these and other villages (including upward, downward and stagnant mobility focus groups in all villages, and youth focus groups in Trapeang Prei and Dang Kdar) said they had received nothing as a result of voting in elections.

*“We did go to vote ... but we did not know or even care about whether the electoral process was free and fair ... We just thought and cared about how to make a living ... We got nothing from the election but the black paint on our finger [ink used to show that electors have voted].”—Moved out of poverty focus group, Ba Baong*

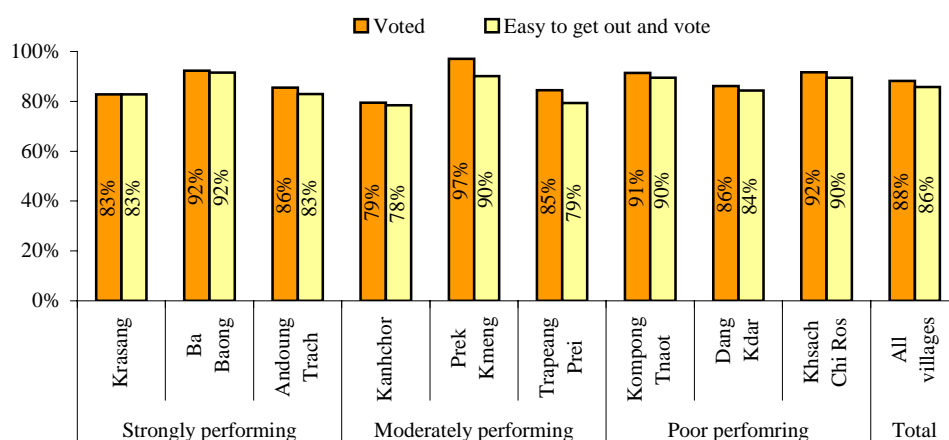
*“Before the election we are like small babies that are taken care of so much ... but after, when they win ... it’s like the stars in the sky ... They do not care about us any more.”—  
Moved into poverty focus group, Prek Kmeng*

In village leader focus groups in Ba Baong and Kompong Tnaot and the moved out of poverty focus group in Andoung Trach, participants stressed that they do not know their national representatives, who were said to appear in the community during the campaign period and

<sup>7</sup> Respondents were not asked whether they thought the 2002 commune council elections were free and fair.

then leave, never to be seen again. In Khsach Chi Ros, on the other hand, village leaders were cynical regarding local authorities, while national government was seen to be more democratic.

**Figure 3.11: Voted In 2002 Commune Election, By Village (%)**



Source: 862 panel households

*“One disappointment is that we don’t know the person whom we elected in the national election ... Many people came to visit us during the election campaign ... but no one came to sympathise with us after the election ... It seems hopeless now ... Most people in the village don’t want to vote in the national election ... We do know our representatives at the commune, but they have limited power to protect people’s interests.”—Community timeline focus group, Ba Baong*

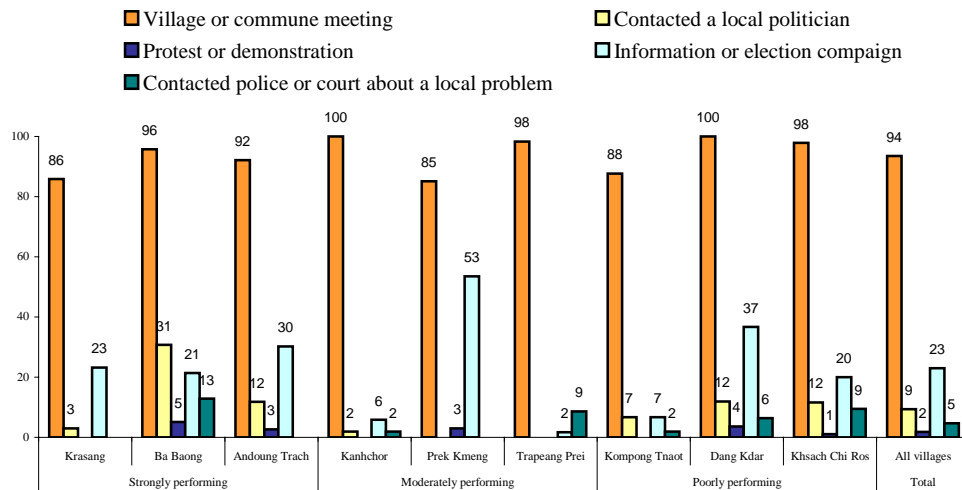
*“Of course we have elections where people can vote; we have five new candidates and five old candidates. But the result of the election is nothing ... there’s collusion. They do not respect people’s votes and comments ... Democracy is properly carried out nationally. In the district and commune, it’s not properly done because the representatives usually are assigned with bias to one party. There’s also nepotism.”—Community timeline focus group, Khsach Chi Ros*

### **Apart from Voting in Elections, Political Participation Is Low**

*“We have all participated in planning meetings, where we discussed choosing development priorities that correspond to our real needs. So far people have decided that roads, toilets and ponds should be developed. After the commune council election, we suggested that we should develop roads and a water channel first. The commune council will decide which village to start first and will take turns to switch development activities across the villages in this commune.”—Moved out of poverty focus group, Krasang*

Local political participation tends to be restricted to voting and attending community meetings. Most people (94 percent) participated in community meetings over the past 10 years, and 21 percent had also participated in election or information campaigns, but far fewer (9 percent) had contacted a local politician, participated in a demonstration (2 percent) or notified police or the courts about a local problem (5 percent) (Figure 3.12).

Apart from participation in community meetings, men were more active than women. Participants in some villages had been considerably more active than those in other communities between 1993 and 2004/05, in particular in Ba Baong, Prek Kmeng and Dang Kdar. There was little difference between mobility groups, although households escaping poverty or falling into poverty were slightly more active than other segments (Figure 3.19 in the Annex to Chapter Three).

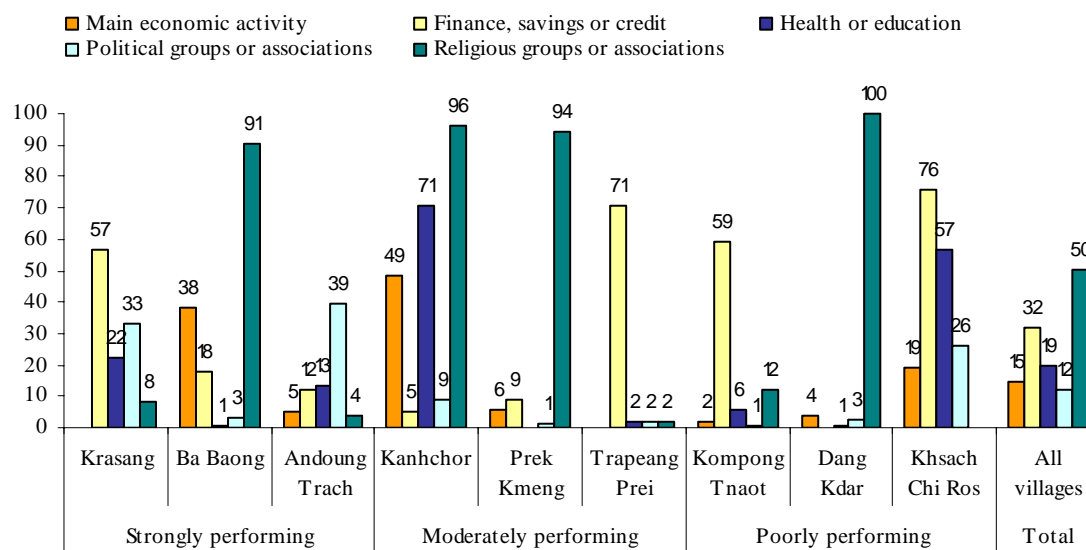
**Figure 3.12: Political Participation over the last 10 Years, by Village (%)**

Source: 862 panel households

In some villages, such as Krasang and Khsach Chi Ros, focus group participants said they were more actively involved in local planning than in the past. In Ba Baong, Andoung Trach and Dang Kdar, however, local authorities said that it was hard to get villagers to participate in community decision making, partly because of other demands on people's time, and because participants in these communities do not feel they can influence commune councils or district planning. In Kompong Tnaot and Dang Kdar, women were reported to be participating in community meetings more often, in part because they are often at home or in the village.

*"During meetings, the majority of the participants are women. Men push their wives to participate in the meeting in their place. This is probably because men go to the forest and are not available for the meeting, while women are usually at home. Some of those who have participated in a meeting would spread the news to others. Some would not even mention it to their spouse. Some difficulties are faced by the commune council or village leaders when calling for a meeting. Only 20 percent of people who are informed about it participate in the meeting. The participation of the villagers in meetings has been getting worse between 1998 and 2004. In 1998, after peace was completely achieved in this area, people were more interested in any news or events happening in their area. But today, as villagers are more used to democracy, they feel that they are important and have the right to do everything ... and they feel relaxed and are less willing to participate in a meeting."*—Commune focus group, Kraya commune, Dang Kdar

While political participation rates were generally low, most households (86 percent) had members who belonged to associations, ranging from 57 percent in Andoung Trach to 100 percent in Kanhchor and Dang Kdar. Fifty percent of households had at least one member who belonged to a religious association in 2004/05, 32 percent to a finance, savings or credit association and 19 percent to a health or education association. There was considerable variation between study villages; more households had members belonging to religious associations in Ba Baong, Prek Kmeng, Kanhchor and Dang Kdar, while more households had members belonging to finance, savings or credit associations in Krasang, Trapeang Prei, Kompong Tnaot and Khsach Chi Ros (Figure 3.13). There was less variation between mobility groups; more downwardly mobile households had family members who belonged to associations (90 percent), while chronically poor households were less likely to have members belonging to associations than any other segment (80 percent).

**Figure 3.13: Membership of Associations, by Village, 2004/05 (%)**

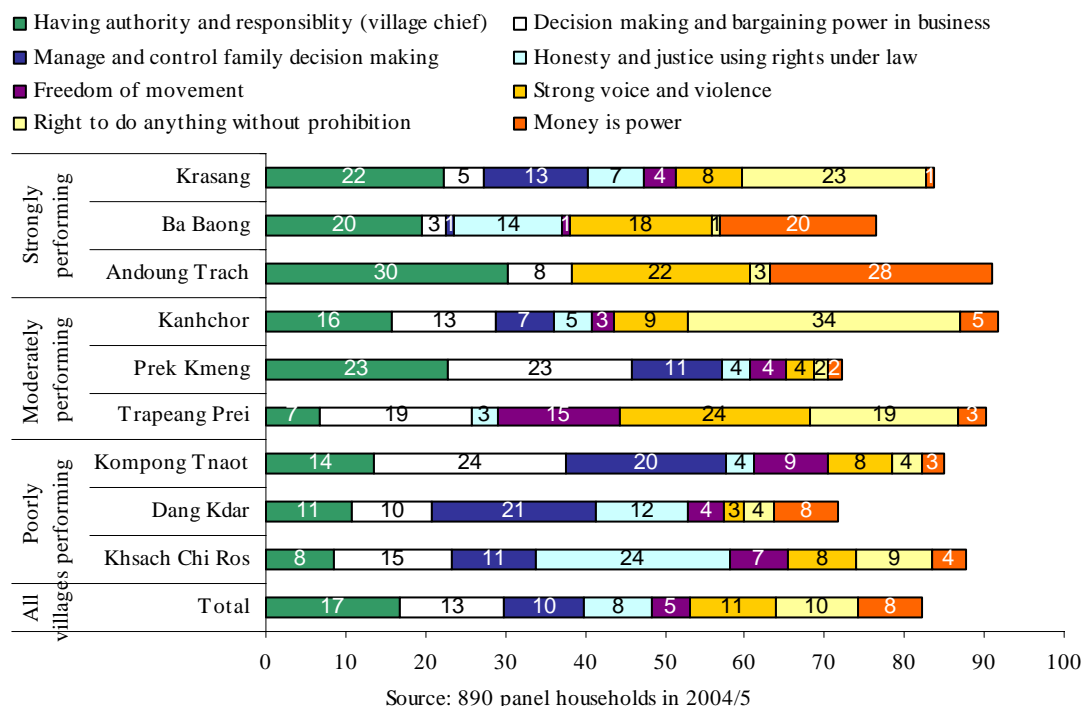
Source: 863 panel households in 2004/5

Comfortably rich households and those in deepening poverty had more family members who belonged to religious associations, while those escaping or falling into poverty had more members who belonged to finance, savings or credit associations. The poorest households had more family members belonging to health and education associations; presumably this includes death associations, which are an important support for those paying costs associated with funerals (see Figure 3.20 in the Annex to Chapter Three). Membership of associations had also increased, in particular between 1998 and 2004/05, from 37 percent of households in 1993, to 50 percent in 1998 and 86 percent in 2004/05.

### ***Powerful Interests with ‘Strong Back’ Use Their Power to Build Wealth and Influence Decisions***

FGDs identified two kinds of power: (constructive or positive) power to act, including to earn a living, protect one’s rights and guide others including community and family members; and (negative and destructive) power associated with wealth and influence, which allows people to do what they like without fear of the law, buy rights and authority and oppress others. The most commonly mentioned definitions of power were the power to act independently (freedom of movement, to earn a living etc), mentioned in 17 focus groups, the power to manage and control one’s family (cited in 15 groups) and wealth and influence (cited in 17 groups).

Similarly, in the household survey, the most common definitions of power by respondents included both positive and negative associations. Definitions of positive power include having authority and responsibility (like the village chief), decision making and bargaining power in business, managing and controlling family decisions, honesty and justice using rights under the law and freedom of movement. Negative definitions include using strong voice and violence, the right to do anything without prohibition and “money is power”. Negative definitions of power were cited more frequently by respondents in Ba Baong, Andoung Trach, Kanhchor and Trapeang Prei and by upwardly mobile households (Figure 3.14 and Figure 3.21 in the Annex to Chapter Three).

**Figure 3.14: Definitions of Power, by Village, 2004/05 (%)**

In focus group discussions, ordinary villagers, including parents and teachers, and in some cases local authorities were seen to have the first kind of power, while high-ranking officials, law enforcers and powerful interests (including traders and concession-holders in fishing and forestry villages) were perceived to have the second kind.

Positive or constructive power is associated with paternalism, and was sometimes described in terms of the parent-child or teacher-student relationship by focus group participants. The relationship between local authorities and villagers and between parents and children was often characterised in positive, paternalistic ways by respondents; for example, village leaders were perceived to have the power to lead and influence villagers.

*“We want good leaders who play roles as our parents and take care of us; we want peace. We want good leaders who can guide our country to prosperity and development in our local areas.”—Community timeline focus group, Krasang*

Hierarchical power relations are a feature of Cambodian society, and relations between those of lower and higher status are often personalised and cast in terms of family and kinship networks. Those with lower status must show respect for those with higher status, and younger members of the family are not allowed to question or challenge their elders (Kimchoeun *et al.* 2007: 54-55).

Those with higher status and relatively greater power are expected to show respect and offer protection to those with lower status. CDRI’s accountability study suggests that Cambodians hold increasingly mixed views towards leaders, due to their failure to meet these traditional expectations (Kimchoeun *et al.* 2007: 54). In the MOPS focus groups, high officials, law enforcers (police and the military) and people with powerful commercial interests were characterised as abusive, corrupt, self-interested and greedy, and were frequently described as using their wealth and power to buy rights and authority and to oppress others (in particular in the natural-resource-dependent villages, Prek Kmeng, Kanhchor, Dang Kdar, Kompong Tnaot and Khsach Chi Ros). The respect that is traditionally shown to those with higher status is being eroded by these behaviours.

*“It is easy to buy power here since the pockets of all high officials are open ... Those with power just make a few trips to the forest and cut trees; then they can earn enough*

*money to cover their expenses for a position ... It would be fortunate for us if they didn't use their power to reap profits from us ... but that is not the case. Normally they threaten other villagers for money ... How can the poor survive? ... The poor are normally the victims and the powerful people are those who benefit ... Unlike before, the powerful should not be respected. But what can we do? They have guns and always make money from our backs.*"—Community timeline focus group, Dang Kdar

A third important dimension of power is connections and influence, otherwise known as having "strong back". This refers to a person or network above an individual in the "string" of patronage relationships that link ordinary villagers with higher status individuals who can provide them with protection and connections to others higher in the network (Kimchoeun *et al.* 2007: 51). "Strong back" was mentioned frequently in focus groups, in particular in the village leader groups, generally to describe those who use their connections to others higher up to undertake illegal or immoral activities or to escape any consequences of these activities.

*"Social morality has declined due to the fact that people rely on their strong back and never listen to others. Moreover, people who have strong back are not afraid of doing wrong because they believe that when they do something wrong, their strong back will help them. It's a shield against any kind of action imposed on those who misbehave and engage in misconduct. For instance, if a nephew of the commune chief hits my head and I go to protest against him, I will become a crazy man."*—Moved into poverty focus group, Dang Kdar

*"[People undertaking] large-scale illegal activities are untouchable because they have strong backing from high officials ... and most of them are impossible to approach ... too powerful ... and it is impossible to break this relation under the current system ... Many illegal fishing tools have recently been destroyed by the provincial Department of Forests and Fisheries in collaboration with commune authorities ... but the owners were not arrested because they are untouchable."*—Community timeline focus group, Andoung Trach

In some villages it was acknowledged that networks and connections are essential for ordinary villagers as well, to access opportunities for employment and livelihood generation. For example, in Trapeang Prei, village leaders said that kinship and networks outside the village are important to "ask for work or do business outside the village". But the term "strong back" was more often used to describe the connection between some better off households and higher status outsiders, including higher officials, law enforcers and people with powerful commercial interests, who are perceived as exploiting and oppressing ordinary villagers.

*"Their living condition is good. They have enough of everything ... They have big jobs and have back and relations. There are about 30–40 people in this village ... They all have back and networks across the village. Our back is just made of bamboo [networks with other ordinary villagers, which are weak and fragile] ... whereas their backs are made of metal and strong, so our back cannot be used to win against them."*—Mixed focus group, Prek Kmeng

Indeed, some better off households within communities exercise considerable influence as a result of their wealth and connections. For example, in Ba Baong rich households are rice traders and control access to markets, while in Kompong Tnaot local traders control prices. Moneylenders were reported to have considerable power over people's lives in several villages. In Dang Kdar and Kanhchor, some better off households were reported to have rights to logging that were denied to ordinary villagers. In Kompong Tnaot, where employment options are limited, salt farm owners set wages and working conditions. It is very difficult for ordinary villagers to question the behaviour of those who have economic power over them or complain about abuse or exploitation.

*“They have power to control the local market price ... They have lots of jobs and have money to hire us. Since there are neither companies nor factories in or near this village, and there are only eight salt farms in our area, the salt farm workers’ wages depend on the farm owner’s mouth [are set by the farm owner].”—Moved into poverty focus group, Kompong Tnaot*

In comparison to powerful individuals within and outside the village, ordinary villagers were often characterised as powerless, with no ability to influence public life or their community. Their power and influence were seen as restricted to the private sphere and control over children and the family. Even control over the family is changing, as young people are more independent and work away from home. Relationships between men and women are also reportedly changing, due to women’s greater economic role and contribution, although some participants stressed that men still have greater power as the head of the household.

*“In the family, parents have power to take care of and control their children ... Parents are the big decision makers rather than children ... Children have to ask for permission from parents before going out ... This has changed to some extent now, especially for those households with grown-up children, as they become important earners in the household ... For instance, if someone wants to hire our children ... we have to ask them first if they want to do it or not ... It is worth listening to our children now because sometimes they have better ideas since they migrate and build up their knowledge from their daily activities.”—Moved into poverty focus group, Ba Baong*

*“Men have more freedom than women in a family that is largely dependent on men’s labour. In our village some spouses have equal freedom and rights to make decisions and do what they want if both husband and wife are earners. They always respect each other in order to make their family better off.”—Moved into poverty focus group, Kompong Tnaot*

#### ***The Powerful Benefit from Weak Rule of Law: ‘The Poor Are Always Wrong and the Rich Are Always Right’***

*“Who has power becomes clear when there is a conflict of interest ... if we do not have friends or relatives who work for the government and if we want to have protection from them, we should have money, which can be used to build relationships with those powerful people to protect us. If we don’t have connections or money, it is hard for us to claim our rights. Nowadays, right or wrong is just on the lips of powerful people.”—Moved out focus group, Ba Baong*

Like rights and freedoms, justice and equality under the law were reportedly available only to those with wealth or “strong back”, who can afford to pay bribes or who have connections that can help them to avoid legal consequences or secure a desirable outcome. In eight of the nine study villages (apart from Trapeang Prei), participants (in particular in village leader, upwardly mobile and male youth focus groups) reported that it was difficult for the poor to seek redress under the law or resolve conflicts when the other party is wealthy or has “strong back”. Participants also said that poor people often do not even dare to complain against the rich or the authorities and lack redress in the face of abuse and exploitation.

*“The poor dare not argue or file a complaint against the rich. The poor do not have power because they do not even know Phnom Penh and do not have money, so it may be very difficult for them to pursue any complaint in Phnom Penh against the rich. Those who have power are those who have more knowledge of laws and have learned many more regulations than us.”—Male youth group, Kanhchor*

The formal legal process is expensive, and only those with resources (wealth and connections) can hope to win their case. Participants in six villages (Ba Baong, Andoung Trach, Prek Kmeng, Kompong Tnaot, Dang Kdar and Khsach Chi Ros) talked about the costs of using the

formal legal system, including paying bribes to the court and judges. These costs are out of the reach of ordinary villagers.

*“Very often in the court people who have money are right because they have the ability to bribe the people who judge and make decisions in the court. The poor are always wrong because they do not have money to pay bribes. People who have strong back are always the winners. There is always corruption, and money is required for bribes from the low to the upper authorities.”—Moved into poverty focus group, Dang Kdar*

Those with wealth and influence are able to pay these costs, or can use their connections to get away with breaking the law. Many instances were cited in which wealthy people acted illegally with no consequences, in particular in the fishing and forestry villages (see below). At the same time, ordinary villagers are fined for undertaking perfectly legal activities, or are penalised by the formal legal system even when they are innocent (as reported in Ba Baong, Andoung Trach, Kanhchor, Prek Kmeng, Kompong Tnaot and Dang Kdar). This leads to cynicism and mistrust, in particular among young men, and contributes to youth violence.

*“To us, law is a cheating formula that is used by the government or those authorities ... If you try to follow the law, you are perceived to be stupid and have no brain and become poor or remain poor ... It is very expensive to obey the law and regulations ... Those who abuse their power and bypass the law then become richer and more powerful ... So far no one [authorities] is willing to listen to us because we are poor, and if they do care about us then it is at the expense of their chance of becoming rich or powerful.”—Male youth focus group, Ba Baong*

*“The police have not taken this issue [gang violence] seriously ... The rich always win the case if there is youth violence ... That ‘black becomes white’ means that increasingly people do not believe in the present mechanism of law enforcement, which leads to more violence ... and using revenge as a personal claim for justice.”—Male youth focus group, Andoung Trach*

### ***Corruption Is Endemic: ‘The Bucket and the Water Jar Are the Same, Open to the Sky’***

In eight of the nine study villages (again, Trapeang Prei was the exception<sup>8</sup>), participants in village leader, youth and upwardly mobile focus groups reported that corruption was widespread. Government officials are reportedly corrupt, with “open pockets”. Corruption is said to occur at all levels, and while it exists in all societies, respondents in six focus groups said it was worse in Cambodia now than in the past. Corruption was said to be endemic and structural; high officials and powerful private interests instigate corruption out of greed and a desire to maximise their profits, while lower officials are pushed into corrupt behaviour by low salaries and a rising cost of living. Corruption is part of the string that connects individuals of lower and higher status: corruption costs are imposed by those with higher status on those below in part so they can pay those above them. In other words, as noted by participants in the female youth group in Ba Baong, “Everyone has bottom-down pockets”.

In addition to using their wealth and influence to engage in illegal activities and avoid consequences such as prosecution, big commercial interests, law enforcers and higher authorities were reported to impose “taxes” and demand illegal payments from ordinary people. Intimidation and physical violence were reported to routinely accompany demands for

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8 Participants in all focus groups (village leaders, youth and mobility groups) in Trapeang Prei had less to say on rule of law and corruption than in other villages. This was also the case in the household survey, where very high proportions of respondents said they “don’t know” in response to questions on governance. Trapeang Prei is a small village (407 people) and almost all households (73 of 75) participated in the survey, while 18 percent of villagers participated in focus groups, compared to an average of 3 percent for the whole sample. One possible explanation for reluctance to discuss some governance issues in this community may be that participants felt they would be easily identified.

bribes and illegal payments in Ba Baong, Kanhchor, Prek Kmeng, Dang Kdar and Kompong Tnaot, and the endemic and structural nature of corruption was particularly evident in fishing and forestry villages, as discussed below.

“Transaction costs” imposed on everyday business and activities include informal payments for services such as health care and education. In Krasang, villagers travelling across the border for work are routinely arrested and threatened, and any money they are carrying (usually from months of work) is confiscated. Mobile “checkpoints” are used to extract payments from villagers travelling to markets to trade their goods in Krasang and Kompong Tnaot.

*“One truck which transports our pigs or marine products is asked to pay 4000–5000 riels at each checkpoint. Small traders who transport their commodities by motor bike have to pay 500 riels per time to each checkpoint. We don’t know how such misbehaviour of the authorities has affected our livelihoods, but the price of all commodities is becoming higher and higher ... This is right, very often I feel that all such checkpoints are leeches that are sucking our blood from every corner of our lives. We would waste our time and spoil our goods if we tried to argue for our rights. It is really funny to us that the robbers call us troublemakers or criminals and then take money from us.”—Second community timeline, Kompong Tnaot*

The impact of corruption on communities and households is immeasurable, with significant economic and social costs. Corruption drives up the cost of living, including costs associated with essential services and with livelihood generation. These costs are virtually unavoidable, but poor households cannot afford them, while better off households are able to pay, and in some instances benefit from corruption, in particular in communities dependent on natural resources, as discussed below. Corruption breeds corruption and affects community cohesion and social capital, eroding trust and confidence in authorities and public institutions.

*“Fishermen with legal fishing equipment, after being harassed without any protection from the law as promised by the mass media and fishery authorities, decided to join in using illegal electrical fishing tools ... We know this is illegal ... but why should other people have the right to do this while we don’t? ... We were all born here and have lived in this community for generations.”—Community timeline focus group, Prek Kmeng*

*“The police demand money at many checkpoints along the road, [but] it is not written in law that the police can get such and such amount from people along the road. People have no power to make any complaint ... If they do, no one listens to them. Money! Money! Money! ... There is no responsibility or accountability from authorities and government officials.”—Moved out focus group, Kompong Tnaot*

### ***Natural-Resource-Dependent Communities Are Most Affected***

Focus group discussions revealed that in villages which depend on natural resources and where options for alternative income generation are limited, corruption, intimidation and threats by authorities and powerful commercial interests and conflict over use of resources are more common than in other villages. This is despite the introduction of resource management policies designed to regulate and protect fisheries and forests. The MOPS suggests that corruption and weak institutions are largely responsible for these policy failures and contribute to local conflict.

In forestry villages the situation is stark; villagers experience fear and intimidation and loss of income, and are locked out of forest resources, while illegal traders and concessionaires strip forest resources in collusion with forestry authorities. In fishing villages there has been some success in implementing the pro-poor fisheries policy, but this has been undermined by illegal fishing and ongoing conflicts over resources.

Forest concessions for large-scale commercial logging were granted between 1994 and 1997/98, while banning of illegal logging came into effect in 1998/99 in Dang Kdar and Kanhchor. Forest exploitation for local subsistence and commercial logging peaked between 1995/96 and the late 1990s. During this period villagers benefited from increased demand for labour cutting or transporting wood, as well as for forest by-products. At the time when the big forest concession companies withdrew (at least from legal logging), woods were already scanty and were further depleted by continued illegal logging. In addition, traders and powerful elites forced local villagers in Dang Kdar to sell resin trees that they had depended on for income for generations.

*“We have been forced to sell our resin trees for 5000–10,000 riels per tree to those who have power. We had to sell our trees without protest, although we didn’t want to sell them. We lost our valuable resin trees, which could feed us all year. If we sell all of them, we can earn money that can feed us only for a short of time.”—Community timeline focus group, Dang Kdar*

Massive over-exploitation has also led to a rapid decline in the quantity and quality of forest by-products. Since the implementation of forestry regulation, access to the forests has been much more limited for villagers, while powerful wood traders and illegal commercial logging and wood-processing firms continue to exploit restricted forest areas. Although the forestry authority has increased its presence in order to control illegal logging, illegal traders and firms are not penalised, while ordinary villagers are harassed and threatened. Villagers in Dang Kdar and Kanhchor were very fearful of forestry authorities, and village leaders and young men reported instances of intimidation and physical violence by authorities, the military and company officials.

*“Sometimes when meeting the forest authorities while we are hired to carry wood ... we have to spend 200,000 riels to be free from arrest. If not, our cart will be kept at their provincial office and we will be put into custody if we are not able to escape quickly ... There are so many kinds of authorities that claim to be competent to arrest us, and we do not know which one is which ... We are afraid of all kinds of people carrying weapons and wearing black or green clothes.”—Male youth focus group, Dang Kdar*

Some better off households in these villages have benefited by illegally cutting wood to build houses for sale, while a handful of villagers have been able to secure employment in illegal firms. Government policy has proved completely ineffective in these two communities, serving to increase pressure on small-scale activities including collection of forest by-products, often undertaken by the very poorest households, while large firms and traders flourish, together with the small number of better off households that can afford to bribe forest authorities, soldiers and police.

*“Access to the forest is given differently to two groups, the big concessionaires and traders, and the small ordinary villagers, and is biased to the big activities. For example, a contract was formalised and gave the rights to concession companies to use the forest for up to 70 years with the promise of replanting trees on the areas in which the forest was cut ... but in practice those companies did not keep their promise and continued massively to cut trees ... and that is illegal ... However, ordinary villagers ... had to pay 15,000 riels for transporting wood from the forest ... and some of them were hit because they were accused of illegal wood cutting. Because of this, the well-being of those who used to be better off has drastically deteriorated, and the living conditions of the poor have also been getting worse.”—Community timeline focus group, Kanhchor*

Pro-poor fishery policy released a number of fishing lots to the community in Ba Baong, Prek Kmeng and Khsach Chi Ros in 2000. As a direct result, fishers in Prek Kmeng and Ba Baong were able to triple incomes from fishing between 2001 and 2002. However, many households intensified their fishing methods to maximise their catch, leading to the use of illegal tools such as electric shock fishing and fine nets, which have depleted fish stocks since 2003. In

Prek Kmeng and Ba Baong, positive impacts of the government's pro-poor fishery programme include reduced conflict between rice farmers and fishing lot owners over water use, as well as rising incomes in many households. Only in Ba Baong, where rising incomes were supplemented by improved agricultural productivity, was this improvement sustained once fish stocks began to decline.

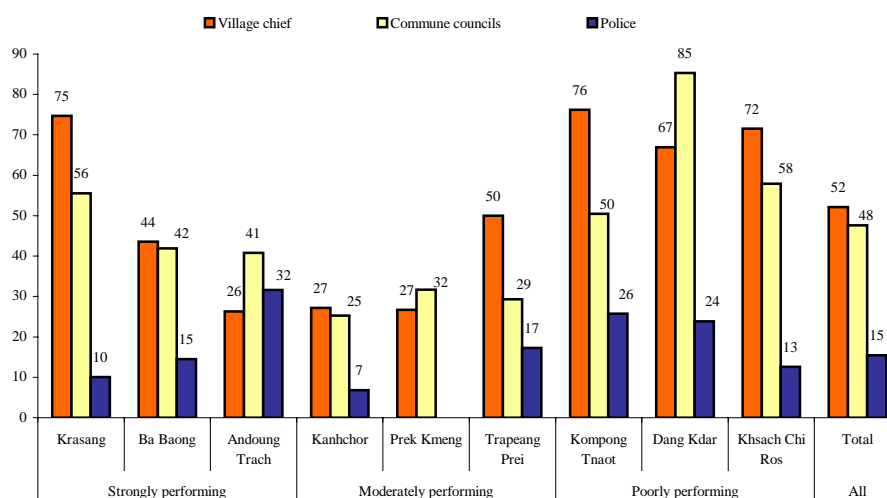
Both of these villages continue to experience corruption and restricted access to community fishing lots. Illegal fishing methods are widespread, facilitated by corruption, and are contributing to a rapid decline in fish stocks. Fishing authorities, charged with monitoring illegal equipment and access to community fishing lots, allow wealthier households and large traders to fish in restricted areas or use illegal equipment, while imposing bribes and "fines" on ordinary villagers fishing in community lots with legal equipment. Violence and intimidation were also reported in these and other fishing villages.

*"One day I put a proul [a bamboo fence fishing trap] to catch fish in the river in the open fishing area ... but then a number of fishery inspectors from Phnom Penh approached and forced me to take the proul out of the river unless I paid them \$600 ... On behalf of the village fishery community, I spent almost a morning bargaining for a reasonable fee of \$400, or 1,600,000 riels ... Finally, the inspectors agreed to that amount ... I then had to borrow money from a Vietnamese fisherman I know and paid them ... Such a case should not have happened for two reasons ... My fishing equipment is allowed to be used by community fisheries, and I did this in the open area released to the community by the government in 2001 ... I could not claim my rights because they had guns."—Member of community fishery, Ba Baong*

In Khsach Chi Ros, fishing households have also enjoyed improved access to fishing grounds, but the part allocated for community use is less productive. Khsach Chi Ros has experienced an influx of outsiders, leading to over-fishing and increased competition for resources. New conflicts are emerging in Khsach Chi Ros over water use due to a lack of clear demarcation between fishing lots and open areas. At present these conflicts are largely unresolved, with local authorities reportedly supporting wealthy fishing lot owners.

*"Lot owners need water for their lots, and farmers also need water for their farms. Hundreds of hectares of rice farms rely on one lake called 'Boeng Real'. Our good government never shout at the lot owners, who usually drain water from the lake to their lots, but they very often shout at us, who are the victims and depend on rice cultivation."—Male youth focus group, Khsach Chi Ros*

**Figure 3.15: Trust Local Authorities 'to a Great or Very Great Extent', by Village, 2004/05 (%)**



Source: 863 panel households in 2004/05

Kompong Tnaot has benefited from both forestry and fishery reform, with conservation measures imposing tougher control on illegal fishing, hunting and logging in Ream National Park in 2000. These protections have led to an increase in small marine life since 2002, but rising demand and an influx of fishers have resulted in a sharp decline in larger marine life. In addition, villagers in this community report similar problems with corruption among fishing authorities, illegal fishing methods and intimidation and violence.

*“A few days ago some fishermen were threatened by powerful men who had guns, when they went to catch crabs in the sea. Very unluckily, the powerful men put guns to the fishermen’s heads and ordered them to collect fishing nets in a very powerful voice ... We could not do anything because we have no guns, although there were four of them and 10 of us.”—Moved into poverty focus group, Kompong Tnaot*

### ***Trust in and Satisfaction with Authorities Are Generally Low, Apart from Local Authorities***

Trust in and satisfaction with authorities were generally low, particularly higher officials such as forestry and fishing authorities. Despite their responsibilities under law and government policy, these officials are perceived to be corrupt and abusive, as discussed earlier.

*“Not all fishing lots were given back to the community, as announced. Those who infringe the law normally are those top government officials. They become richer and richer with just a piece of paper which they show us, a sub-decree. People in this commune are mostly illiterate and of course are tired of the routine and unchanged corrupt practices of the higher authorities, especially fishery inspectors.”—Community timeline focus group, Prek Kmeng*

While higher officials are perceived to be corrupt and abusive, villagers tend to be more satisfied with local authorities. In the household survey, respondents were asked to what extent they trust local authorities. Village chiefs were the most trusted, with 52 percent of respondents saying they trust village leaders to a great or very great extent, 48 percent said they trust commune councils, and 15 percent said they trust the police. (Twenty-three percent of respondents said they did not know in response to the question on police).

The three poorly performing communities rated local authorities more highly than either strongly or moderately performing communities. One reason for this may be that the relatively recent end of armed conflict in these villages, combined with more recent opening up to markets and development assistance, has given villagers a more positive view of their local leaders than in villages which have been open and peaceful for longer. Trust in local authorities was higher among downwardly mobile and chronically poor households. Mistrust was highest in the two moderately performing villages of Kanhchor and Prek Kmeng, both of which are reliant on natural resources (Figure 3.15 and Figure 3.22 in the Annex to Chapter Three).

These rankings were broadly consistent with comments made in focus groups. For example, participants in Andoung Trach were critical of local authorities, while those in communities such as Dang Kdar stressed that it was higher authorities who are corrupt and who create problems for ordinary villagers, while local authorities are “with us”. In most villages, local authorities were seen to be concerned with people’s welfare and to share the interests of their constituents. Local authorities in Krasang, Ba Baong, Andoung Trach, Kanhchor, Kompong Tnaot, Dang Kdar and Khsach Chi Ros were reported to engage villagers in development planning, although outcomes from this involvement varied. In Ba Baong, Andoung Trach and Khsach Chi Ros, village leaders commented that they had not seen results from involvement in planning, in part due to lack of commune funds. In Kanhchor and Trapeang Prei, the views and concerns of villagers had not yet been taken into account in development planning, according to village leaders. In Krasang, on the other hand, upwardly mobile participants expressed satisfaction with their involvement in development planning.

In some villages (Krasang, Andoung Trach and Kompong Tnaot) local authorities were said to be corrupt and to take bribes. In Andoung Trach they were also implicated in illegal fishing.

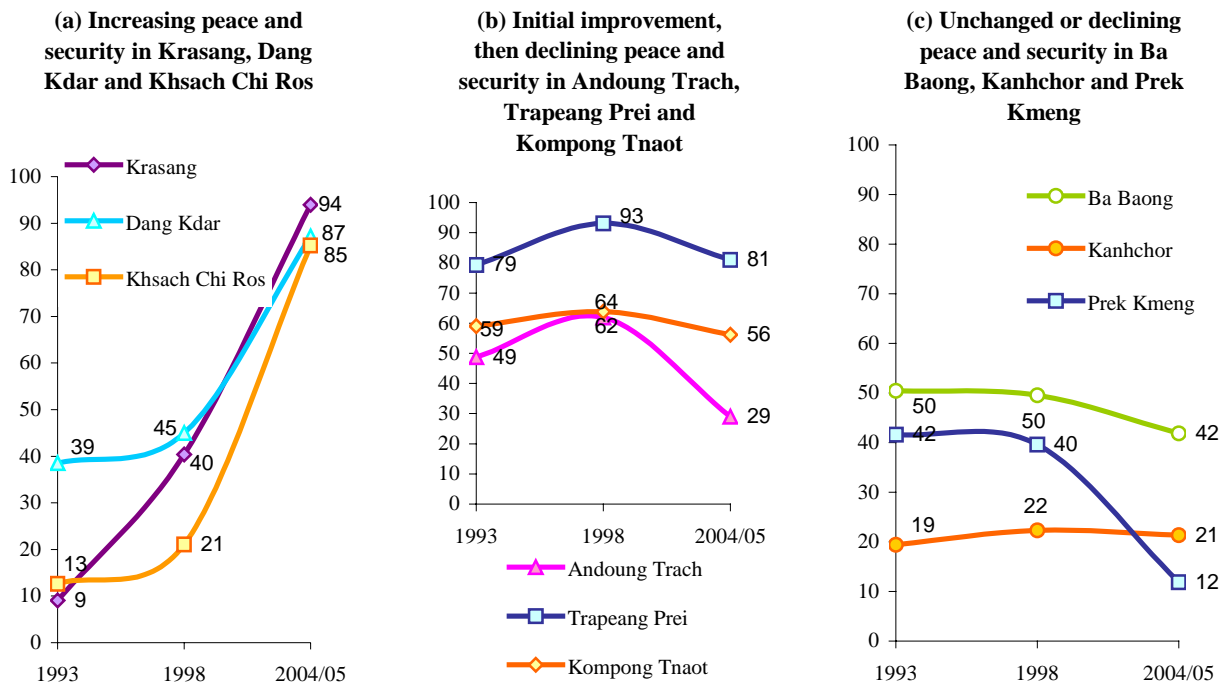
*“We did participate in every election ... In this regard, the local authorities were very active ... approaching us anywhere and reaching every corner of the village in order to encourage us to vote with a lot of promises from the top ... ‘All lakes and ponds belong to villagers’ ... After winning the election, they built a fence around the fishing lots and still do not allow us even to approach their fishing area ... If we still go, then we are accused of being thieves ... Ha! Ha! Ha! We are cheated.”—Moved out of poverty focus group, Andoung Trach*

***‘The Broom Is Smaller than the Rubbish’: Local Authorities Are Unable to Respond Effectively to New Forms of Insecurity***

Although security has reportedly improved since the end of armed conflict and/or around the time of the second national election, new threats to security and safety were identified in all study villages. Local concerns about security have shifted from political instability and armed conflict to human security, including drug use, young men’s involvement in fighting and gangs, violence against women, theft and conflicts over natural resources. These emerging problems were often attributed to the increasing presence of outsiders, changing values and morality and abuse of power by elites.

In recall-based responses in the household survey, the proportion of participants who said that their village was very peaceful or peaceful increased in three villages (Krasang, Dang Kdar and Khsach Chi Ros) between 1993 and 2004/05, rose between 1993 and 1998 but then fell between 1998 and 2004/05 in three villages (Andoung Trach, Trapeang Prei and Kompong Tnaot) and was unchanged or declined in the remaining three communities (Ba Baong, Kanhchor and Prek Kmeng). Andoung Trach, Kanhchor and Prek Kmeng had fewer respondents than other communities who felt their village was safe in 2004/05 (Figure 3.16). Among mobility groups, the falling into poverty, deepening poverty and chronically poor households saw peace and security as increasing rapidly, in particular between 1998 and 2004/05; comfortably rich, climbing into wealth and stagnant middle households viewed improvement in peace and security as steady; those escaping poverty saw initial improvement and then decline from 1998 to 2004/05.

**Figure 3.16: Percentage Viewing Village as Generally Very Peaceful or Peaceful, 1993–2004/05**



In FGDs, security concerns were mentioned more frequently in the forestry communities of Dang Kdar and Kanhchor, in Kompong Tnaot and Ba Baong, and in the villages with cross-border migration and trade, Krasang and Andoung Trach (although Krasang was said by some participants to have improved more recently). Focus group findings were largely consistent with the household survey in most study villages; Dang Kdar was an exception. Participants in this village had experienced a significant improvement in peace and security from the time of the second national election, and also reported some recent positive developments, for example in relation to theft, which may explain their positive rating of security between 1998 and 2004/05.

Drug use among young people was primarily raised as a new social problem in the two villages close to the Thai-Cambodian border (Krasang and Andoung Trach) and in Kompong Tnaot. Some young men's involvement in gangs and fighting emerged as an issue in all study villages, however, and was reportedly more severe in Ba Baong, Andoung Trach, Kompong Tnaot and Dang Kdar. Gang members are typically involved in drinking and fighting, often with other young men from outside the village. Gang conflicts often occur at community gatherings and celebrations. Gangs are seen as disruptive and threatening, and in some villages (Ba Baong, Andoung Trach, Kanhchor, Kompong Tnaot and Dang Kdar) families and local authorities were reportedly powerless to deal with the problem. In three villages (Andoung Trach, Kompong Tnaot and Dang Kdar) gang members were said to escape punishment, in particular when they are from wealthy families and can pay off the police. Poorer gang members are more likely to be penalised, and it can be expensive for families when their sons are fined or imprisoned.

*"It is very costly for everyone, especially the poor families, who are mostly the losers whether they are the victim or the offender ... For example, when the police arrest the children who commit violence ... the offender's parents have to pay around 150,000 riels, while at the same time the victim's parents have to pay for the intervention from the authorities ... Our fears are not particularly of fighting but of wasting our time and savings, affecting the family's reputation and creating room for corruption."*—Community timeline focus group, Kompong Tnaot

Violence against women, including rape and domestic violence, was raised as a security issue in all study villages. Incidents of rape were mentioned in two villages (Ba Baong and

Trapeang Prei), while fear of rape was reported in these villages and in Krasang, Andoung Trach and Dang Kdar. Young women in most study communities were afraid to walk alone at night, although in more isolated villages (Prek Kmeng and Khsach Chi Ros) this was largely due to anxiety about gaining a “bad” reputation rather than fear of assault, according to young women in these villages.

*“The security in this village has been worse in the last couple of years ... Girls and women dare not walk alone at night even to attend special occasions in the village ... because the number of young gangsters has increased over the last three or four years ... They often fight each other ... and sometime rape young innocent girls ... All girls are afraid and have to be cautious when going far from the village ... Three or four migrant women who came from neighbouring upland villages to sell their labour in transplanting or harvesting here were raped ... Nowadays, even good boys dare not walk late at night because they are afraid of being hit by the young gangsters ... Therefore we do not want to take the risk of going out, or far from the village.”—Young women focus group, Ba Baong*

Domestic violence was said to be declining in eight of the study communities (apart from Ba Baong), as a result of education, media campaigns and intervention by the authorities. It was still a frequent occurrence in Ba Baong, Kanhchor and Dang Kdar and was reportedly also continuing to occur in a few poorer households in other villages. Violence was viewed as a serious problem, in particular by young people (in Dang Kdar, Kompong Tnaot, Kanhchor, Krasang and Andoung Trach), causing households to move into poverty, and resulting in destruction of assets, lost income and missed days at school for the children (see Chapter Four for a discussion of the prevalence of domestic violence).

Theft (of livestock, equipment and other assets) was reported to be a problem in most study villages, although the incidence was said to have decreased in recent years in Prek Kmeng and Krasang. Poverty and the presence of outsiders were viewed as contributing causes.

*“We were not afraid of losing shoes, bicycles and motorbikes before the furniture firms came to this area ... but now things have changed ... We can no longer leave our valuable things unattended as before ... Poverty is a cause of these thefts ... This is troublesome now ... especially because more and more people are unemployed and can not earn enough to eat.”—Community timeline focus group, Dang Kdar*

As discussed earlier, theft and extortion by higher authorities, law enforcers and powerful outsiders were also reported in many study villages. Physical violence, intimidation and economic pressure are used to extract payment or to seize assets such as fishing equipment or livestock, as reported in Krasang, Dang Kdar, Kanhchor and Kompong Tnaot. Ordinary villagers are powerless to prevent these crimes or to seek any redress.

*“Inequality does not strongly affect people’s livelihood in the village ... [but] it usually does when there is conflict ... for example, land conflicts between the rich and the poor ... Some rich people grab poor people’s land step by step while these poor people dare not do anything because they are so poor and expect to be helped by the rich during shortages.”—Young men focus group, Dang Kdar*

In focus groups in all study villages where security problems were reported, participants said that local authorities were largely powerless to deal with these problems. In Andoung Trach and Kompong Tnaot, for example, village leaders said that local authorities were powerless to stop illegal fishing. Instances of theft were also cited, in Kompong Tnaot, Trapeang Prei, Kanhchor and Krasang. In Krasang an example was also given of a conflict over water use which had to be referred to the district authorities because local officials could not solve it.

In all villages where gang fighting was seen to be a problem, participants said the authorities, including police, were powerless to prevent or deal with these conflicts. In some cases the

police were reported to be actively colluding with the perpetrators to help them escape justice, while victims were routinely required to pay for any assistance the police might provide.

*“Police are of no help ... Some of the fighters have been arrested and educated ... but were released after the police got some money from their gang ... It is very obvious that when there is fighting ... the police know but they let them fight each other and then arrest them ... In many cases the parents have to pay to get their children back ... But now it is even simpler ... For example, when a member of the gang is arrested, the rest contribute some money for the police and then the gang member is released.”—Community timeline focus group, Andoung Trach*

In the villages where rapes were reported to have occurred, there were no legal consequences for the perpetrator, while the victim received some financial compensation and experienced blame and stigma as a result of the assault. Examples were also given of authorities being reluctant to intervene in domestic violence or rape cases, requiring payment before they would assist the victim.

*“A poor girl who was raped by a middle-aged man a year ago has been blamed as a girl who misbehaves by the man’s strong back. In the end she received a little compensation for the loss of her virginity. The man has avoided prison.”—Community timeline focus group, Dang Kdar*

*“The authorities concerned are so busy earning their living that when the wife asks them for help [in a case of domestic violence] they even ask for money for their ‘pen-ink cost’.”—Moved into poverty focus group, Kanhchor*

Some examples of positive interventions by local authorities were reported in study villages. In five villages, participants said that local authorities had contributed to reducing domestic violence, in two instances by advising the couple (in Kompong Tnaot and Prek Kmeng), and in three communities (Khsach Chi Ros, Krasang and Dang Kdar) by arresting, warning or fining the perpetrator. In Andoung Trach, village leaders and upwardly mobile focus group participants reported that local authorities had succeeded in reducing crime by arresting a gang of thieves. Similarly in Dang Kdar, local authorities had also had some success in reducing the incidence of theft and petty crime.

In general, however, village and communal authorities lack sufficient power and resources to resolve conflicts. While they are able to mediate conflicts between those who are relatively equal (such as husband and wife) and impose penalties on those who are less well off (such as gang members from poor families), they are powerless to influence or seek justice from higher authorities or those with wealth and influence within or outside the community. Local authorities themselves express frustration about their lack of capacity, authority and resources to resolve conflicts. In Krasang, Ba Baong and Prek Kmeng, for example, authorities said they had no choice but to refer conflicts to higher officials. Often these problems are not solved, and the process is expensive for all involved.

*“They have no way to pursue compensation in the courts ... They just rely on us as their elected representatives to help them find justice ... But all we can do is submit their complaints to the district and/or through the hierarchy of relevant authorities ... But the upper authorities normally get bribes and ignore the interests of poor fishermen.”—Community timeline focus group, Prek Kmeng*

### ***Demand for Good Governance Is Growing among Rural Cambodians***

The MOPS reveals a growing demand for good governance among rural Cambodians. There is evidence of group complaints, usually over natural resources, being put to local authorities and in some instances taken higher. These include complaints about illegal fishing and conflicts over water use. Typically complaints are made initially to the village chief or communal authorities, and then go to the district. While the complainants were generally

unsuccessful (for example in the case of illegal fishing in Andoung Trach, Prek Kmeng and Kompong Tnaot), their actions indicate a willingness to pursue legal rights and expectations. In Krasang a conflict over water use (between upstream and downstream users) was resolved through the intervention of district authorities.

It is also clear that villagers' perceptions are changing concerning local leaders and higher officials with responsibility for protection of natural resources (forests and fisheries). The introduction of democratic processes such as local and national elections and participatory development planning, together with awareness raising by media and NGO education campaigns about ordinary people's rights and entitlements, have raised expectations and provided a "benchmark" against which leaders and their performance are being judged, and often found wanting.

*"We want a good exercise of power ... power that is practised in a right and good manner ... For example, we want a good village chief who is honest and very supportive ... For instance, if an NGO donates something to the villagers, it should reach those who should be targeted, and nothing should be secret ... Those who have power have to respect other people's interests and opinions ... Power should not be used for one's own interests."*—Community timeline focus group, Khsach Chi Ros

At the same time, the MOPS confirms the findings of other studies: that beneath the veneer of liberal institutions and values, neo-patrimonialism continues to flourish. Very real tensions were evident in study villages. On the one hand, leaders are failing to deliver against liberal democratic norms and values, while at the same time the patronage system is serving clients less well than in the past, as greed increasingly outweighs benevolence among the wealthy and powerful.

*"We are fed up with higher authorities' promises and behaviour ... For instance, we were threatened by a group of people carrying guns who protect the fishing lot owners. When our village and commune chiefs submitted our complaints to higher authorities asking for our rights of water for irrigating rice in 2001 ... no money, no service. Good governance: we never heard the phrase."*—Moved-in focus group, Khsach Chi Ros

### **Poor Governance and Corruption Contribute to Rising Inequality and Constrain Poverty Reduction**

Examples of poor governance and weak institutional capacity were raised in all study villages. Those communities that are most dependent on natural resources are most affected. Villages with other income opportunities such as agriculture, small business and waged labour (such as Krasang and Trapeang Prei) also reported examples of corruption and impunity. However, these issues were raised much more frequently in the more isolated, CPR-reliant villages. Participants in these communities also appeared to be more vulnerable to violence and intimidation, in particular in forestry villages. Emerging security concerns such as crime, gang fighting and drug use were prevalent in more accessible communities, including those close to the Thai-Cambodian border (Krasang and Andoung Trach) and were less frequently reported in more isolated fishing villages (Prek Kmeng and Khsach Chi Ros).

The household impact of corruption and poor governance is significant and differs for better off and poor households. Some better off households reportedly collude with corrupt officials and use their connections with authorities and powerful interests to generate income, including through illegal fishing and forestry activities. Others were using their relatively greater wealth and power to control markets and influence decision making in their communities. Poorer households are usually the losers in any transaction or conflict with authorities or those with greater economic wealth and power. They bear significant financial costs (including "transaction" costs for everyday services, bribes and extortion) and routinely experience fear, humiliation and frustration. Participants in focus groups frequently referred to the "black is white" character of corruption: the rich engage in illegal activities and benefit

from impunity while the poor are penalised as they go about their (legal) business and cannot obtain restitution for offences committed against them.

Despite almost universal participation in elections, participants in focus groups frequently expressed frustration about the slow pace of development (development is seen as an outcome of political participation) and cynicism about elected officials, in particular those above the local level. While ordinary people now have a “voice”, it is seen as useless without power and connections (a point made by villagers in Dang Kdar).

*“We have rights to talk, to express our opinion on what is right and what is wrong, but if we have no money, our voice becomes bullshit.”—Community timeline focus group, Dang Kdar*

Lack of trust in public officials higher than the commune was evident in all study villages (as expressed by participants in Andoung Trach).

*“Upper and high-ranking officials are too high and costly for us to contact, too far to reach and not always available for us to talk to ... We are down to the earth, illiterate and dirty ... It is difficult to talk to those high, literate officials ... Probably some of them have no knowledge of our lives ... and are afraid to smell our cow dung.”—Moved out of poverty focus group Andoung Trach*

Local authorities were generally viewed more positively. They were seen as sharing the concerns and interests of ordinary villagers, trying to include people in planning and attempting to address social problems such as crime. Positive progress includes less theft in two communities and reduced domestic violence in most study villages. However, local authorities were seen as largely powerless to respond to new challenges posed by conflict over natural resources, emerging forms of insecurity and power differentials within communities and between villagers and outsiders. Group claims for justice were usually referred to higher authorities and were rarely resolved effectively due to corruption.

The MOPS suggests that poor governance, corruption and limited institutional capacity and resources act as a brake on development and poverty reduction, undermining effective implementation of pro-poor government policy and exacerbating inequalities between better off and poorer households. In strongly performing villages such as Krasang and Ba Baong, villagers deal with corruption and impunity on a daily basis; most people still manage to earn a living, paying corruption costs as they go. In the moderate and poorly performing communities, especially those which are more isolated and natural resource-dependent (Dang Kdar, Kanhchor, Prek Kmeng and Khsach Chi Ros) corruption and impunity are severely affecting the already precarious livelihoods of many villagers. The MOPS therefore suggests that good governance and rule of law must continue to be at the centre of future poverty reduction initiatives-, and, in addition, that strong action must be taken to protect natural resources, and the villagers who rely on them, from further exploitation and degradation.

## **Chapter Four.**

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### **Factors in Community Well-Being and Household Mobility: Household Strategies and Vulnerability**

**Summary**

- The proportion of aggregate household income from agriculture and CPR fell, while the contribution of self-employment and wage labour increased between 2001 and 2004/05. Actual income from agriculture rose in the strongly performing villages and in Kanhchor and Khsach Chi Ros, as well as in most mobility groups. Income from agriculture fell in the other study villages, and among downwardly mobile households. Self-employment became more important in all study villages, both as a proportion of income and in absolute amount. Better off households experienced an increase in the contribution and value of income from self-employment, the comfortably rich earning significantly more from this source than other households. The proportion of income from wage labour rose in three villages, Andoung Trach, Trapeang Prei and Dang Kdar, and actual income from wage labour rose in all villages except Khsach Chi Ros. Income from wage labour increased in all mobility groups. Finally, the proportion of income from CPR declined in all villages except Kompong Tnaot and the value of CPR income rose slightly in only three villages, Prek Kmeng, Kompong Tnaot and Dang Kdar. Actual income from CPR fell in all mobility groups.
- Eighty-one percent of women heading panel households were widowed, single, divorced or deserted in 2004/05. In most villages and mobility groups, households headed by married females earned and consumed less than unmarried female-headed households, suggesting that single female-headed households are not always the worst off. Often married female heads of households are supporting a spouse who is unable to contribute. In the poorest communities, the earnings of male- and female-headed households were comparable. In the best off villages (Krasang and Ba Baong), male-headed households earned considerably more, while female-headed households earned more in Andoung Trach, Kanhchor and Prek Kmeng. Better off female-headed households earn more than their male counterparts, while poorer female-headed households earn less. Female-headed households tend to rely more on agriculture and wage labour, while male-headed households earn more from CPR and small businesses. These differences highlight the importance of targeting poverty reduction strategies to the needs of different kinds of rural households.
- The most successful households and communities are those that have been able to diversify income sources, including agriculture, self-employment and CPR. These households are concentrated in the strongly performing villages and those that performed well prior to 2001 (Prek Kmeng and Kompong Tnaot). Typically successful households have several adult earners who migrate for work (including over the Thai-Cambodian border), run small businesses in addition to cultivation and let land or equipment or lend money to other households. Poor households experience significant difficulties in improving their status, and are characterised by fewer adult earners, fewer income sources and reliance on declining income streams, for example from CPR. These households are concentrated in moderately and poorly performing villages.
- Upwardly mobile households are characterised by the ability to diversify income sources, in particular wage labour and self-employment, thereby spreading risk. These households typically have multiple income sources and several adult earners. Migration, including cross-border migration and work in Thailand, is a key factor in upward mobility. Downwardly mobile households typically have fewer adult earners, more dependants and fewer income sources and experience shocks and crises, or have members who engage in destructive behaviour (such as drinking, gambling and violence).
- Assets for wealth generation, including agricultural land, credit and inputs for agriculture and business, are concentrated in strongly performing villages and among better off households. Landholdings are larger in the strongly performing villages and among the comfortably rich and climbing into wealth households. While landlessness is correlated with poverty in a significant

proportion of landless households, not all landless households are poor, and losing land does not result in moving into poverty when other income sources are available, such as households with labour and capital in strongly performing villages. Landlessness is associated with movement into poverty in poorly performing villages and among female-headed households, however.

- Most households are indebted, and most continue to borrow from friends or relatives or local moneylenders, rather than MFIs or village banks. Strongly performing villages and better off households were more likely to use credit for productive purposes such as inputs for agriculture and business. Poor communities and households use loans to cope with crises including illness and food shortages, are more likely to take loans (at high interest rates) from local moneylenders and often enter into interlocked credit arrangements. Credit offered by MFIs is currently too inflexible (in terms of requirements and repayments) to be of use to most rural households, and was implicated in driving households into poverty in some villages, for example because households were unable to meet scheduled repayments.
- Better off households generate higher yields and profits than poorer households, in particular in the case of dry season rice, due to larger land-holdings but also access to irrigation and farming inputs. Better off households, in particular in the two strongly performing communities Krasang and Ba Baong, were able to generate significantly higher yields than other households and other villages. Use of farm machinery has also freed these households to engage in other activities such as small business and migration. Increasing numbers of poorer households with smaller land-holdings are unable to make a profit from rice cultivation, resulting in land sale and reliance on wage labour.
- Income from off-farm employment is increasingly important in all communities, in particular in villages and among mobility groups where income from agriculture is declining. Most economically active adults have jobs in addition to farming. Women are typically engaged in wage labour and petty trade, and are more likely to sell labour locally, while men are concentrated in fishing and forestry and are more likely to migrate for work. Just under half of adult earners participate in wage labour, including cross-border migration. Poorer households are more likely to have members selling labour locally, while better off households are the least likely to engage in wage labour. While members of households in all villages migrate for work, only Krasang and Andoung Trach had a substantial proportion of households with members migrating across the Thai-Cambodian border or working in Thailand.
- Some households are more vulnerable to poverty due to exposure to shocks and natural disasters, demographic and life-cycle events and destructive, gender-specific behaviours such as domestic violence and alcohol abuse. While most households experienced shocks such as illness, crop damage and death of livestock, poorer households were disproportionately affected in terms of lost income. The costs of illness or death of a family member accounted for just under half of all monetary losses from shocks or crises. Better off households spend significantly more on health care and funerals than other households. Agriculture-dependent villages (Krasang, Ba Baong and Khsach Chi Ros) were more affected by natural disasters than other communities. Better off households were able to use savings or sell assets or rely on family and friends to cope with shocks, while poorer households cut consumption or had family members migrate for work. Poorer households also sent children to work for other households to cope with crises.
- Immigration and population growth are putting pressure on resources, including land and CPR, in all study villages. Households divide land-holdings into smaller and smaller parcels to give to children when they marry. Fewer earners and more dependants keep households poor, in particular when the household head is old or disabled and unable to earn a living, while having more adult children enables a household to generate additional income, including through migration. Not only does marriage contribute to land atomisation, but also the cost of a wedding

ceremony can set a household back two or three years. Although life-cycle events such as marriage and old age are predictable, households do not plan for or insure against these events.

- Destructive behaviours such as domestic violence, alcohol abuse and young men's involvement in gangs are gender-specific and reflect men's relatively greater freedom and privilege. Domestic violence contributes to movement into poverty due to destruction of assets, costs of illness and injury and lost income, and also impacts severely on children, including through lost days at school. The incidence of domestic violence appears to have fallen in most study villages, due to media education, NGO campaigns and greater willingness of authorities in some communities to intervene, although it was still a serious concern in several villages in 2004/05. Domestic violence is correlated with alcohol use, and spending on gambling and alcohol (in general by men) was mentioned as a factor in downward mobility and a source of marital conflict in some villages. Male-headed households spend more on alcohol and tobacco than female-headed households, and the poorest households spend more of their income on alcohol than other mobility groups. Sex outside marriage was also cited as a factor in downward mobility due to the risk of contracting HIV/AIDS in villages close to the Thai-Cambodian border and where there has been significant immigration. Finally, while young men's involvement in gangs was raised as a concern in most study villages, parents and local authorities appear to be reluctant or powerless to control young men, in part because risky and destructive behaviour by men is tolerated and normalised.

Chapter Three described the historical and geographic conditions together with the development and governance contexts that have affected the study villages, and how these have contributed to growth and mobility in communities and households. This chapter examines the opportunities available to households in each community and the strategies they use to improve well-being, as well as the specific factors that contribute to the vulnerability of some households, triggering diminished well-being and downward mobility.

Section 4.1 examines strategies for mobility and well-being improvement, including strategies for income generation and diversification and the extent to which these have been successful in villages and households. The changing contribution of agricultural production, self-employment, wage labour and CPR to village and household incomes is examined, and the relative importance of different income generation strategies to well-being improvement and mobility is assessed.

Section 4.2 explores specific factors that increase the vulnerability of some households and result in decreased well-being and downward mobility. These include shocks such as natural disasters and illness, demography and life-cycle events including death and marriage and destructive, gender-based behaviours such as domestic violence.

The relative contribution of each factor to well-being improvement or decline for each village "cluster" and to stability and upward or downward mobility for household mobility groups is touched on, and is discussed in more detail in Chapter Five. Because some factors are more amenable to policy intervention than others, understanding which factors are most significant, in particular for poverty reduction and prevention, is critical for policy makers and poverty reduction initiatives.

#### **4.1. Strategies for Mobility: Income Generation and Diversification in Study Villages and Households**

Chapters Two and Three described well-being improvement and mobility in study villages and households, together with the conditions and contexts that support or constrain progress. This section looks in more detail at changing village economic conditions and their impact on household income and capacity to improve living conditions and prosperity.

### ***The Economic Base Is Changing, with Agriculture and CPR Now Less Important in Most Study Villages***

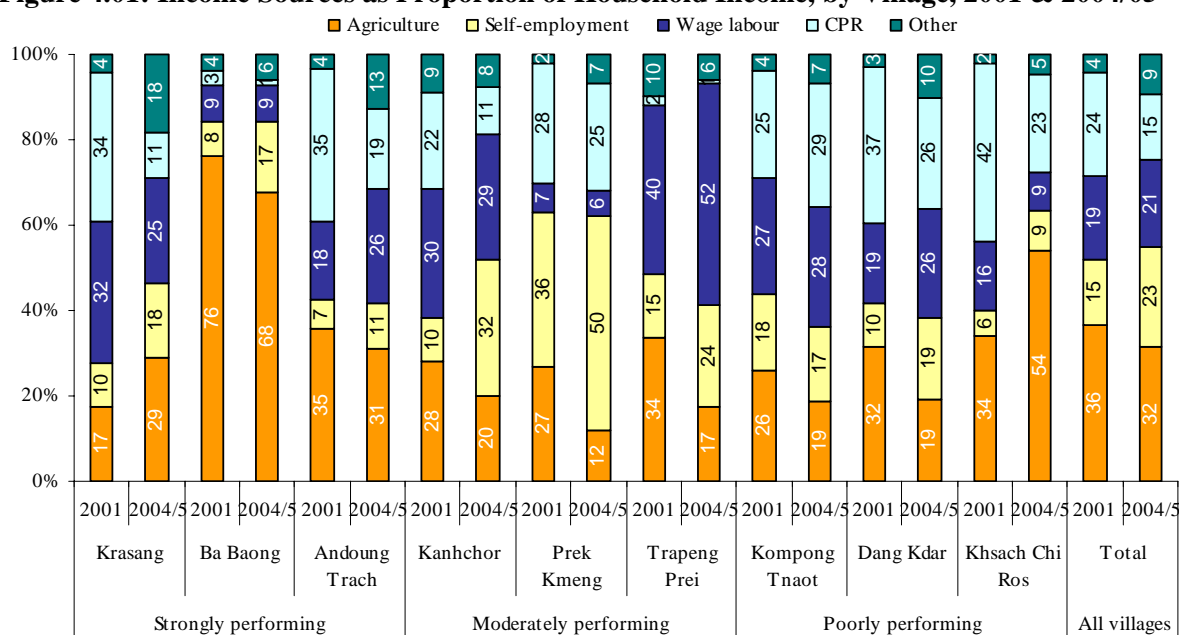
Average daily per capita incomes rose in all villages between 2001 and 2004/05, as shown in Figure 2.03 in Chapter Two. The contribution of different income sources to household livelihoods also changed in all villages and mobility groups.

Rural households typically adopt a range of occupations. For the purposes of this study they have been grouped as follows: agricultural production including rice, other crops and livestock; self-employment including fish raising, palm sugar production and petty trade; CPR including fishing and forestry; selling labour locally, or as internal or overseas migrants; and other sources including rent and remittances from relatives and friends.

Income from agriculture has increased in better off villages and declined sharply in poorer communities and households. Income from self-employment, selling labour and other sources has increased, selling labour being particularly important in communities experiencing natural resource decline and among poorer households.

In 2004/05 agriculture was the most important income source in the three strongly performing villages and Khsach Chi Ros, self-employment in Kanhchor and Prek Kmeng, labour selling in Trapeang Prei, and labour selling and CPR in Kompong Tnaot and Dang Kdar. In two of the villages that experienced improved rice productivity between 2001 and 2004/05, Krasang and Khsach Chi Ros, the proportion of income from agriculture also rose. In Ba Baong it fell slightly (due to the increased contribution of income from self-employment) but remained very high at 68 percent of household income.

**Figure 4.01: Income Sources as Proportion of Household Income, by Village, 2001 & 2004/05**

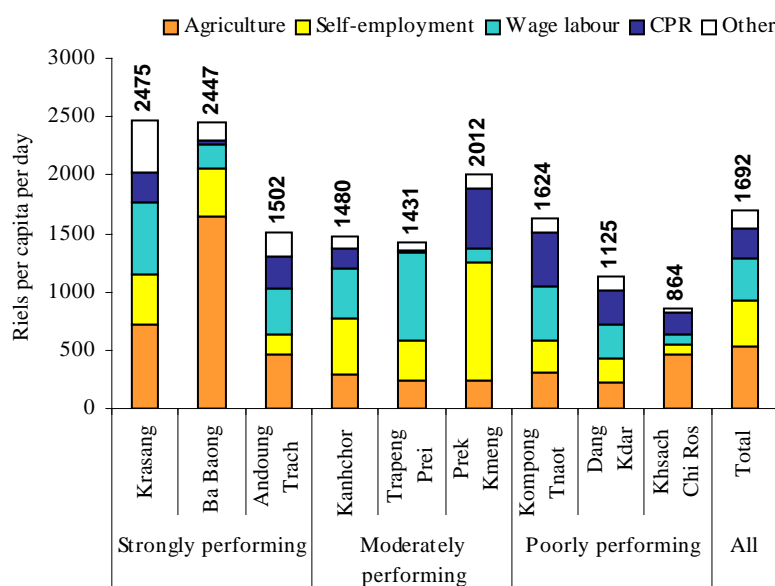


2004/5 income has been deflated by 18.59 percent. Source: 890 panel households in 2004/05

In all other villages, the contribution of agriculture to household income fell between 2001 and 2004/05: agricultural production was worth less than a fifth of household income in all moderately and poorly performing villages apart from Khsach Chi Ros. In Andoung Trach and Kanhchor, as in Ba Baong, this was due to the increased contribution of income from other sources, while in Prek Kmeng, Trapeang Prei, Kompong Tnaot and Dang Kdar it was due to falling incomes from agriculture. The value of income from agriculture rose by 233 percent in Krasang, 68 percent in Khsach Chi Ros and 37 percent

in Ba Baong. Income from agriculture also rose in Andoung Trach (by 21 percent) and Kanhchor (by 18 percent) (Figure 4.16 in the Annex to Chapter Four). Ba Baong, Khsach Chi Ros and Krasang earned the most income from agriculture of all panel households (Figure 4.02).

**Figure 4.02: Average Per Capita Income from Different Sources, by Village, 2004/05**



Source: Average per capita income of 890 panel households in 2004/05, deflated by 18.59 percent

The proportion of income from self-employment rose in all study villages, most notably in the moderately performing villages Kanhchor and Prek Kmeng. All villages had an increase in the value of income from self-employment, from a 413 percent increase in Kanhchor and 233 percent increase in Krasang and Ba Baong to a 14 percent increase in Kompong Tnaot (Figure 4.16 in the Annex to Chapter Four). Income from self-employment was highest in Prek Kmeng at 1014 riels per capita per day and lowest in Khsach Chi Ros at 81 riels per capita per day.

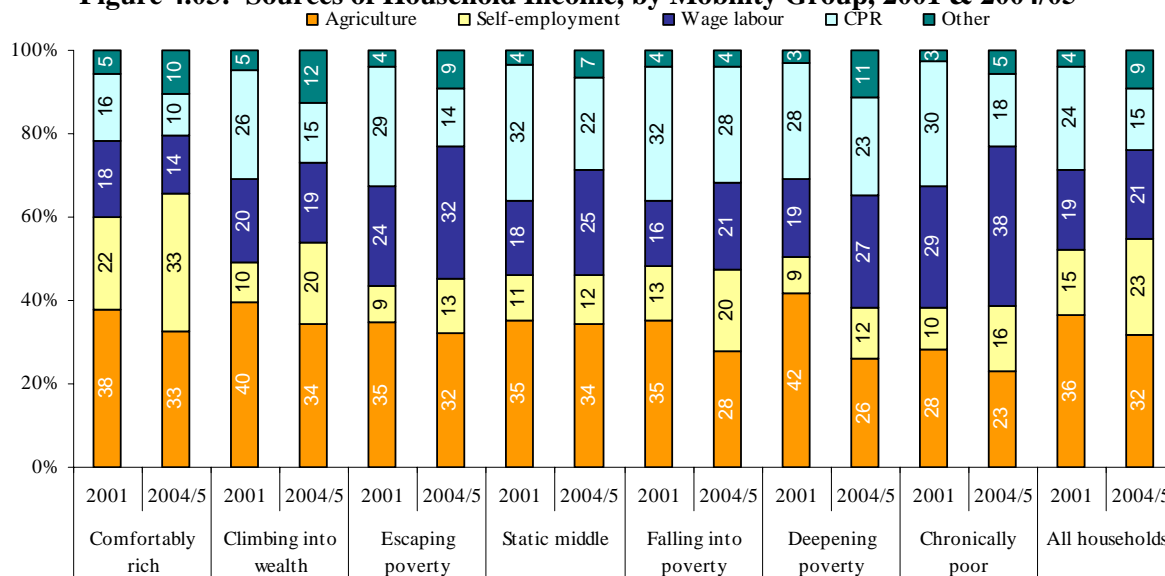
The proportion of income derived from wage labour fell in Krasang and Khsach Chi Ros (due to the increasing contribution from agricultural income), and was stagnant or rose in other villages, becoming more important in Andoung Trach (where cross-border migration is increasing), Trapeang Prei (where CPR have almost disappeared and agricultural productivity is low) and Dang Kdar (where agricultural land is limited and CPR are declining). Income from selling labour rose in all villages except Khsach Chi Ros, and was highest in Trapeang Prei and Krasang and lowest in Prek Kmeng and Khsach Chi Ros (Figure 4.02).

The proportion of household income from CPR decreased in all study villages except Kompong Tnaot, where rising prices for small marine life have offset reduced income from the decline in larger marine CPR. Income from CPR rose slightly in Prek Kmeng, Kompong Tnaot and Dang Kdar, and was still an important income source in these villages. Incomes from CPR were lowest in Ba Baong and Trapeang Prei, where CPR are almost non-existent. Finally, the proportion of income from other sources such as rents and remittances rose in all villages, most notably in Krasang, Andoung Trach and Dang Kdar, which also experienced a substantial increase in income from these sources. Krasang had the highest income from other sources in 2004/05.

***Better Off Households Earn More from Self-Employment, while Poorer Households Are More Reliant on Wage Labour than in the Past***

In 2004/05, agriculture and self-employment were equally important sources of income (33 percent for each) for the comfortably rich segment; agriculture was the most important source for the climbing into wealth and the static middle groups (34 percent for both segments); agriculture and selling labour were the most important income sources for the escaping poverty group (32 percent for each). Among poor and downwardly mobile households, agriculture and CPR were equally important (28 percent each) for the falling into poverty segment, and selling labour was the most important income source for the deepening into poverty segment and the chronically poor (27 and 38 percent respectively).

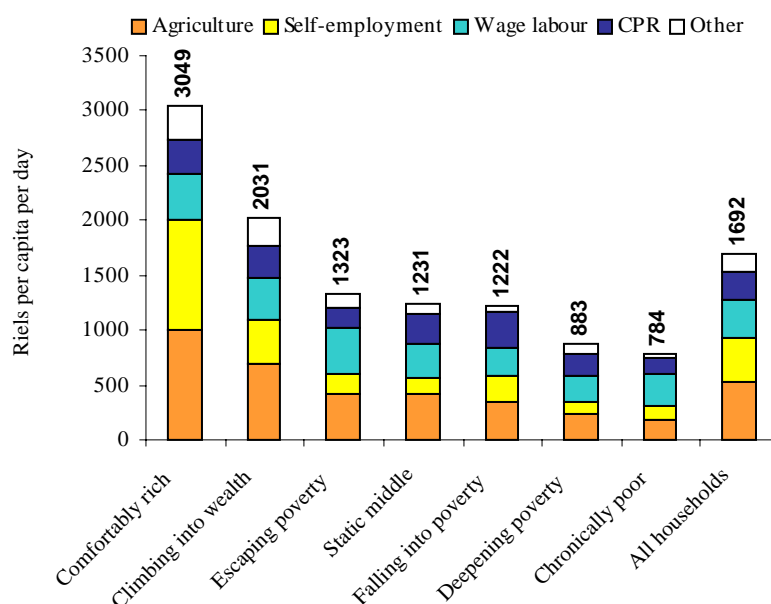
**Figure 4.03: Sources of Household Income, by Mobility Group, 2001 & 2004/05**



2004/05 income has been deflated by 18.59 percent. Source: 890 panel households in 2004/05

Between 2001 and 2004/05, the proportion of income from agriculture fell slightly in all mobility groups, most notably in the climbing into wealth, falling into poverty and chronically poor segments, while other sources became more important (due to the increasing contribution of self-employment to incomes of the comfortably rich and climbing into wealth households, and of wage labour to incomes of all other households). Incomes from agriculture rose among most mobility groups (most notably among the upwardly mobile) and fell among downwardly mobile households (Figure 4.17 in the Annex to Chapter Four). Unsurprisingly, the comfortably rich and households climbing into wealth earned the most from agriculture in 2004/05: comfortably rich households earned 995 riels per capita per day, compared to just 180 riels per capita per day among chronically poor households (Figure 4.04).

The proportion of income from self-employment rose among comfortably rich and climbing into wealth segments, as well as in the falling into poverty group. All households had an increase in the value of income from self-employment, most notably upwardly mobile households. The comfortably rich earned considerably more from self-employment than other households, however: 1002 riels per capita per day compared to 397 riels for the climbing into wealth segment, which earned the second highest income from this source.

**Figure 4.04: Average Per Capita Income from Different Sources, by Mobility Group, 2004/05**

Source: per capita income of 890 panel households in 2004/05 deflated by 18.59 percent

The proportion of income from wage labour rose among all poorer mobility groups, while it fell slightly among the comfortably rich and climbing into wealth segments. Income from wage labour increased among all households, in particular in the escaping poverty segment: these households and the comfortably rich earned the most from wage labour (420 and 429 riels per capita per day respectively) in 2004/05.

The relative contribution of CPR fell in all mobility groups, as did actual incomes from CPR, in particular among the climbing into wealth and downwardly mobile segments. The value of income from CPR was stable for comfortably rich households, however, and these households, together with the falling into poverty segment, earned the most from CPR in 2004/05 (306 and 340 riels per capita per day respectively). Finally, income from other sources, such as rent and remittances, became more important for all mobility groups apart from households falling into poverty, rising in value among upwardly mobile households in particular. Once again, the comfortably rich earned the most from this source.

#### ***Location, Not Mobility Group, Is the Main Factor Determining Distribution of Household Income from Different Sources***

The experience of mobility groups in each community was largely consistent with the overall pattern of income change in that village. The fortunes of the non-moving groups—the comfortably rich, static middle and chronically poor—were particularly closely aligned with village trends. However, some rich or upwardly mobile households were able to increase their earnings from agriculture or CPR in communities in which average incomes from these sources were declining, while some downwardly mobile households had declining earnings from self-employment or selling labour in villages where average incomes from these sources were rising.

Comfortably rich and climbing into wealth households in Dang Kdar, escaping poverty households in Trapeang Prei and upwardly mobile households in Kompong Tnaot were able to increase incomes from agriculture despite declines in aggregate agricultural incomes and among most households in these villages.

Comfortably rich households in Andoung Trach and Ba Baong, comfortably rich and upwardly mobile households in Prek Kmeng and Dang Kdar and climbing into wealth households in Kanhchor were able to increase incomes from CPR despite declines in aggregate CPR income. This supports the point made in focus group discussions that better off households in some communities are still able to profit from declining CPR. Some downwardly mobile households lost income from self-employment and selling labour in some villages despite overall gains; this was the case for deepening poverty households in Kompong Tnaot and Prek Kmeng.

These were the exceptions. The experiences of most households were largely determined by the opportunities available in their community, rather than their individual capacity, assets or earning ability, although these did of course influence the extent to which these households could take advantage of opportunities or were constrained in their efforts to increase prosperity. This is consistent with the income data presented in Chapter Two, which showed that household income and consumption are higher in strongly performing villages and lower in poorly performing villages across all mobility groups. Only upwardly and downwardly mobile households differed from village trends. Upwardly mobile households generally are better placed to take advantage of opportunities, and employ more successful strategies for livelihood generation. Downwardly mobile households, on the other hand, appear to have more limited capacity than others to take advantage of opportunities, or may be affected by specific vulnerabilities or household factors which are not relevant in the aggregate.

***Analysis of Income Sources Confirms That Female-Headed Households' Earning Strategies Differ from Those of Their Villages and Mobility Groups***

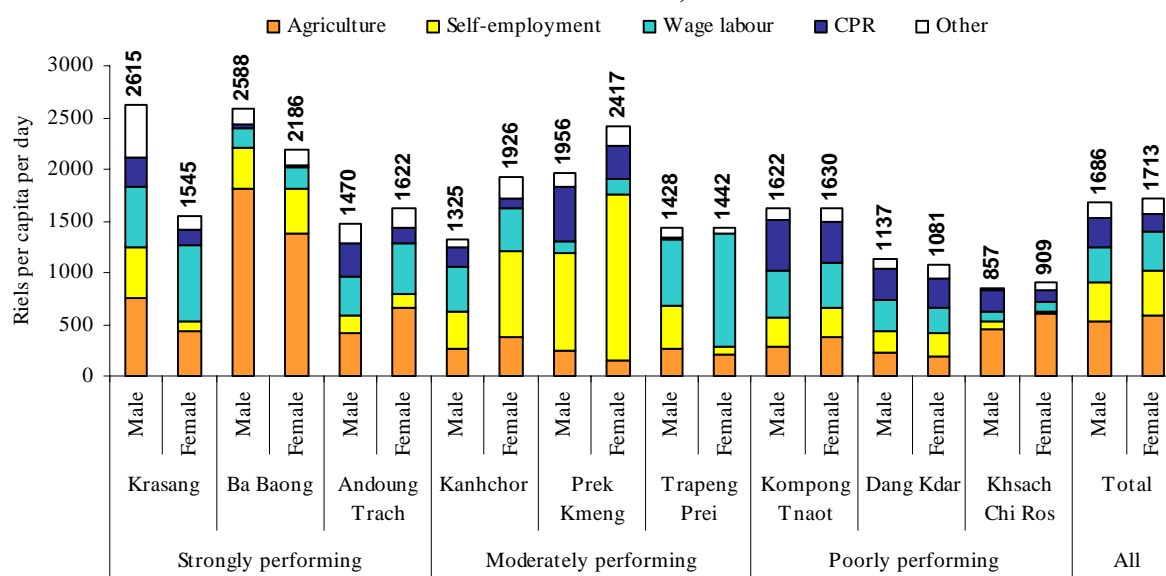
Strategies adopted by households depend in part on the resources available to them. Female-headed households have different earning potential than male-headed households, in particular when there are few adult earners and many dependants. In the MOPS panel, 81 percent of female heads of households were widowed, single or divorced in 2004/05. In some villages, however, the proportion of female heads of households who were married was higher; this was the case in Krasang, Ba Baong, Kanhchor and Dang Kdar. Among mobility groups, more female-headed households in the climbing into wealth and deepening poverty groups were married (Figure 4.18 in the Annex to Chapter Four). In most villages and mobility groups, female-headed households in which the head was married earned and consumed *less* than female-headed households in which the head was unmarried (widowed, single or divorced/deserted). The exceptions were Krasang, (married female-headed households earned more), Ba Baong (married female-headed households earned and consumed more) and Dang Kdar and Kompong Tnaot (married female-headed households consumed more). Among mobility groups, the exceptions were downwardly mobile female-headed households (married female-headed households earned and consumed more), the climbing into wealth segment (married female-headed households earned more), and the static middle and chronically poor segments (married female-headed households consumed more) (Tables 4.13 and 4.14 in the Annex to Chapter Four). While some single female-headed households, in particular those moving into poverty, were worse off, this was not the case for all single female-headed households.

One possible explanation for lower income and consumption among many households with female heads who are married is that the husband is unable to contribute to household income due to illness, disability or other factors (such as alcoholism or unemployment). In addition, the household may bear additional costs as a result of this illness or disability, which may be reflected in higher consumption among married female-headed households in Kompong Tnaot and Dang Kdar, as well as in the static middle and chronically poor segments.

In the aggregate, female-headed households earned slightly more than male-headed households from agriculture, self-employment and selling labour, while male-headed households earned more from CPR. In the poorest communities, Kompong Tnaot, Dang Kdar and Khsach Chi Ros, income earned

from various sources by male- and female-headed households was broadly comparable, although female-headed households earned more from agriculture than male-headed households in Kompong Tnaot and Khsach Chi Ros. In the moderately and strongly performing villages there was significant variation, however. Male-headed households earned considerably more in Krasang and Ba Baong (even though more female household heads in these villages were married) while female-headed households earned more in Andoung Trach, Kanhchor and Prek Kmeng. Incomes were similar in Trapeang Prei but the proportion of income from different sources differed considerably between male- and female-headed households in this village (Figure 4.05).

**Figure 4.05: Per Capita Income from Different Sources, by Village and Sex of Household Head, 2004/05**



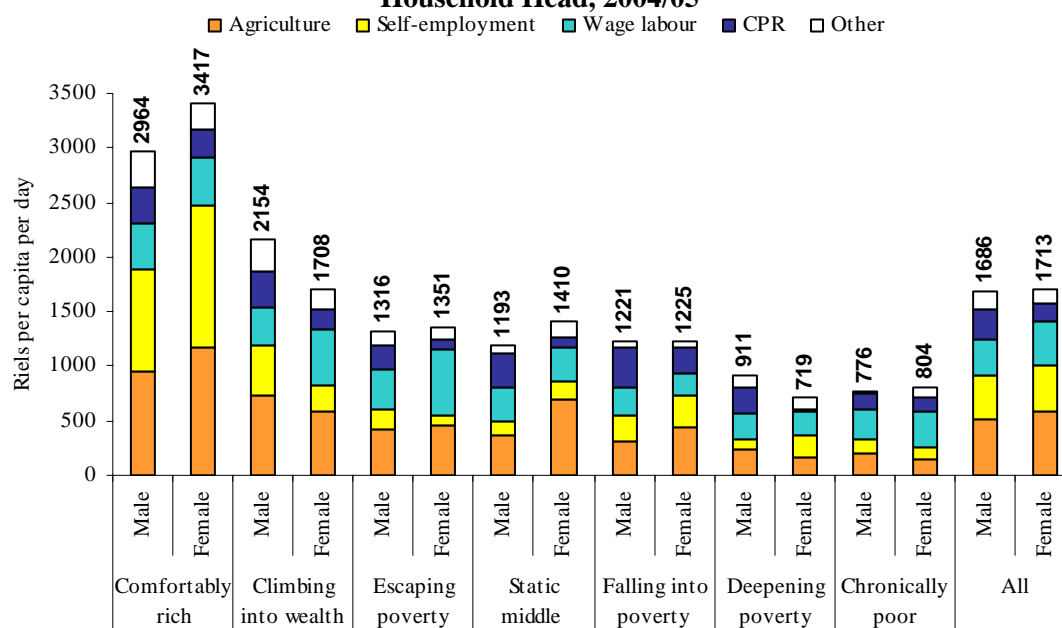
Source: Average per capita income of 890 panel households in 2004/05, deflated by 18.59 percent

In the strongest performing communities, Krasang and Ba Baong, male-headed households earned more than female-headed households from all income sources apart from selling labour (in both villages) and self-employment (in Ba Baong). In Andoung Trach, where female-headed households earned more than male-headed households, income from agriculture and selling labour accounted for most of this difference. Female-headed households earned more from agriculture and self-employment in Kanhchor, from self-employment in Prek Kmeng and selling labour in Trapeang Prei than male-headed households.

### ***Female-Headed Households Tend to Be More Reliant on Agriculture and Selling Labour***

Female-headed households earned more than male-headed households in the comfortably rich, escaping poverty and static middle segments, and less in the other mobility groups. Among the comfortably rich, escaping poverty and static middle segments, female-headed households earned more from agriculture than male-headed households, while in the climbing into wealth segment, female-headed households earned more from wage labour. In the downwardly mobile and chronically poor segments, female-headed households earned less than male-headed households; downwardly mobile female-headed households earned more from self-employment than their male counterparts, while chronically poor female-headed households, the poorest of the poor, earned more from wage labour than did male-headed households in this group. Male-headed households earned more from CPR in all villages and mobility groups, partly because fishing and forestry are usually male occupations (Figure 4.06), as noted below.

**Figure 4.06: Per Capita Income from Different Sources, by Mobility Group and Sex of Household Head, 2004/05**



Source: per capita income of 890 panel households in 2004/05 deflated by 18.59 percent

As this discussion shows, female-headed households have quite different earning strategies than male-headed households. Better off female-headed households earn more than their male counterparts while poor female-headed households earn less. Female-headed households tend to be more reliant on agriculture and selling labour, but this varies between communities and mobility groups; in some cases self-employment is more important for female-headed households, for example in Prek Kmeng. Importantly, in the strongly performing villages there appear to be more opportunities for male-headed households to get ahead, while in the moderately performing communities female-headed households do slightly better than their male counterparts. In the poorest villages, however, both male- and female-headed households experience significant constraints on their ability to earn a living. An important policy implication is that development interventions are likely to impact differently on different households in different villages; for example, male-headed households in strongly performing villages are more likely to benefit from agricultural extension services, while female-headed households in many villages are more likely to benefit from business and employment opportunities.

#### ***Better Off Households in Strongly Performing Villages Are More Able to Diversify Income Sources***

A key characteristic of strongly performing villages and better off households is the capacity to diversify income sources. As discussed in Chapter Three, strongly performing communities are characterised by agricultural productivity and access to other income opportunities, including markets for trade and employment, while most moderately and poorly performing communities are more isolated, reliant on declining CPR and for the most part experiencing declining rice productivity. In strongly performing communities, all households benefit from these opportunities, albeit to very different degrees (with an increasing gap between the incomes of the richest and poorest households), while in moderately and poorly performing communities it is more difficult for even well-off households to increase their incomes substantially.

In focus group discussions in which villagers were asked to classify households into well-being groups, it was commonly reported that the most successful households were those with many adult earners, accumulated wealth, the ability to invest in activities beyond agriculture and good networks

and connections, including urban or overseas relatives. Often these households become moneylenders, run multiple businesses and let their land and equipment to other households in their community.

*“Rich refers to a group of households (about 20 percent) that have four or five hectares of arable land (rice and chamkar), which normally produces a surplus for sale. They have draught animals and hire people to work for them. They also fish, but with bigger and/or more sophisticated equipment. With small and large machinery, they have many kinds of business and income all year round. With their strong savings, they are able to buy more land ... or some of them are moneylenders in the village.”—Moved into poverty focus group, Khsach Chi Ros*

Poor households, on the other hand, were characterised by few or no assets, few earners and few or single income sources. Often these households were headed by women or older or disabled household heads, and they had many dependants.

*“The destitute have no assets, no land or draught animals, nothing except their unskilled labour. They are often headed by a widow with small children and a disabled husband. [They live in] poor housing (cottages made of palm leaves) and rely heavily on collecting morning glory, insects and so on. Unlike the poor, the destitute cannot go fishing because they do not have fishing equipment.”—Moved out of poverty focus group, Andoung Trach*

In focus group discussions, upward mobility was attributed to the ability to diversify income, in particular from non-agricultural sources, thereby spreading risk. This includes investment in small businesses, dependants becoming adult and beginning to contribute to the household, access to skilled employment such as garment factory work, the ability to save for investment and remittances from migrant workers and urban or overseas relatives. Like the rich, these households are protected against shocks and life-cycle events by having multiple income sources and earners.

*“Households ... move up because they are good at saving and have good family planning or know clearly what they should do first and what should they do next ... Besides farming, most of them rear pigs from May to September and then sell their pigs to get money to buy fuel, chemical fertilisers and pesticides to invest in growing dry season rice ... They do not sell their harvest immediately after harvesting, but keep it for a better price ... they are free of debt and can make some savings step by step.”—Mixed focus group, Ba Baong*

Downward mobility was seen as a result of demography (e.g. old age, loss of a male breadwinner, an increasing number of dependants) life-cycle events such as marriage and death that lead to land sale or land atomisation, shocks such as illness and disability, destructive behaviour such as drinking, gambling or domestic violence and debt. These factors are discussed in more detail in Section 4.2. In the absence of other income sources, lower agricultural productivity and declining CPR also drive households into poverty. Households with a single income source are also more vulnerable to downward movement and staying poor.

*“Illness is a factor that makes people fall ... When people become ill, they sell their land to pay for medical treatment. Mostly the poor rely on small land parcels and do not have any regular jobs. They sell their labour for any kind of work available at the time. The poor have many children, and with their small land-holdings, their children will receive even smaller pieces of land. They own very few assets and therefore cannot pass on much to their children.”—Stagnant focus group, Kompong Tnaot*

*“In all cases, those village households that depend solely on fishing cannot become better off [and] those households that farm on only a hectare or so of land cannot hope to become better off.”—Community timeline focus group, Krasang*

Findings from focus group discussions are consistent with the Ladder of Life exercises included in the household survey. When participants were asked about the main reasons for upward mobility, downward mobility and stagnation, they cited new or multiple sources of income, employment,

agricultural productivity and personal or family connections as the main reasons for upward mobility. Personal or family problems, ill health, accidents or death, lack of employment security and opportunities and declining agricultural productivity were cited as the main reasons for downward mobility; while lack of employment security and opportunities, ill health, accidents or death and personal or family problems were seen as the main reasons for stagnation (Figure 4.19a,b,c in the Annex to Chapter Four).

The broad distinctions between households made in focus group discussions and the Ladder of Life exercises are confirmed by household panel survey data. The poorest households are constrained by lack of assets including land, limited earning potential (for example, fewer adult earners), more dependants and reliance on declining income sources such as CPR. Downwardly mobile households experience specific shocks and life-cycle events such as illness, death and natural disasters that push them into poverty, as discussed in Section 4.2. Comfortably rich and upwardly mobile households in strongly performing communities benefit from agricultural productivity and are able to take advantage of new opportunities for trade and employment. These households earn the most of all households in the sample, with comfortably rich households earning per capita daily incomes of 4201 riels in Ba Baong and 3948 riels in Krasang in 2004/05, compared to only 1491 riels in Khsach Chi Ros. Upwardly mobile households in moderately and poorly performing villages tend to rely more on external sources of income such as remittances from relatives and from family migrant workers (see below).

In moderately and poorly performing communities, households that remained comfortably rich were typically those that had accumulated wealth and invested in assets (Prek Kmeng and Kompong Tnaot). Despite falling consumption (and income in the case of Kompong Tnaot), these two villages had rising asset values and the highest value of assets of any village. Unsurprisingly, asset inequality (in particular non-land assets) increased in these two villages between 2001 and 2004/05.

Income data and findings from focus group discussions also show that the households that remain well off in poorer villages are those that can make the most of *any* opportunities. For example, some better off households have been able to generate increased income from CPR and agriculture even in villages in which CPR is declining and agricultural land is limited. According to participants in focus groups, they are also more likely to benefit from land conversion. Focus group participants also suggested that some better off households use their accumulated wealth to buy power and influence and escape the consequences of illegal activity, including illegal fishing and logging (see Section 3.3 in Chapter Three). The capacity to pay off authorities in order to generate income from illegal access to CPR is a key livelihood strategy in villages in which opportunities for legitimate income generation are more limited.

Triggers for downward movement are more likely to occur in poorly and moderately performing villages (for example, due to the higher costs of health care in more remote villages, typically smaller land-holdings that can be used for rice production or sale to pay debts), where the ability to generate diverse incomes to act as a safety net is diminished. The poorest households in these communities, without assets, sufficient earners or opportunities, and reliant on rapidly disappearing natural resources, are condemned to chronic poverty, with low incomes and consumption so far below the poverty line that they cannot hope to provide even basic food needs for family members.

### ***Assets for Wealth Generation Are Concentrated in Strongly Performing Villages and Better Off Households***

As discussed in Chapter Two, assets, including houses and residential and agricultural land, are unequally distributed between villages and mobility groups, the comfortably rich holding assets worth five and a half times the value of assets held by any other mobility group in 2004/05. As discussed earlier, this wealth is concentrated in villages with higher proportions of rich and upwardly mobile households, including the strongly performing villages Krasang and Ba Baong and the historically better off communities Prek

Kmeng and Kompong Tnaot: assets in Kompong Tnaot (the highest value of assets in 2004/05) were three and a half times those in Andoung Trach (the village with the lowest value of assets).

Land ownership is critical in wealth generation because land-holding size is linked to the capacity to generate a profit from agriculture, and smaller land-holdings, while typically more productive, below a certain size are not able to support a household. Households with larger land-holdings are not only able to profit from agricultural production but are also able to sell their land to invest in other income generation activities such as small businesses, to repay debts or to offset shocks and seasons in which productivity is low; they can also access credit. Unsurprisingly, landlessness and the size and value of land-holdings vary significantly between study villages and mobility groups.

Strongly performing villages and better off households had larger average agricultural land-holdings in 2001 and 2004/05 than other communities and households. The three strongly performing communities all had around 2–2.5 hectares on average; Khsach Chi Ros was the only other village with more than 2 hectares, as shown in Table 4.01. Comfortably rich and climbing into wealth households owned an average of 1.8 hectares in 2004/05, while those escaping poverty and falling into poverty owned an average 1.5 hectares; the static middle households owned 1.6 hectares and the deepening poverty and chronically poor segments held 1.2 and 1.3 hectares respectively (Table 4.01). Land-holding size has remained relatively stable in most study villages, increasing slightly in Andoung Trach and Dang Kdar and falling slightly in Krasang and Khsach Chi Ros.

**Table 4.01: Land Ownership, Value and Sales, by Village, 2001 & 2004/05**

Villages		Landless households (%)			Ave. holding size		Land prices		% of households selling agricultural land between 2001 and 2004/05
		Survey	Village leaders' estimates*		(ha/hh)		(US\$/ha)		
			2001	2004/ 05	2004/05	2001	2004/05	2001	
Strongly performing	Krasang	38	38	60	2.3	2.0	619	1069	9
	Ba Baong	7	7	12	1.8	1.9	480	695	8
	Andoung Trach	39	41	47	2.3	2.5	545	277	16
Moderately performing	Kanhchor	29	22	25	1.1	0.9	400	902	3
	Prek Kmeng	31	32	20	1.4	1.4	292	855	4
	Trapeang Prei	12	16	20	0.9	1.0	214	689	13
Poorly performing	Kompong Tnaot	8	7	20	0.7	0.6	747	2123	3
	Dang Kdar	7	3	48	0.8	1.4	128	195	6
	Khsach Chi Ros	9	7	30	2.8	2.5	89	167	4
All	Total	20	19	32	1.5	1.5	390	775	9

\*Derived from the qualitative focus groups in each village.

Source 1005 households in 2001 and 1010 households in 2004/05

Land concentration has accelerated in all study communities: the proportion of small land-holders (less than one hectare) fell from 46 percent to 41 percent of all households, while the proportion of households with one to three hectares of land rose from 25 percent to 33 percent between 2001 and 2004/05. The proportion of households with more than three hectares was stable (Figures 4.20 and 4.21 in the Annex to Chapter Four). The proportion of households with one to three hectares was higher in strongly performing villages in 2004/05—30 percent in Krasang, 57 percent in Ba Baong and 31 percent in Andoung Trach—and lower in moderately and poorly performing villages, with the exception of Dang Kdar (42 percent) and Khsach Chi Ros (45 percent). The 40 percent of households (ranging from 16 percent in Andoung Trach to 78 percent in Kompong Tnaot) with less than one

hectare of agricultural land face significant difficulties in generating sufficient food to feed the household, let alone generate a surplus.

Larger land-holdings are also concentrated among better off households; 48 percent of households in the comfortably rich and climbing into wealth segments had land-holdings over one hectare, compared to 34 percent of the chronically poor group. While land-holding size remained static among the comfortably rich, among all other mobility groups the proportion of households with small land-holdings fell, while those with land-holdings of one to three hectares increased, reflecting land concentration in all study communities. Female-headed households had an average of 1.3 hectares, compared to 1.6 hectares in male-headed households in 2004/05, and had smaller land-holdings across all villages and mobility groups. Again, this has implications for the capacity of these households to produce enough food to feed themselves.

Land values rose significantly in some villages between 2001 and 2004/05, most notably in Krasang and Kompong Tnaot. Land values fell in Andoung Trach, which also had the highest percentage of land sales between 2001 and 2004/05, at 16 percent. Not all land sales result in landlessness; often villagers sell only part of their land, and other local households are often the buyers. There is, however, some evidence of land being transferred to outsiders, for example in Trapeang Prei, where land sales accelerated sharply during the period June–September 2005.<sup>9</sup> Land prices rose dramatically after the conclusion of the study, reaching USD2000–3000 between June and November 2005, when Trapeang Prei experienced an influx of land speculators, mostly from Phnom Penh. The majority of those who sold some or all of their land (about 40 of 75 households) used some of the money to repay loans taken out as a result of crop failures in 2003/04. The remaining funds were used to buy food or finance migration. The impact of this land speculation on incomes and poverty reduction in Trapeang Prei will be investigated in the next round of the MOPS.

***Not All Landless Households Are Poor, and Losing Land Does Not Result in Poverty when Other Income Sources Are Available***

The rate of landlessness did not change significantly between 2001 and 2004/05, remaining relatively static in the 890 panel households and in most villages, with the exception of Trapeang Prei, where the number of landless households rose to 16 percent in 2004/05 as a result of land sales. The proportion of landless households fell in the two forestry villages of Kanhchor and Dang Kdar, as well as in Khsach Chi Ros, as a result of land conversion. Landlessness was well above the overall average of 19 percent in Krasang, Andoung Trach, Kanhchor and Prek Kmeng in 2004/05. It should be noted that estimates of landlessness in the study villages are considerably lower in the household survey than those provided in village leader focus groups, because village leaders viewed as landless households whose lands were mortgaged and who were therefore unable to cultivate their land (Table 4.01).

Rates of landlessness fell across all mobility groups between 2001 and 2004/05, but were highest among the chronically poor, climbing into wealth and escaping poverty groups (Figure 4.21 in the Annex to Chapter Four). Twenty-two percent of female-headed households were landless in 2004/05, compared to 16 percent of male-headed households; landlessness also increased among female-headed households, whereas it fell among male-headed households between 2001 and 2004/05 (Table 4.02).

<sup>9</sup> A member of the MOPS Team was asked to accompany the UN Commission on Human Rights' Special Rapporteur for Adequate Housing of the in Cambodia who visited Trapeang Prei on 1 September 2005. This allowed the MOPS team to update information about poverty-related issues, including changes in the land market and prices in this village. The village chief at the time reported that 40 households in his village had sold some or all of their land to Phnom Penh buyers. He said he did not know why people spent USD100,000–500,000 to buy not only rice fields but bush land in this area.

**Table 4.02: Households without Agricultural Land below the Consumption Poverty Line, by Village and Sex of Household Head 2004/05**

	Villages	Number of landless households			Proportion below consumption poverty line (%)*		
		Male	Female	Total	Male	Female	Total
Strongly performing	Krasang	32	5	37	38	60	41
	Ba Baong	3	6	9	67	50	56
	Andoung Trach	20	10	30	60	80	67
Moderately performing	Kanhchor	15	7	22	47	57	50
	Prek Kmeng	28	6	34	39	33	38
	Trapeang Prei	2	4	6	100	75	83
Poorly performing	Kompong Tnaot	7	1	8	29	100	38
	Dang Kdar	3	0	3	100	0	100
	Khsach Chi Ros	3	1	4	100	0	75
<b>All</b>	<b>Total</b>	<b>113</b>	<b>40</b>	<b>153</b>	<b>48</b>	<b>60</b>	<b>51</b>

\* Proportion of 153 landless households below consumption poverty line.

Source: 890 panel households in 2004/05

Landlessness is correlated with incomes below the poverty line in a significant proportion of households. The proportion of landless households with incomes below the poverty line in 2004/05 was 51 percent, and the poverty rate was higher for landless female-headed households (60 percent, compared to 48 percent for male-headed households).

In Prek Kmeng, Kompong Tnaot and Krasang, a majority of landless households, in particular male-headed households, were *not* living below the poverty line. These are villages that have a higher proportion of rich and upwardly mobile households and higher overall per capita incomes. This suggests that, where other income sources are available, landlessness is not always correlated with poverty. Indeed, selling land was sometimes associated with upward mobility in focus group discussions in these communities.

*“Those who have land can produce rice for their own consumption and add the income from their children’s emigration to Thailand. They can upgrade their houses ... some of them can purchase agricultural land. However, those who have sold all the land that was distributed in the 1980s depend heavily on earnings from selling their labour. Some of them, especially those who have many family members who can work, can save to improve their lives ... for example, by upgrading their houses or purchasing land.”—Moved out of poverty focus group, Krasang*

Rates of landlessness were in fact higher in the upwardly mobile groups than in any other segment except the chronically poor in 2004/05, illustrating that land ownership and upward mobility are not always correlated. Reasons for losing land also differ between mobility groups; of those landless households in 2004/05 that had ever had land (46 percent of landless households had never owned agricultural land), chronically poor and falling into poverty households were most likely to have sold it, while the deepening poverty segment was more likely than any other group to have given it to their children when they married (Table 4.15 in the Annex to Chapter Four). Landlessness and land atomisation due to marriage and inheritance are, however, contributing factors to moving into poverty for some households, as discussed in Section 4.2.

In contrast to the more nuanced picture presented in household survey data, in focus group discussions losing land was very strongly associated with moving into poverty and remaining poor. Landlessness was most strongly associated with poverty in poorly performing villages where alternative sources of income are not available, such as Dang Kdar and Khsach Chi Ros.

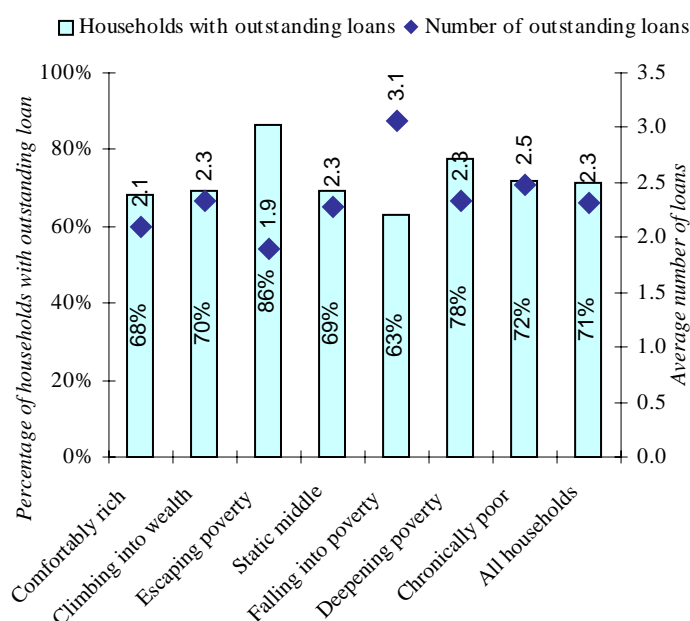
*“In this community, people who are landless are likely to face food security problems. All their earnings go for daily consumption, and they cannot save anything. People who have no arable land in this village are likely to fall into chronic poverty, especially when they get sick, because their daily earnings are only enough for subsistence, and there’s nothing left when problems occur. For example, when they have health problems, they have no money for treatment. Generally, they reduce spending on food or borrow to pay for treatment.” Female youth focus group, Khsach Chi Ros*

In other words, while land ownership is not always a contributing factor in movement out of poverty, and losing land does not inevitably result in downward mobility in strongly performing villages where other income sources are available, landlessness is strongly associated with downward mobility and remaining poor, in particular in female-headed households and households in poorly performing communities.

### **Most Households Are Indebted, Affordable Credit Is Limited and Most Households Rely on Informal Credit**

By 2004/05, most villages had been provided with at least one credit programme run by an NGO or micro-finance institution (MFI), including ACLEDA. Many of these programmes have had limited success, however, due to inflexible terms and repayment schedules, as discussed below. Despite increasing new credit sources, the majority of households continue to borrow from friends, relatives and moneylenders whose terms are less strict than formal providers’, even if their interest rates are higher. Most households (71 percent) were indebted, with an average in 2004/05 of 2.3 loans from different sources including friends and relatives, moneylenders, MFI and village banks. Among the strongly performing villages, households in Krasang were more likely to take loans from village credit groups (38 percent), while around 46 percent of households in Ba Baong and 53 percent in Andoung Trach took loans from moneylenders. In the moderately and poorly performing villages, households in Trapeang Prei and Kompong Tnaot were the most likely to use credit from MFI programmes or NGOs, while a majority of households in Kanhchor and Dang Kdar took loans from relatives or friends. Households in Prek Kmeng and Khsach Chi Ros tended to get around a third of loans from relatives or friends and a third from moneylenders. Access to affordable credit was also uneven between different mobility groups; for example, the chronically poor were more likely than other households to access credit from a middleman or moneylender (Tables 4.16 and 4.17 in the Annex to Chapter Four).

**Figure 4.07: Households with Outstanding Loans, by Mobility Group, 2004/05**



Source: 890 panel households in 2004/05

Poor and upwardly mobile households were more likely to have outstanding loans than households in other mobility groups. However, these households use credit for quite different purposes, as discussed below. The escaping poverty group had the highest proportion of households with outstanding loans in 2004/05 but the smallest number of loans, 1.9 per household; while the falling into poverty group had the lowest number of borrowers but the largest number of loans, 3.1 per household. Chronically poor households had an average of 2.5 loans per household (Figure 4.07). The proportion of households with outstanding loans was slightly higher in the moderately performing villages, Prek Kmeng and Trapeang Prei, and in Khsach Chi Ros. Trapeang Prei also had the largest average number of loans of any village, 2.9 per household, followed by Krasang at 2.8, while Dang Kdar had the lowest proportion of loans at 1.8 per household.

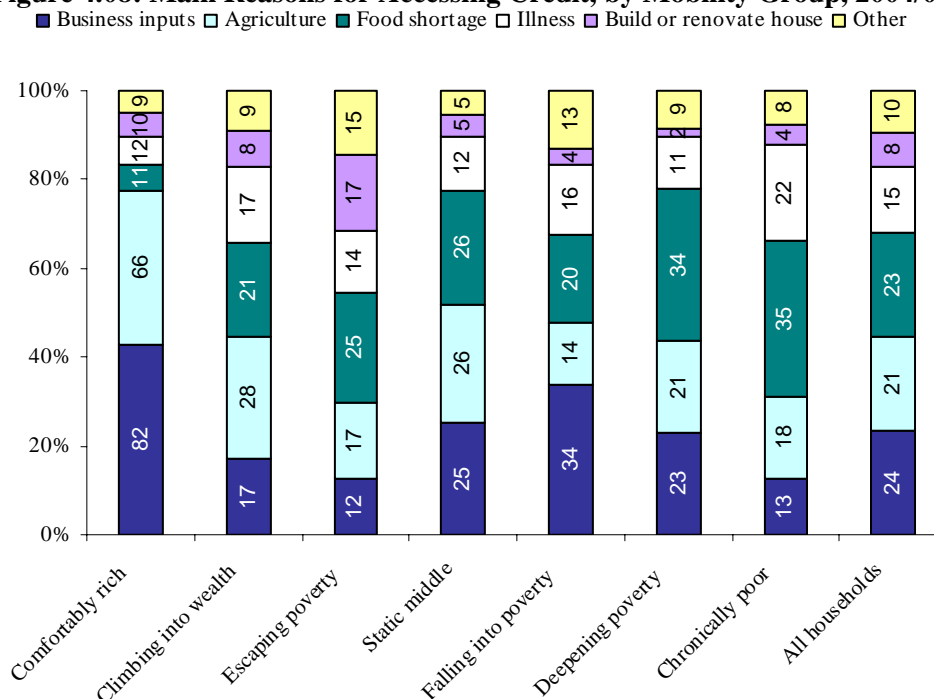
The majority of households borrow cash and repay in cash (83 percent of total outstanding loans in 2004/05); the rest use cash or kind and repay in kind. Unsurprisingly, and consistently with focus group findings, the poorest households and villages are most likely to repay credit in kind: the deepening poverty and chronically poor groups use this form of loan more often than other segments, as do households in the poorest villages, Dang Kdar and Khsach Chi Ros. In-kind credit arrangements with labour as repayment are common and sometimes involve children.

***Better Off Villages and Households Use Credit for Productive Purposes, while Poorer Households Use Credit to Cope with Shocks***

More than half of all loans (55 percent) were used for productive purposes, including investment in business or agriculture (45 percent), while around 40 percent were used to cope with shocks and illness, including offsetting food shortages (23 percent) and paying for medical treatment (15 percent). Households in the agriculturally productive villages of Krasang, Andoung Trach and Khsach Chi Ros and the historically better off villages Prek Kmeng and Kompong Tnaot were more likely to use loans for productive purposes. Other moderately and poorly performing villages tended to use credit to cope with shocks; for example, households in Kanhchor were the most likely to use credit to offset food shortages (47 percent of loans), while those in Dang Kdar were more likely to use credit to pay for health care (25 percent of loans) (Figure 4.23 in the Annex to Chapter Four). Among mobility groups, more better off households used credit for productive purposes, while more poor and downwardly mobile households took out loans to cope with shocks and offset food shortages. The deepening poverty and chronically poor segments were least likely to use credit for productive purposes, instead using loans to buy food, for medical treatment and to pay off other debts. These households used 49 and 58 percent of loans for non-productive purposes, respectively.

In most villages, the credit offered by MFIs, including by ACLEDA and NGOs, was viewed as too inflexible, even though participants appreciated the lower interest rates. In the poorest villages, such as Khsach Chi Ros and Dang Kdar, these institutions were said to be unhelpful because only better off households could meet the loan requirements, which include having collateral such as land and other assets.

*“There are only two or three households that have borrowed from ACLEDA ... Those households have solid earning sources. ACLEDA is not an organisation for the purpose of poverty reduction. It is a cart, buffaloes and cattle, land certificate organisation [requiring collateral for loans].”—Community timeline focus group, Dang Kdar*

**Figure 4.08: Main Reasons for Accessing Credit, by Mobility Group, 2004/05**

Source: 635 panel households with outstanding loans in 2004/05

In other villages, debts to MFIs, sometimes acquired in the past when incomes were higher, contributed to movement into poverty, because households could not meet the strict loan repayments, due to either fluctuating incomes (Kompong Tnaot), or poor returns on rice, other crops or livestock because of disasters or disease (Trapeang Prei and Prek Kmeng). Often debtors turn to other providers, including moneylenders, to repay their loans, or are forced to sell their assets. In one community, Ba Baong, MFI loans were said to be helpful because they did not involve interlocked credit and farmers were free to sell to whomever they wanted. In other communities, such as Krasang and Prek Kmeng, however, use of large-scale credit was reportedly declining, because procedures were too rigid and the risks of not being able to repay too high.

*“The amount of large or medium credit provided by NGOs and moneylenders to households in this community has gone down by 70 percent compared to five years ago ... People in this community can lend small amounts of money (100–500 baht) to other villagers in the short term (10–20 days) with no interest. Both NGOs and moneylenders are very strict in regard to their lending, requiring collateral, including land, houses, licences and other valuable assets. Moreover, their requirements also include the ability to pay back [regularly].”—Stagnant focus group, Krasang*

Access to and use of credit was one of the factors distinguishing better off and poor households; rich households are often the moneylenders in a village, while poor households are indebted to moneylenders in their own village or outside traders and middlemen. As noted above, poor households are more likely to secure credit on an in-kind basis, and often enter into interlocked credit arrangements in which crops or labour are sold “in advance”, forcing households to accept reduced prices for their produce or work for lower wages to repay their loans. In villages such as Krasang, Ba Baong, Trapeang Prei, Kompong Tnaot and Khsach Chi Ros, traders or middlemen provide loans or farm inputs on credit, requiring their clients to sell their produce or fish catch at prices that are typically 7–10 percent lower than the village farm gate price. A high proportion of farmers take loans from private traders or merchants and are then trapped in interlocked credit and unable to sell their produce for better prices.

*“At present there are three middlemen in Kompong Tnaot village; all of them are classified as rich families and have multiple business activities. The price of crabs depends on those middlemen... They can help us but they can also cause us problems by reducing the price. We are so poor and we have no (or not enough) productive assets such as fishing tools, farming tools and so forth. Hence we have to borrow money from them to buy all these instruments. Because we borrow money from them, when we get something from the sea such as fish, crabs, shrimp and so forth, we have to sell to them at locally set prices. We have no choice of buyers ... The only option for us is that we need their help and we feed them afterwards.”—Moved into poverty focus group, Kompong Tnaot*

Interlocked credit is more common in the case of farm produce, fishing and selling labour, and less common in livestock production; farmers have considerably more freedom to sell their livestock to an increasing number of small traders inside and outside the village.

The MOPS reveals significant unmet demand for affordable, flexible, small-scale credit in study villages. At present, alternatives to MFIs are limited, and households continue to turn to private moneylenders, friends and relatives and wealthier neighbours, even if the interest rates are high and in-kind arrangements severely disadvantage farmers. Far from helping households to move out of poverty, credit appears to be a factor in households moving down; perhaps surprisingly, this is the case for loans offered by MFIs as well as by private moneylenders.

*“In the future, we want low-interest credit because petrol prices keep increasing sharply. We greatly need money to meet all the expenses during rice growing. We are now borrowing from traders or private moneylenders at a very high interest rate of 10–20 percent [per month]. ACLEDA does not really and truly help people, because we have to pay the debt in instalments, and many of us cannot generate enough money to meet the loan terms.”—Community timeline focus group, Khsach Chi Ros*

### ***Benefits of Improved Agricultural Production Are Unevenly Distributed between Households***

As discussed in Chapter Three, only three study villages experienced improvements in dry season rice productivity between 2001 and 2004/05—Krasang, Ba Baong and Khsach Chi Ros—although Prek Kmeng and Kanhchor were able to improve yields from wet season rice production.

However, even in the most successful agricultural communities, Krasang and Ba Baong, only better off households with larger land-holdings were able to benefit from improved productivity; other households in these communities, with smaller holdings, were not able to generate sufficient income to repay loans, and many experienced food insecurity.

The capacity to benefit from improved productivity depends on access to capital in the form of savings or credit, the ability to purchase inputs and invest in equipment, and land-holding size. These are concentrated among rich and upwardly mobile households. Tables 4.03a and 4.03b show agricultural productivity for wet and dry season rice respectively while Figure 4.09 shows the change in productivity for wet and dry season rice between 2001 and 2004/05 by mobility group.

**Table 4.03a: Landholding Size, Agricultural Productivity and Profitability of Wet Season Rice, by Mobility Group, 2001 & 2004/05**

Mobility groups	Mean size of landholding (ha/household) *		Households with more than 1 ha of agricultural land (%)		Mean total rice production* *		Yield (tonne/ha)		Output (tonne/hh)		Cost of inputs ('000 riels per tonne)		Profit ('000 riels/hh)		Profit as mean percentage of gross income	
	2001	2004/05	2001	2004/05	2001	2004/05	2001	2004/05	2001	2004/05	2001	2004/05	2001	2004/05	2001	2004/05
Comfortably rich	1.9	1.8	48	48	3.1	4.3	1.5	1.8	1.3	2.3	211	228	183	736	6%	55%
Climbing into wealth	1.7	1.8	38	48	2.8	3.9	1.6	2.0	1.6	2.7	152	233	216	825	9%	53%
Escaping poverty	1.4	1.5	33	43	1.9	2.3	1.4	1.2	1.3	1.4	57	198	293	448	16%	61%
Static middle	1.5	1.6	35	41	2.1	2.6	1.7	1.5	1.0	1.2	110	194	205	384	9%	63%
Falling into poverty	1.5	1.5	30	37	1.8	2.2	1.4	1.3	1.2	1.3	183	232	256	412	11%	54%
Deepening poverty	1.0	1.2	21	35	1.4	1.6	1.2	1.4	1.0	1.1	60	153	264	399	32%	70%
Chronically poor	1.0	1.3	24	34	0.9	1.3	1.3	1.2	0.8	1.1	49	153	178	399	14%	70%
<b>All households</b>	<b>1.5</b>	<b>1.6</b>	<b>35</b>	<b>42</b>	<b>2.1</b>	<b>2.8</b>	<b>1.4</b>	<b>1.5</b>	<b>1.2</b>	<b>1.6</b>	<b>125</b>	<b>202</b>	<b>224</b>	<b>529</b>	<b>13%</b>	<b>60%</b>

\* Source: mean size of landholding (ha/household) derived from 737 households in 2004/05 and 724 households with agricultural land in 2001

\*\* Source mean production of 644 households who cultivated wet and dry season rice in 2001 and 642 in 2004/05 crop calendar

\*\*\* Source: 450 households cultivating wet season rice in 2004/05 and 439 in 2001

Yields were largely comparable for households growing wet season rice (ranging from 1.2 tonnes per hectare for the chronically poor to 2 tonnes per hectare for the climbing into wealth segment), but with larger land-holdings (almost half of comfortably rich and climbing into wealth households own more than one hectare of agricultural land), and higher spending on inputs, better off households generated higher outputs and profits from wet season rice cultivation, and were also able to generate higher profits. Better off households also generated significantly higher yields and profits for dry season rice, as a result not only of larger land-holdings, but also access to irrigation (in villages where this was available). Poorer households, with smaller land-holdings and lower spending on inputs had lower yields from both wet and dry season rice cultivation, lower outputs and smaller profits.

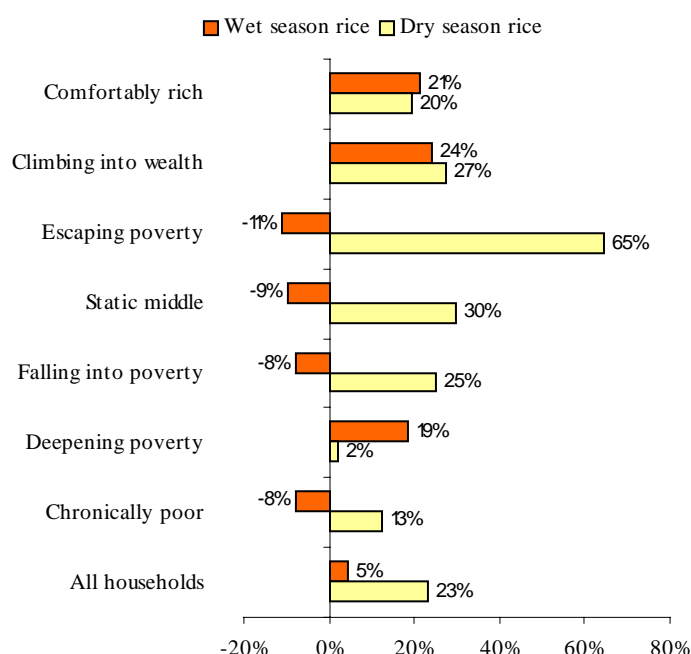
**Table 4.03b: Productivity and profitability of dry season rice by mobility group, 2001- 2004/05**

Yield (tonne/ha)		Output (tonne/hh)		Cost of inputs ('000 riels per tonne)		Profit ('000 riels/hh)		Profit as mean percentage of gross income	
2001	2004/05	2001	2004/05	2001	2004/05	2001	2004/05	2001	2004/05
3.0	3.6	4.6	5.3	152	269	628	<b>1,374</b>	17%	40%
2.7	3.5	3.3	3.5	203	347	494	762	20%	33%
2.3	3.8	3.3	4.3	309	273	467	<b>1,153</b>	17%	46%
2.5	3.3	2.8	3.3	117	265	472	848	20%	47%
2.5	3.1	2.5	3.1	181	351	326	828	14%	27%
2.6	2.7	2.5	2.1	225	288	264	458	14%	39%
2.0	2.3	1.2	1.4	117	272	206	311	15%	44%
<b>2.7</b>	<b>3.3</b>	<b>3.4</b>	<b>3.7</b>	172	293	<b>482</b>	<b>944</b>	17%	39%

Source: 286 households cultivating dry season rice in 2004/05 and 259 in 2001

According to participants in focus group discussions, better off households in the strongly performing communities of Ba Baong and Krasang, with enough capital to buy hand-tractors, chemical fertilisers and pesticides, were able to produce five to six tonnes per hectare of dry season rice in 2004/05. In the past these households had to rely on hiring farming equipment from outside the village, which often prolonged cropping periods and exposed a later harvest to increased risk of pest damage. In 2004/05 they had sufficient farm machinery to plough their own fields and were also able to let farming equipment to other villagers to earn additional income. Importantly, access to modern farming methods has reduced the time required for agricultural work from 4 months to 1.5 months in Krasang, and 4.5 to 3 months in Ba Baong, freeing family members to engage in other activities such as small business the rest of the year. In other communities that have experienced increased productivity in wet or dry season rice, Kanhchor, Prek Kmeng and Khsach Chi Ros, some better off households have also been able to increase profitability using traditional farming methods. The ability to generate a surplus from agricultural production allows households to set up other businesses or finance migration by adult members.

**Figure 4.09: Change in Wet and Dry Season Rice Productivity, by Mobility Group, 2001 & 2004/05 (%)**



Source: 450 panel households cultivating wet season rice and 286 cultivating dry season rice in 2004/05

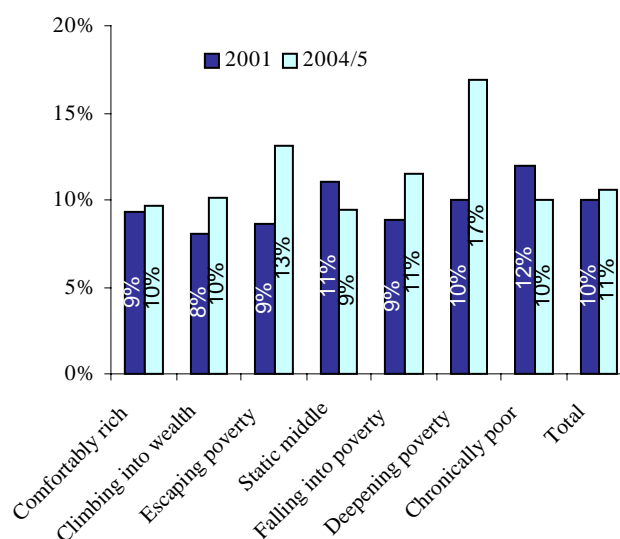
Figure 4.09 shows the change in rice productivity among the mobility groups. While comfortably rich and climbing into wealth households were able to increase productivity from both wet and dry season rice, most other mobility groups improved productivity in dry season rice, but experienced declining yields from wet season rice, with the exception of the deepening poverty segment. Poor harvests and natural disasters are the main reasons for this decline. In the five villages where dry season rice cultivation was possible, all households benefited, but the increased yields and profits were concentrated in upwardly mobile groups. This is confirmed by analysis of income changes for mobility groups in each village; in villages that experienced improved yields for wet season rice (Krasang, Ba Baong and Khsach Chi Ros), comfortably rich and climbing into wealth households had substantial increases in incomes from agriculture. Escaping poverty and static middle households had increased incomes from agriculture in these villages as well as in Kanhchor and Prek Kmeng, but this improvement was evidently from dry rather than wet season rice.

The benefits of modernisation are not reaching all households even in the strongly performing communities, 48 percent of households experiencing food insecurity in Krasang and 42 percent in Ba Baong (see Figure 3.05a in Chapter Three). Households need two to three hectares of land in order to significantly increase rice yields and make a profit. Poor and downwardly mobile households with smaller land-holdings also doubled or tripled their rice yields in these villages, but received lower profits after harvesting than rich and upwardly mobile households with larger land-holdings (Table 4.03a and b). Prices of farming inputs, including pesticides and fertilisers, are reportedly rising, as are petrol prices, and, together with lack of affordable credit and fluctuating prices for agricultural products, account for the inability of these households to generate a surplus or even feed themselves. As noted above, poor and downwardly mobile households access credit at interest rates of 10–30 percent a month from private moneylenders, merchants and traders. Often harvests are only enough for consumption and to repay loans, in particular when farmers are forced by interlocking credit to sell to their creditors at reduced prices. Increasing numbers of households with small land-holdings are unable to profit at all from rice cultivation. Lack of profitability and food insecurity sometimes result in land sale because farmers no longer see farming as worthwhile, many becoming landless and reliant on selling labour. This is true of even strongly performing communities with improved productivity such as Krasang and Ba Baong.

*“In 1993, farming was more profitable because the cost of production was much lower, although farming at that time was more labour intensive and produced around 2 tonnes per hectare ... On average we can now harvest 3 tonnes of paddy per hectare. The total cost of rice production increased from the equivalent of 2 tonnes in 1998 to 2.5 tonnes of paddy per hectare in 2003 ... About 80 percent of farmers have to take loans or buy farm inputs on credit ... About 70 percent of farming households have become worse and worse off because of soaring prices of fuel, chemical fertilisers and pesticides and an increase in strange insects and pests affecting rice crops. We don’t know which pesticides are appropriate and rely on pesticide sellers to tell us what to choose...”*—Mixed focus group, Ba Baong

#### ***Raising Livestock and Other Crops Is Risky, Constraining Investment in Alternatives to Paddy Rice Production***

As noted in Chapter Three, production of other crops is relatively limited, with households in only four communities, Kanhchor, Dang Kdar, Trapeang Prei and Kompong Tnaot, engaging in cash crop production for sale (although a handful of households in each village do grow other crops for household consumption). In some communities such as Kanhchor, crops such as corn, nuts and watermelon were grown by better off households with access to forest land. In Dang Kdar these crops were grown by both rich households (to diversify income) and by medium households (to offset food shortages); while in Kompong Tnaot they were grown by all households, including the poor, and were considered to contribute to upward mobility among some households. The number of households engaged in this activity had fallen since 2001 in Trapeang Prei.

**Figure 4.10: Income from Livestock as a Proportion of Annual Income, 2001 & 2004/05 (%)**

2004/05 income is deflated by 18.59 percent. Source: 890 panel households in 2004/05

Livestock has been a more important source of income than crops for households in most villages, in particular the poorly and moderately performing communities (with the exception of Prek Kmeng), where raising livestock accounted for between 14 and 24 percent of annual household income in 2004/05. However, raising livestock was of declining importance in the two strongly performing villages, as noted in Chapter Three. The proportion of households raising livestock fell in all mobility groups, apart from the two upwardly mobile segments, where it increased slightly, 48 percent of the climbing into wealth segment earning some income from livestock in 2004/05 (Figure 4.24 in the Annex to Chapter Four).

The proportion of annual income from livestock rose in most mobility groups between 2001 and 2004/05, in particular in the escaping poverty and deepening poverty segments (which had a decline in income from agriculture and a rise in income from wage labour), while the proportion of income from livestock fell in the static middle and chronically poor segments. Actual income from raising livestock increased in all mobility groups between 2001 and 2004/05, most notably in the two upwardly mobile segments, while income from livestock was highest for the comfortably rich in 2004/05 (Table 4.18 in the Annex to Chapter Four).

Raising livestock, in particular draught animals, which are worth more and can also be rented to other households, was reported to be an important source of supplementary income, in particular for better off households. Again, better off households can more easily offset the risks involved in raising pigs and poultry in particular, where problems associated with disease are common, than can poor or downwardly mobile households, which are more likely to be hit hard by animal death or disease, as discussed in Section 4.2.

The MOPS suggests that raising livestock has greater potential as a source of income than is currently being realised in study villages, in particular in the case of pigs and poultry, for which there is considerable market demand. However, households require considerable support, including extension services and veterinary services, to manage the risks.

### ***Better Off Households Have More Earners with Multiple Jobs***

Off-farm employment, including wage labour, self-employment and collecting CPR, has become increasingly important as an alternative to agriculture in all communities, but in particular in poorer

communities and households where agricultural income has been declining. In addition to farming, almost all economically active adults have multiple jobs wherever possible.

**Table 4.04: Number of Adult Earners with off-Farm Jobs, by Mobility Group, 2001 & 2004/05**

Mobility patterns/ percentage of total active family members	2001		2004/05		
	1 job besides HH farm	2 jobs besides HH farm	1 job besides HH farm	2 jobs besides HH farm	3 jobs besides HH farm
Comfortably rich	45.5	8.3	48.5	9.9	4.3
Climbing into wealth	41.9	12.0	44.2	12.8	1.7
Escaping poverty	43.1	10.3	44.5	9.5	3.6
Static middle	42.2	9.9	42.6	12.4	6.1
Falling into poverty	47.2	10.8	44.1	17.5	3.8
Deepening poverty	38.5	24.6	38.2	11.5	1.4
Chronically poor	44.8	14.8	42.2	15.3	2.9
<b>Overall</b>	<b>44.0</b>	<b>11.4</b>	<b>44.3</b>	<b>12.6</b>	<b>3.7</b>

Source: 890 panel households with 1891 adult earners in round one 2004/05 and 1667 adult earners in round two 2001

Off-farm jobs include petty trade and small business, selling labour within and outside the village or across the Thai border, fishing and forestry and other activities such as renting out land and equipment or working as a government official or village volunteer. More households now have more members with multiple jobs than in the past, as shown in Table 4.04. Forty-four percent of households have members with at least one other job aside from farming, while 16 percent have members with two or three additional jobs. The falling into poverty group (with the highest average number of adult earners) had the highest proportion of family members with two or more jobs in 2004/05, followed by the static middle and chronically poor, while the deepening poverty segment (with the lowest number of adult earners) had the lowest proportion of family members with multiple off-farm jobs. The rise in the number of households with members holding multiple jobs reflects the increasing importance of wage labour and the diversity of household income sources, but also the often seasonal and precarious character of paid employment.

### ***Women Are Typically Engaged in Wage Labour and Petty Trade, Earning Less than Men in All Occupations***

*“Women also can work outside the house. Before it was hardly permitted by men, who never allowed their women to leave, but now this traditional thinking is changing ... Many households here are still poor and both men and women have to work ... Women need to work hard to sustain the livelihood of the family.”—Moved into poverty focus group, Trapeang Prei*

Women make a significant contribution to household incomes in rural communities. The MOPS shows that women are more commonly engaged in selling labour inside the village, in petty trade or small business, while men tend to fish, collect forest resources and migrate across the Cambodian-Thai border for work. Women are less likely to travel for work, because of their domestic responsibilities and fears about security. This constrains their earning opportunities, in particular in communities where local opportunities are unavailable or declining. Single female heads of households are particularly affected.

*“Widows cannot earn as much as men because they do not have jobs. Going into the forest is very hard for widows, unlike men, who can do it. So what can widows do? Just sell their labour inside the village and do some other light work. Like me, I am getting older and I don’t know what to do to make a living.”—Moved into poverty focus group, Dang Kdar*

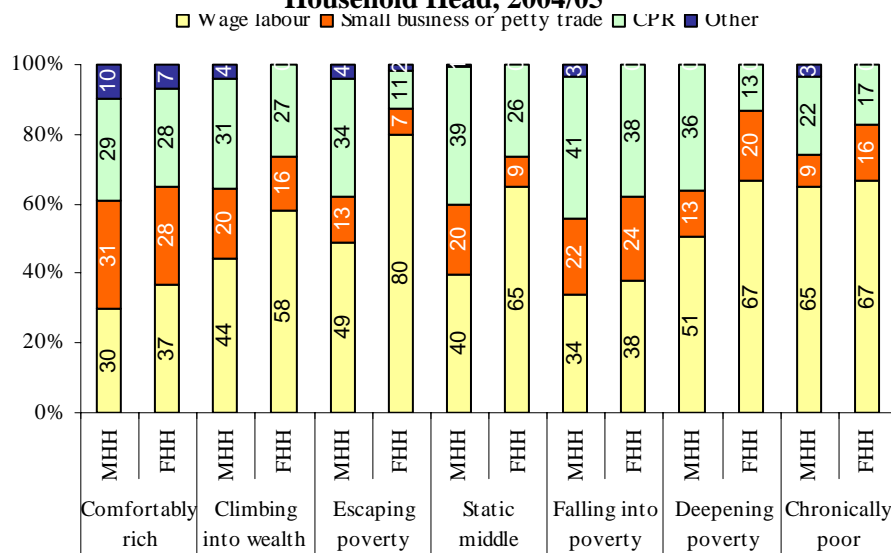
**Table 4.05: Occupation and Daily Wage of Adult Men and Women, October 2004–March 2005**

Occupation	Number			Percentage			Mean riels/person/day		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Selling labour in the village	169	263	432	19	34	26	6953	4888	5696
Selling labour in Cambodia	86	59	145	10	9	9	7387	6559	7050
Working along the Cambodian-Thai border or in Thailand	54	37	91	7	5	6	9702	8297	9131
Petty trade or small business	168	314	482	19	42	29	11,719	10,253	10,764
Fishing	307	50	357	33	7	21	6939	4692	6625
Collecting other forest resources	98	20	118	11	3	7	14,657	5080	13,034
Other	25	10	35	3	1	2	9110	4160	7696
<b>Total</b>	<b>907</b>	<b>753</b>	<b>1660</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>8928</b>	<b>7406</b>	<b>8238</b>

Source: 890 households, 1660 of 1705 adult earners in Round Two 2004/05 (45 adult earners did not know their wage)

Only 4 percent of all women worked in fisheries or forestry in 2004/05; female-headed households without adult male labour can therefore expect to receive little benefit from pro-poor natural resource management policies. On the other hand, the dominance of women in petty trade and small business is confirmed in focus group discussions and panel survey data; women and some female-headed households therefore stand to benefit from new business opportunities in strongly performing villages.

Women in all off-farm occupations earn less than men, as shown in Table 4.05. Women earn more from employment within Cambodia (typically in the garment sector), migration to the Thai-Cambodian border or to Thailand and from petty trade or small business than in local labour selling, CPR or other occupations.

**Figure 4.11: Percentage of Adult Family Members in off-Farm Employment, by Sex of Household Head, 2004/05**

Source: 1891 adult earners in round one 2004/5

Off-farm employment also varies by mobility group and sex of household head (Figure 4.11). While female-headed households are more likely to sell labour locally, this was not the case among households experiencing deepening poverty; there, male-headed households were more likely to sell their labour locally, while female-headed households tended to sell labour elsewhere in Cambodia.

This may be because this group had the highest proportion of married female heads of all mobility groups.

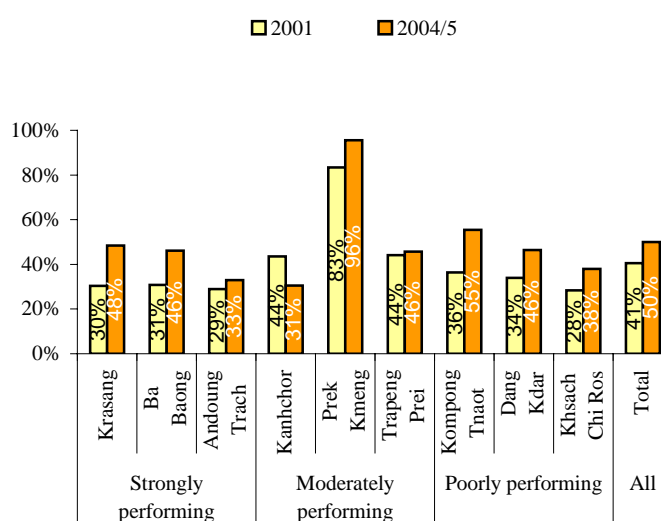
Female-headed households in the comfortably rich and climbing into wealth segments were more likely to sell labour elsewhere in Cambodia than their male counterparts. Only in one mobility group, those escaping poverty, were women more likely to sell their labour overseas. Male-headed households in better off households were more active in small business and petty trade, while female-headed households dominated in petty trade in downwardly mobile groups. Finally, more male-headed households worked gathering CPR in all households. Once again, this illustrates the importance of different income generation strategies; among some upwardly mobile households, more members of female-headed households are migrating within Cambodia and overseas, while more members of male-headed households are engaged in petty trade and small business.

### *Dynamic Villages and Households Create New Business Opportunities*

Petty trade and small business are flourishing, in particular in villages which are more accessible and have good connections to urban centres and local and cross-border markets. In the nine study villages, 50 percent of panel households ran a small business or engaged in petty trade, ranging from 96 percent in Prek Kmeng to 31 percent in Kanhchor in 2004/05 (Figure 4.12). The proportion of households is particularly high in Prek Kmeng because most households in this village raise fish.

The growth of small business and petty trade is mostly linked to extraction of natural resources and primary agricultural products. However, small service businesses are proliferating, especially in more dynamic villages such as Ba Baong and Krasang; they include grocery shops, restaurants, transport services, mechanics and electrical workshops. In many villages these businesses also include moneylending and trading undertaken by better off households.

**Figure 4.12: Proportion of Households Earning Income from Small Business, 2001 & 2004/05**



Source: 890 panel households who earned any income from petty trade in 2001 or 2004/05

*“The traders who buy paddy rice during the harvest, when the price of rice is cheap, store it and wait for a good price to sell, especially in the lean season; or they set up other small businesses such as selling fuel, chemical fertilisers and pesticides or being a moneylender, gaining more profit and becoming rich ... Those who make rice alcohol and raise pigs or are tailors and traditional healers can raise their livelihood to medium now.”—Male youth focus group, Ba Baong*

Moderately performing communities Kanhchor and Trapeang Prei experienced an expansion in petty trade and small business in the 1990s, which have since stalled or declined, as shown in Figure 4.12. In the peak years of logging in Kanhchor, between 1995/96 and 1999, many villagers worked as wage labourers or ran small businesses; however, since 2001 these opportunities have reportedly contracted, and only better off grocery shopkeepers, who also provide loans to other households, are still in operation. In Trapeang Prei, as CPR have declined, the number of palm sugar producers has also contracted. Cash crop production has also declined in this community due to a lack of water, even though there is a good market for these products. However, livestock marketing has become more competitive, with an increased number of traders both within and outside the village encouraging villagers to raise piglets. In Prek Kmeng, almost all households earn some income from small business, including raising fish and growing reeds for sale; better off households are fish traders or moneylenders and have grocery businesses and fishing lots.

Among the poorly performing villages, small businesses in Kompong Tnaot include grocery shops, crab processing, trading, moneylending and salt farming, while in Dang Kdar they include transporting logs and taxi-driving. In Khsach Chi Ros common businesses include moneylending, renting out farming equipment and animals, milling rice and providing transport by boat to Kompong Thom town.

In more dynamic villages such as Krasang and Ba Baong, demand is driving new business opportunities, while in other communities, villagers establish businesses but these sometimes fail due to lack of innovation, as well as over-supply of the same products or services. Lack of market information, including up-to-date information on demand and prices, together with insufficient extension services and lack of storage facilities to allow farmers to sell their products in the off-peak season, were also cited as barriers to successful petty trade and small business.

*“Of course we can do petty trade in our village, but if all of us do the same things, and with the increasingly tough earning situation we have, how can we make money?”—Stagnant focus group, Kompong Tnaot*

Small businesses are almost always run by better off households that have some capital for investment. In many of the study communities, the wealthiest households control local production and market links through interlocked credit. As discussed above, women play an important role in establishing and expanding small family-run businesses, which are increasingly important for wealth generation, in particular among rich and upwardly mobile households. Their role was widely acknowledged and credited with securing family fortunes. Participants also stressed that having multiple businesses and investing in new opportunities were key strategies for managing risk. Entrepreneurship and preparedness to take risks were also associated with success in small business, and participants in focus group discussions reported that Sino-Khmer households are more likely to have these business skills.

*“Normally, the moved up households have savings that allow them to be creative and to be the first risk takers. And with their hard work, they are likely to be successful. The poor are normally the followers. They have no savings, so normally they have to take time to observe carefully others’ success first. But when they step in, then there are many people already in the business, while demand has not increased. Those who become better and better off have skills in saving and managing multiple businesses, while those who are poor rely mostly on their labour either in farming or fishing or selling labour.”—Community timeline focus group, Kompong Tnaot*

### ***Wage Labour, Including Migration, Is Increasingly Important in Most Villages and Mobility Groups***

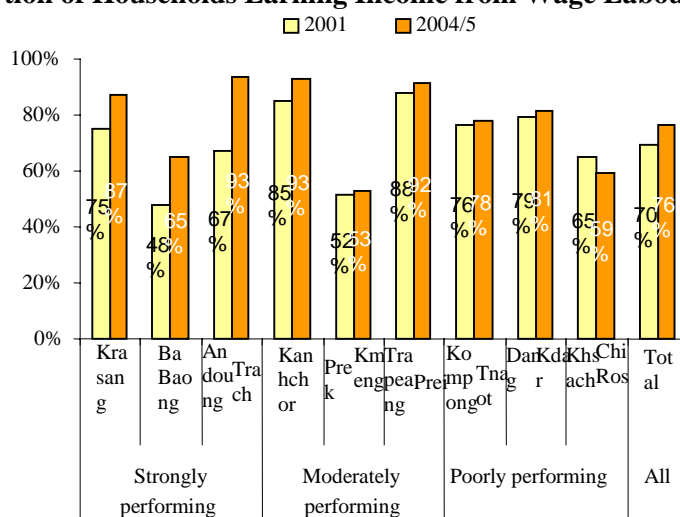
Wage labour, including employment as migrant workers, has become more important as a source of income in all panel households, accounting for one-fifth of household income in 2004/05. Just over

three quarters of panel households earned some income from selling labour in 2004/05, up from 70 percent in 2001. Strongly performing villages had the most significant increase in households selling labour between 2001 and 2004/05 (Figure 4.13), while the proportion of households earning income from this source declined in the poorest village, Khsach Chi Ros. Of adult earners, 45–47 percent worked selling labour either in their own community, elsewhere in Cambodia or across the Thai-Cambodian border in 2004/05 (Table 4.06). Wage labour, including migration, is the main emerging employment opportunity for the expanding rural labour force and plays an increasingly important role in livelihood generation and poverty reduction. Drivers of migration vary between different study communities and mobility groups; however, in general poverty and lack of opportunities at home are key factors and are more significant than “pull” factors such as higher wages or availability of work. Poor households use wage labour, including migration, to offset poor harvests and food insecurity; better off households access wage employment to diversify income sources and maximise earnings.

***Poor Households Are Increasingly Reliant on Local Employment, while External and Cross-Border Migration Is Important for Both Poor and Better Off Households***

Villagers in all communities earn income from wage labour in their own village or in other areas in Cambodia. Typically, local wage labour includes transplanting and harvesting for other households, or working for large local or outside producers in fishing and forestry. Usually, however, it is only the poorest households that use wage labour within the village as a way of supplementing household income and offsetting low rice productivity and food shortages.

**Figure 4.13: Proportion of Households Earning Income from Wage Labour, 2001 & 2004/05**



Source: 890 panel households that earned any income from wage labour in 2001 or 2004/05

*“People sell their labour during transplanting and harvesting periods. Mostly they are advanced money by some farm owners and promise to pay it back in labour during the harvesting and/or transplanting periods. Those families who do not have arable land are saved by those who own farm land because the landowners provide them with employment.”—Moved into poverty focus group, Dang Kdar*

Members of some households also work outside the village, including in urban centres. Both poor and better off households have family members, often young people, migrating for work elsewhere in Cambodia. This includes seasonal migration during the harvest and transplanting months, as well as migration to urban centres to work in garment factories (for young women) and construction and transport services (moto and cyclo driving) for men. Cross-border migration was reportedly confined

to the three strongly performing villages of Krasang and Andoung Trach (which are close to the Thai border in Battambang province) and Ba Baong, as well as Khsach Chi Ros. This was confirmed in the household survey: only a small proportion of household members who migrated worked in Thailand or along the Thai-Cambodian border, and they were mainly from the two communities located close to the border. In contrast, more adult earners in Trapeang Prei engaged in wage labour elsewhere in Cambodia in both the lean and harvest seasons, while employment within the village was particularly important for households in Kompong Tnaot and Kanhchor and higher in the lean season (Table 4.06). Participation in wage labour was lowest in the more isolated villages, Prek Kmeng and Khsach Chi Ros.

The main reasons for limited cross-border migration in other communities cited in focus group discussions included the costs of travel and securing employment, as well as negative previous experiences such as being cheated or losing money on returning to Cambodia. Cross-border migration includes unskilled labour harvesting sugar cane and cash crops, as well as illegal activities such as smuggling and logging. There are high risks of arrest and loss of any savings for those working illegally across the border.

Among mobility groups, the comfortably rich were least likely to sell labour in 2004/05, while the chronically poor were most likely to do so (Table 4.19 in the Annex to Chapter Four). As noted above, while the comfortably rich earned the most from labour selling in 2004/05, the escaping from poverty group had the highest percentage increase in income from selling labour between 2001 and 2004/05, indicating the importance of this income source for these households.

**Table 4.06 Proportion of Adult Earners Selling Labour, by Location, 2004/05**

		Adult earners participating in wage labour (percentage of whole sample)		In the village		Elsewhere in Cambodia		Cambodian-Thai border		In Thailand	
		2004 March–Sept	2004/05 Oct–March	2004 March–Sept	2004/05 Oct–March	2004 March–Sept	2004/05 Oct–March	2004 March–Sept	2004/05 Oct–March	2004 March–Sept	2004/05 Oct–March
<i>Strongly performing</i>	<b>Krasang</b>	69	72	28	38	8	12	35	23	30	27
	<b>Ba Baong</b>	52	47	57	79	39	21	4	0	0	0
	<b>Andoung Trach</b>	53	63	11	59	31	20	49	20	9	1
<i>Moderately performing</i>	<b>Kanhchor</b>	55	49	36	88	64	11	0	1	0	0
	<b>Prek Kmeng</b>	12	23	22	74	78	26	0	0	0	0
	<b>Trapeang Prei</b>	76	59	14	16	86	84	0	0	0	0
<i>Poorly performing</i>	<b>Kompong Tnaot</b>	33	39	12	93	87	7	0	0	1	0
	<b>Dang Kdar</b>	45	56	52	74	48	26	0	0	0	0
	<b>Khsach Chi Ros</b>	31	37	32	58	68	39	0	0	0	4
<i>All</i>	<b>Total</b>	45	47	30	63	48	23	14	8	8	6

Source: 890 panel households: 843 of 1891 adult earners in round one (March–September) and 809 of 1705 adult earners in round two (October–March)

Households in the climbing into wealth and comfortably rich segments had more family members migrating along the Thai-Cambodian border or into Thailand for work than other households, illustrating both the importance of having income or savings to invest in migration and the contribution of migration to upward mobility. Consistently with findings from focus group discussions, poorer households were more likely to sell their labour within their own communities, in

particular in the chronically poor and deepening poverty segments. Households escaping poverty and those in the static middle were the most likely to sell their labour outside the village, elsewhere in Cambodia.

The poorest households are unable to travel to search for employment in other areas, living hand to mouth; they work day by day as labourers for up to 5000 riels a day, returning to feed their dependants in the evening. When paid work is unavailable, they often sell their labour “in advance” to other households in their communities, receiving only half the normal wage for their work. These households lack the funds, networks and education to access more skilled, better paid jobs in construction or the garment sector, which require contacts and capital.

Better off households have access to networks, are typically better educated and have some capital to cover the costs of migration. For example, upwardly mobile households are able to send their daughters to work in garment factories in Phnom Penh. This investment is considered to be worthwhile due to the remittances migrant workers send to their families.

*“Those families that have daughters are lucky because they can get some money from their children’s labour in the garment sector. About 70–80 percent of girls aged from 16 to more than 20 have gone to Phnom Penh or other urban areas to work as garment workers or housemaids. They can relieve their family from some burdens because ... their parents do not worry about spending on them and ... their parents get remittances from them.”—Male youth focus group, Kanhchor*

#### **While Potentially Profitable, Migration Has Associated Costs and Risks**

*“Those who take the risk of migrating to Thailand and who have the good fortune not to be cheated or to contract malaria ... are able to attain ‘medium’ status ... Almost all face a high risk of being cheated and/or arrested by Thai police and/or Khmer border security authorities, as well as the risk of malaria and other infectious diseases, pushing people back into poverty, indebtedness and destitution.”—Moved out of poverty focus group, Andoung Trach*

The uneven benefits of migration were stressed in focus group discussions. While remittances, in particular from women working in the garment sector, were said to have improved the fortunes of some households, there are also risks and costs associated with migration. Migrating for work, in particular cross-border migration, is a gamble for most households.

There are more and better paid jobs reportedly available in Thailand, where workers can earn up to 100 baht a day for farm work, compared to 50–70 baht in Cambodia. Men are paid 100–150 baht, compared to 100 baht for women, for construction work; wages are considerably lower for this work in Cambodia. In villages such as Krasang and Andoung Trach, which are close to the Thai-Cambodian border, workers typically travel for work two or three times a year, returning with savings of around 500–1000 baht each time. Focus group participants from these villages gave examples of migrant workers being exploited by employers, arrested and harassed on both sides of the border and losing their hard-earned savings on their return to Cambodia.

*“I used to work in Thailand and I met with a very hard time ... I worked for 15 days but the patron paid me for only eight days, promising to pay the rest later. But I am still waiting to be paid. I was so disappointed with his bad behaviour. I didn’t know what to do and couldn’t find anyone to help me.”—Participant, female youth focus group, Andoung Trach*

The situation was said to be improving, however, because telephone services have made it easier to send money home. Workers now have better information about what to expect and networks in Thailand, which makes it easier to avoid risks; for example, some Thai employers send vehicles to collect Cambodian workers from the border. Risks are more significant for inexperienced and illiterate migrants than for those with some experience and include trafficking for sex work or forced

labour, the presence of gangsters who prey on both sexes and drug addiction or HIV/AIDS infection. For example, six or seven women in Khsach Chi Ros were reported (by participants in the moved into poverty focus group) to have been cheated into working in the sex industry in Thailand.

For those migrating internally, capital and networks help to protect against risks associated with migration. Often the first households to send their daughters to work in garment factories are those with family or other connections in Phnom Penh; other households then follow. Young women still fear being trafficked or cheated when they travel away from home for work, and those already working in the garment sector report poor working conditions, overwork and the threat of rape or robbery from gangs at their residence or along the road.

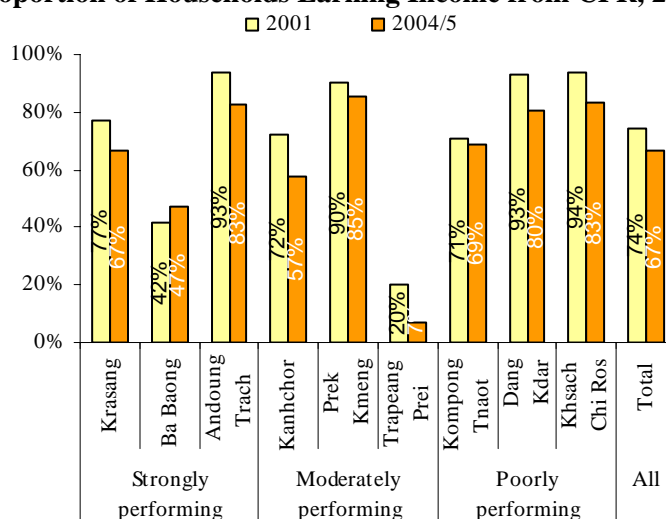
*“There are more and more girls who go to Phnom Penh in search of work without any male companion ... In fact, the right to migrate now helps many households here to improve their livelihoods and living conditions. However, we should be more alert and try to get away from the gangs that are often around the factory or the place where we live in Phnom Penh.”—Young women focus group, Trapeang Prei*

Although parents are generally happy for their daughters to work in the garment sector, it does come at a cost for the young women involved. Often they fund the education of their brothers and sisters and face health and other risks, including moving or being pressured into sex work, and difficulties re-integrating into their communities once their employment ends (Derks 2006). Young women themselves often say they would prefer not to leave the village but have no choice. Young men, on the other hand, who are usually unable to obtain garment sector jobs, report frustration about the lack of opportunities available to them either at home or outside the village.

Labour migration has clearly contributed to upward mobility, in particular in the strongly performing villages Krasang and Andoung Trach, and has helped households to offset losses from poor harvests and natural disasters, as well as declining CPR in some villages, in particular those with good access to urban areas or Phnom Penh. Work is still mostly unskilled in the case of cross-border employment, confined to single sectors such as garments or short term in the case of the construction boom. Outside construction work, growth in tourism appears to have had little impact on the MOPS study villages to date; it will be interesting to assess whether this has changed, as well as to what extent migration has continued to provide an alternative source of income to agriculture and CPR, in the next round of the MOPS.

#### ***Poor Households and Communities Continue to Rely on Declining CPR***

*“Fish, frogs, snakes and migrating birds ... have dramatically declined ... When there was high demand for such animals in 1994/95, villagers and others from neighbouring villages came to catch these animals for sale ... We used to have many flooded forests around the village that were the habitats of those animals ... People cleared those forest for farming and now there is no more habitat for the animals ... Before people did not eat rats, but more and more villagers have been eating rats for the last three or four years.”—Young women focus group, Ba Baong*

**Figure 4.14: Proportion of Households Earning Income from CPR, 2001 & 2004/05**

Source: 890 panel households who earned any income from CPR in 2001 or 2004/05

Despite the declining natural resource base reported in all communities, CPR continue to be an important source of income for poorer villages and households. Given the governance issues associated with management of fisheries and forests (discussed in Section 3.3 of Chapter Three) over-exploitation of CPR appears likely to continue, placing these households and communities at risk of downward mobility and decreased well-being.

As shown in Figure 4.14, while CPR access has declined, a majority of households in poorly performing communities continue to rely on CPR. In Ba Baong and Trapeang Prei, however, CPR, including forest products and firewood, are now almost non-existent, although households in Ba Baong continue to fish from common property lots as well as from private fishing lots owned by wealthier households. In Trapeang Prei this decline is a result of land encroachment and privatisation, which have accelerated rapidly since the mid-1990s.

Among mobility groups, adult earners in the deepening poverty group were the most likely to collect CPR, although chronically poor and upwardly mobile households also had more earners engaging in CPR-related activities aside from fishing. The comfortably rich were the least likely of all households to have adult earners collecting CPR.

Fishing remains an important activity for many households, with 24 percent of adult earners engaging in it in the March-September round and 19 percent in the October-March round of the 2004/05 study. Chronically poor households and those escaping poverty were least likely to have adult family members who earned income from fishing, while those in the static middle had the most household members working at this activity.

As noted before, women are much less likely to engage in fishing than men, and are more likely to collect CPR. Kanhchor and Dang Kdar, where men work in forestry, are exceptions.

**Table 4.07: Percentage of Adult Earners Fishing and Collecting CPR in 2001 & 2004/05 and Change in Percentage Share of Income from these Sources in 2004/05**

Mobility Groups	March –September 2004		October –March 2004/05		Change in percentage share of income from CPR, including fishing, 2001–2004/05
	Fishing	CPR	Fishing	CPR	
Comfortably rich	25	5	19	3	-6
Climbing into wealth	18	13	17	8	-10
Escaping poverty	18	11	13	6	-13
Static middle	31	6	26	5	-10
Falling into poverty	33	7	22	4	-1
Deepening poverty	19	13	18	15	-8
Chronically poor	14	7	13	10	-10
All groups	24	8	19	6	-8

Source: 890 panel households with 1891 earners in round one and 1705 earners in round two

Declining incomes from CPR are already a fact of life in all villages and households, as shown in Table 4.07 and Figures 4.01 and 4.02. In those communities and households that continue to rely on fishing and forestry, conflicts over these resources will intensify if management and regeneration policies are not effective and corrupt and illegal extraction of natural resources continues. Loss of CPR and lack of equitable access to remaining fisheries and forests sentences the poorest households in CPR-dependent communities to impoverishment, as once plentiful food sources disappear and viable income alternatives are often limited or unattainable. Declining CPR are therefore a key contribution to the specific vulnerability of some communities and households.

## **4.2. Household and Community Vulnerability: Shocks, Demography and Destructive Behaviours**

Participants in focus groups emphasised specific factors that make some households more vulnerable to downward movement and prevent other households from moving out of poverty. These include shocks such as natural disasters, illness and death, demographic and life-cycle events such as marriage and grown-up children leaving the household and destructive, gender-based behaviours including domestic violence, drinking, gambling, exposure to HIV/AIDS and young men's involvement in gangs.

### ***Shocks, Including Natural Disasters and Illness, Have a Disproportionate Effect on Poorer Households***

Seventy-nine percent of panel households experienced crises in the 2004/05 survey period, including illness or death of a family member, damage to crops or livestock by natural disasters, business failures and unemployment. These households experienced an average of two crises each over the 12-month period covered by the survey. Illness and death of a family member accounted for 48 percent of all crises and 49 percent of the monetary loss from all shocks experienced by panel households, followed by crop failures as a result of natural disasters (30 percent of crises, 33 percent of the loss) and death of livestock (18 percent of crises, 10 percent of the loss). The monetary loss from all crises was just over a quarter of household income for the 699 affected households (Table 4.08). Shocks had a disproportionate impact on the incomes of three mobility groups—the climbing into wealth, deepening poverty and chronically poor groups. Illness or death of a family member was particularly significant as a proportion of the overall costs of crises for upwardly mobile households: the climbing into wealth group (63 percent of the loss from all crises) and those escaping poverty (53 percent). The poorest households and the static middle were most affected by natural disasters, which accounted for

54 percent of the loss from all shocks among the chronically poor, 50 percent among those deepening into poverty and 40 percent among the static middle.

**Table 4.08: Incidence of Shocks and Monetary Losses Caused by Crises, by Mobility Group, 2004/05**

Mobility groups	Number of hh affected by crises	Total number of crises	% of hh experiencing crises	Loss as proportion of household income (%)	Mean value of crises per hh—1000 riels	Illness or death	Crop failures caused by natural disaster or pests	Animal died	Being cheated or theft	Business failure or unemployment	Other
Percentage of total monetary loss from all crises											
Comfortably rich	183	365	84	21	997	52.0	27.3	11.3	7.0	0.6	1.9
Climbing into wealth	86	172	82	42	1001	62.8	24.2	5.0	2.0	1.0	4.9
Escaping poverty	92	197	78	21	650	53.2	31.9	10.0	3.0	0.5	1.4
Static middle	102	201	80	22	681	39.7	39.7	7.4	1.2	0.0	12.0
Falling into poverty	103	198	76	18	449	49.5	32.2	11.6	4.6	0.9	1.3
Deepening poverty	47	80	75	32	549	26.1	50.1	23.2	0.3	0.0	0.3
Chronically poor	86	147	69	37	509	32.8	53.7	11.9	1.3	0.0	0.3
Total	699	1360	79	26	735	49.2	32.8	10.2	3.8	0.5	3.4

Source 699 of 890 panel households experiencing shocks or crises in 2004/05

Households in poorly performing villages experienced more crises on average than those in strongly performing villages, while the loss from crises was highest in Krasang, Prek Kmeng, as well as in Khsach Chi Ros. Households in the strongly performing communities of Ba Baong and Andoung Trach, as well as the moderately performing village of Prek Kmeng and the poorly performing village, Kompong Tnaot spent more on the costs of illness than those in other villages (Table 4.20 in the Annex to Chapter Four). In the better off villages this reflects capacity to pay for health care, since better off households in strongly performing villages earn higher incomes and can better afford to ensure that family members get appropriate treatment. The high expenditure on crises in Khsach Chi Ros is of concern given the low incomes in this community (crises were worth 46 percent of household income in this village).

Villagers reported that natural disasters have become more prevalent since the mid-1990s, floods and drought affecting harvests for several years prior to the 2004/05 survey. In Trapeang Prei and Dang Kdar, late or insufficient rains have created water shortages, while in villages in the Mekong and Tonle Sap plains, both floods and droughts affected crops and livestock. Unpredictable weather has affected every village, but the communities which rely heavily on wet season rice suffered the most hardship, with food shortages reported in many households. Of the 699 households that experienced crises or family shocks in 2004/05, 240 were affected by natural disasters; more households in Khsach Chi Ros, Ba Baong and Krasang (those most dependent on agriculture) were affected.

*“Growing floating rice is a long tradition of Khsach Chi Ros villagers ... but it has frequently been damaged by rats and natural disasters. For example, sometimes we do not have enough rain and the river is low and there is not enough water for our rice ... Sometimes we have floods in the lower streams which raise polluted water and destroy our rice ... Sometimes floods chase rats from lower land to higher land, and they severely damage our rice ... The rats can completely destroy a hectare of rice in just one night ... This happens very often.”—Community timeline focus group, Khsach Chi Ros*

Households in Krasang and Kanhchor experienced the greatest financial losses from natural disasters. Krasang, where farmers grow both wet and dry season rice and crops are affected by flooding from the Mekong, was the most affected. In Kanhchor, 27 percent of households with wet season and 36

percent with dry season rice land did not cultivate rice in 2004/05 because of crop damage from flooding.

*“There has been very little rain, with droughts in the past three years. Rice farming (both wet and dry season) was strongly affected. We could not rescue our rice fields because we lack pumps and gasoline is so expensive. Earning income is getting harder and harder but food and consumer goods are getting more and more expensive. In the very near future we will hardly earn enough to buy rice. Another consequence of this disaster is that there is not enough grass to feed our cattle.”—Male youth focus group, Kanhchor*

Trapeang Prei farmers reported insufficient rainfall since 2000; about 70–80 percent of the 2004/05 rice crop was lost due to insufficient rainfall, driving many households in this community into debt. Natural disasters had less impact on villages that are reliant on fisheries, and villages in coastal zones such as Prek Kmeng and Kompong Tnaot.

***Shocks Deplete Assets of Better Off Households and Result in Reduced Consumption, Migration and Child Labour among Poor Households***

The impact of crises is not confined to the immediate costs of health treatment or loss of income from a single harvest. A single year of crop failure can result in two to three years of hardship for farmers before they recover. Among poorer households that cannot afford better health treatment, recovery is prolonged, resulting in longer periods of unemployment and lost income. This point was stressed repeatedly in focus group discussions: long recoveries are a significant factor in downward mobility.

*“Some medium households have fallen into poverty mainly because of floods and droughts. Then they do not have enough rice for their family ... so they become indebted. Sometimes some of their family members have fallen ill, making the situation even worse.”—Moved out of poverty focus group, Andoung Trach*

Households in different mobility groups used different strategies to cope with shocks. Of comfortably rich households experiencing shocks in 2004/05, three quarters used savings, 25 percent took loans and 16 percent received support from friends or relatives. Among upwardly mobile households, slightly more escaping poverty households took loans or used savings, reduced consumption or sold an animal than households climbing into wealth. These households were more likely to migrate in response to shocks than any other group apart from the chronically poor. Among downwardly mobile households, those falling into poverty used savings, took loans and reduced consumption in order to cope with crises. Those in deepening poverty also took loans and cut consumption, but slightly more of these households also turned to friends or relatives for support or sold livestock than in the falling into poverty group. Finally, more chronically poor households took a loan, reduced consumption or sent a child to work for someone else than any other mobility group. Only 49 percent were able to access savings and only 9 percent were able to turn to family or friends (Table 4.09).

As this discussion illustrates, while most households experienced crises in 2004/05, the better off have greater capacity to weather these shocks. For poorer households, natural disasters or illness frequently act as triggers for downward mobility or keep households poor. Rich and upwardly mobile households are better able to mobilise resources, have more income sources and assets that can be used as a safety net if a breadwinner is ill or disabled and are less likely to enter into debt as a result of illness or other crisis. Poorer households must sacrifice financially and compromise the well-being of members, including through reduced food consumption and child labour. Shocks were frequently cited as a cause of downward mobility; this points to a clear need to develop safety nets that can protect poorer communities and households from often very predictable crises.

**Table 4.09: Coping Strategies to Deal with Crises, by Mobility Group, 2004/05 (%)**

	All hh (number)	Used savings	Took loan	Reduced consumption	Support from friends/ relatives	Members migrated to find work	Child labour	Sold animals	Sold agricultural outputs	Sold agricultural lands	Assistance from NGOs	Other
Comfortably rich	183	75	25	9	16	10	5	10	7	1	1	16
Climbing into wealth	86	64	31	7	21	22	8	12	3	0	0	12
Escaping poverty	92	68	37	15	18	23	12	21	2	2	1	15
Static middle	102	75	30	14	11	12	4	10	2	0	1	10
Falling into poverty	103	70	34	18	14	13	7	5	1	0	1	9
Deepening poverty	47	60	32	17	17	6	4	15	4	0	0	4
Chronically poor	86	49	38	24	9	22	17	8	0	0	5	13
Total	699	68	31	14	15	15	8	11	3	0	1	12

Source: 699 of 890 households experiencing shocks in 2004/05

### ***Demographic Change Is Putting Pressure on Resources, Including Land and CPR, in All Study Villages***

Demographic change has had a significant impact on study villages and households. Population growth, immigration and new marriages have increased the number of households in all study villages since 1993, putting significant pressure on resources, including land and CPR, in each village. The MOPS villages vary significantly in size, ranging from 75 households in Trapeang Prei to 543 households in Ba Baong. In most villages, new arrivals and newly married couples dominate among the landless.

*“It is important that a large number of households in the village do not have agricultural land because they are newly married families. There was a significant influx of immigrants from different parts of the country, especially in the early 1990s for log cutting.”—Community timeline focus group, Kanhchor*

Some villages have experienced significant immigration. In Andoung Trach, 120 returnee households from the Thai border settled in the village in 1993, in Khsach Chi Ros 112 new households settled in 1992, and substantial numbers of new households arrived to take advantage of logging in the early 1990s in Kanhchor and in 2002 in Dang Kdar. These households tend to be among the poorest in any community and are often landless. Immigrating households have also put increasing pressure on scarce and declining natural resources.

The study villages are experiencing a youth population boom, in common with nationwide trends. Fifty-seven percent of the sample population (4922 members of 1010 households) were under 25 in 2004/05. Some villages (Ba Baong, Dang Kdar and Kanhchor) had slightly older populations. Employment opportunities are limited for young people, especially young men, contributing to social problems such as youth gangs, discussed in Chapter Three. The trend towards large families also continues, with most households averaging five or six members (Table 4.10 below).

New marriages were a factor driving landlessness and land atomisation in all study villages. Forty-six percent of all landless households in 2004/05 were newly married couples. This was particularly common in Kanhchor and Prek Kmeng, where agricultural land is limited. Parents rarely give all their

land to children when they marry; this had happened in only three percent of landless households in 2004/05. More frequently marriage results in land atomisation, where a portion of land is given away, not all. The practice of newly married couples living with the parents of one partner and pooling resources is declining, resulting in greater hardship for both existing and newly formed households.

### ***Fewer Adult Earners and More Dependants Are Associated with Downward Mobility and Remaining Poor***

Household demographic characteristics, such as having no or few adult earners, female, older or disabled heads and many dependants, were also factors in downward mobility or remaining poor. Most households have five or six members, as shown in Table 4.10. However, the comfortably rich and climbing into wealth households had slightly smaller families in 2004/05.

Three mobility groups had slightly higher average numbers of earners in 2004/05, those escaping poverty, those in the static middle and those falling into poverty; however, with larger households, their dependency ratios were still high, in particular for the falling into poverty group. Households in the chronically poor and deepening poverty segments had higher dependency ratios (fewer earners to dependants), in particular those in deepening poverty, with the lowest average number of earners at 1.8 per household. Better off households have fewer dependants and lower dependency ratios. According to focus group participants, having more earners in a household was correlated with upward mobility, because once dependants reach an age at which they can earn an income, they are able to contribute to the household.

*“Mr Pich Porn’s family became medium because of their grown-up children. After rice cultivation, their children help their parents to fish in the wet and early dry season, to collect grasshoppers and rats ... Grown-up children helping the family to move upward are common in this village.”—Moved out of poverty focus group, Andoung Trach*

**Table 4.10: Socio-Economic Characteristics of Panel Households, 2001 & 2004/05**

Mobility groups	Average household size		Number of earners		Average years of education of adult members 15 and over		Sex ratio		Share of male- or female-headed households (%)		Average number of dependants		Dependency ratio (dependants to earners)	
	2001	2004/05	2001	2004/05	2001	2004/05	2001	2004/05	Male	Female	2001	2004/05	2001	2004/05
<b>Comfortably rich</b>	5.3	5.3	2.2	2.3	4.1	4.5	1	0.97	25.1	21.8	3.1	3.0	1.4	1.3
<b>Climbing into wealth</b>	5.8	5.2	2.3	2.3	2.8	3.4	0.91	0.92	10.8	15.4	3.5	2.9	1.5	1.3
<b>Escaping poverty</b>	6.5	6.1	2.3	2.6	2.4	2.9	0.77	0.80	13.3	13.3	4.2	3.5	1.8	1.4
<b>Static middle</b>	6.3	6.4	2.3	2.6	2.7	3.2	0.92	0.92	15	11.7	4.0	3.8	1.7	1.5
<b>Falling into poverty</b>	5.5	6.1	2.4	2.7	3.0	3.1	0.9	0.92	15.4	14.4	3.1	3.4	1.3	1.3
<b>Deepening poverty</b>	5.0	5.6	2	1.8	2.5	2.6	0.89	0.93	7.7	4.8	3.0	3.8	1.5	2.1
<b>Chronically poor</b>	6.4	6.6	2.1	2.5	2.0	2.7	0.96	0.97	12.8	18.6	4.3	4.1	2.1	1.6

Source: 890 panel households, with 2000 earners in 2001 and 2172 earners in 2004/05, and 2974 and 3207 members over 15 in 2001 and 2004/05

Female-headed households are over-represented in poor and upwardly mobile groups, and have quite different earning strategies than male-headed households, as discussed in Section 4.1 and Chapter Three. They are also characterised by fewer members (4.7 compared to 6.2 for male-headed households), fewer earners (2.1 compared to 2.5 in male-headed households) and fewer dependants

(2.6 compared to 3.7 among male-headed households) (Table 4.11). There are some exceptions: female-headed households in the escaping poverty segment had more earners (2.6) and fewer dependants (2.0) than other female-headed households (a ratio of 1:0.8 compared to 1:1.2), which may help to explain their upward mobility. Among male-headed households, the poorest (chronically poor and deepening poverty) had the highest ratios of dependants to earners (1.8 and 2.3 respectively) while the wealthiest households had lower ratios at 1.3 for the comfortably rich and climbing into wealth. This confirms the finding from focus group discussions that having many dependants is correlated with downward mobility and remaining poor.

**Table 4.11: Household Size, Earners and Number of Dependants. by Sex of Household Head, 2004/05**

Mobility groups	Total members		Average earners		Number of dependants		Ratio of dependants to earners	
	M	F	M	F	M	F	M	F
Comfortably rich	5.5	4.2	2.4	1.9	3.1	2.3	1.3	1.2
Climbing into wealth	5.7	4.0	2.4	1.9	3.3	2.1	1.3	1.1
Escaping poverty	6.5	4.6	2.6	2.6	4.0	2.0	1.6	0.8
Static middle	6.9	4.5	2.8	1.9	4.1	2.6	1.5	1.4
Falling into poverty	6.3	5.7	2.8	2.3	3.5	3.4	1.2	1.5
Deepening poverty	5.7	4.6	1.7	2.0	4.0	2.6	2.3	1.3
Chronically poor	7.1	5.1	2.6	2.2	4.6	2.9	1.8	1.4
Total	6.2	4.7	2.5	2.1	3.7	2.6	1.5	1.2

Source: 890 households surveyed in 2004/05, 2172 individual earners

A second important impact on the well-being of female-headed households is marital status. Households without adult male labour typically face constraints on their earning potential; for example, female heads of households are less able to migrate for work, and must pay others or exchange labour to plough or harvest their crops, or perform these traditionally male tasks themselves. The difficulties faced by single female-headed households were repeatedly stressed in focus groups. MOPS panel data suggest, however, that unmarried female-headed households (81 percent of 188 households in 2004/05) were often better off than their married counterparts, as discussed in Section 4.1. Differences between married and unmarried female-headed households warrant further investigation.

Having an older or disabled household head was also associated with becoming or staying poor. Traditional forms of support such as labour exchange, which would once have assisted these households, have eroded, with the exception of contributions of cash and labour for religious ceremonies, weddings and funerals; for example, “death associations” to cover the costs of funerals were mentioned as a form of mutual assistance that still continues.

*“Things have changed ... It is a great help to share the grief of a family that has somebody who died, but in my generation we also took good care of each other when we were alive ... Now you will get help when you die ... Society has become more fragile.”—Mixed focus group, Ba Baong*

#### ***Marriage Involves Costs to the Household and Often Leads to Land Atomisation***

*“It would seem parents become worse off after their children get married. Each wedding costs around one to five million riels, which is equal to three to five years’ savings. In addition, we have to give them some land or allow them to stay with their parents free of charge for a while.”—Moved out of poverty focus group, Andoung Trach*

As the above quote suggests, having adult children is both positive, because they can earn an income and help to support the household, and negative, because marriage involves costs, including paying for the ceremony and dividing land to give to children. Households often spend considerable sums on wedding ceremonies for adult children; participants in mobility focus groups in Andoung Trach, Ba Baong and Trapeang Prei commented that one wedding costs the equivalent of several years of savings. Marriage also leads to land atomisation and smaller land-holdings, which frequently result in reduced production and lower incomes.

*“Some former salt farm workers were given land of one to three phlon [1 phlon = 0.10 hectares] from their parents after they got married. The majority later sold their small land-holdings to those who could afford the production costs and had enough productive labour and capital. It is not worth keeping such small farms, which create another burden for family labour.”—Community timeline focus group, Kompong Tnaot*

While marriage was occasionally said to lead to upward movement, for example when marrying into a wealthier family (although people were said to prefer to marry those with similar incomes), in general marriage appears to be a path to downward mobility rather than upward movement for most households. As with shocks and crises, it is largely predictable that one's children will get married, but poorer households do not appear to save, or have any safety nets in place, to enable them to meet these costs.

Many of the shocks and demographic and life-cycle events discussed above are unavoidable: floods and droughts are frequent occurrences; people fall ill, die or get old; marriages break down; children grow up, get married and leave home. They are not unpredictable, and appropriate safety nets could reduce or counteract the impact. For better off households, multiple income sources, assets and earners act as a form of insurance against these events. Traditional forms of assistance that would have cushioned poor households in the past have eroded or disappeared; new forms of social protection are required and should be a priority for policy makers and poverty reduction initiatives.

#### ***Gender-Specific Destructive Behaviours Are Increasing and Have a Significant Impact on Community and Household Well-Being***

*“The misbehaviour of men towards women is getting worse and worse now.”—Moved into poverty focus group, Ba Baong*

The impact of destructive and risky behaviours on some households was raised as a problem in all study villages. Behaviours largely considered to be “private”, such as domestic violence (and divorce, which is often a result of domestic violence), drinking, gambling and spending money on sex workers, thus exposing one's family to the risk of HIV/AIDS, were seen to impact on the well-being of individual households. Rape, while a “public” issue in the sense that it is not confined to the household, was largely considered as a problem affecting women, rather than a general community issue. However, young men's involvement in gangs was perceived as a broader community problem. With the exception of gambling and drinking, these behaviours were attributed to men, while women and children were usually the victims. These behaviours were reportedly increasing or at best static. Domestic violence was the exception: in some villages it was reported to be decreasing due to education and intervention by local authorities, which may signal a shift towards viewing this as a community problem rather than a private concern.

#### ***The Incidence of Domestic Violence Has Decreased in Strongly Performing Communities but Increased or Remained Static in Others***

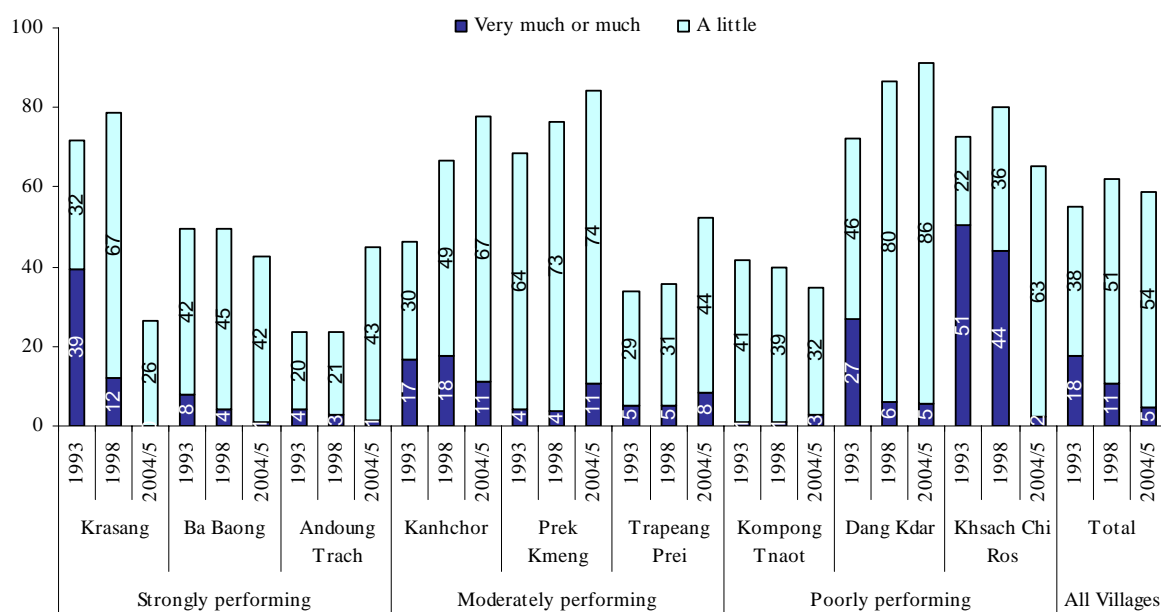
Domestic violence continues to be a problem in all study villages, although in most villages it was reportedly infrequent and largely concentrated in poorer households. Recall-based data comparing the incidence of violence across the three survey years of 1993, 1998 and 2004/05 show that the proportion of households reporting any violence (very much, much or little) remained static between

1998 and 2004/05 at around 60 percent of households (Figure 4.15). The incidence was reportedly lower in all three of the strongly performing communities, in particular Krasang (only 26 percent) and Kompong Tnaot. The incidence of violence was higher in other communities and increased in Andoung Trach, Kanhchor, Trapeang Prei, Prek Kmeng and Dang Kdar between 1998 and 2004/05. In most villages, the reported incidence of *frequent* violence decreased, but in Trapeang Prei, Prek Kmeng and Kompong Tnaot it increased between 1998 and 2004/05, albeit by very small amounts.

Findings from the household survey differ slightly from focus group discussions. In the latter, domestic violence was reported to be declining in all study villages apart from Ba Baong, although it was still a frequent occurrence in Kanhchor and Dang Kdar. In the panel survey, households said that domestic violence was more frequent in Prek Kmeng and Trapeang Prei, whereas violence was reported as infrequent and decreasing in focus group discussions in these villages.

The household survey data suggest that domestic violence is probably more prevalent than reported in focus group discussions. One likely explanation is that participants were more honest in the survey than in predominantly mixed sex focus group discussions. Women who are victims of domestic violence experience significant shame and stigma and tend to be very reluctant to discuss their experience in front of others;<sup>10</sup> unsurprisingly, no adult woman talked about experiencing domestic violence in focus group discussions. Conflicting perspectives were sometimes offered by participants in different focus groups; for example, in Kanhchor and Dang Kdar, young people (in single sex focus groups) were more likely to say that domestic violence was a problem, while adults (in mixed groups) reported that it had declined.

**Figure 4.15: Prevalence of Domestic Violence in Study Villages, 1993-2004/05**



Source: 890 panel households in 2004/05

<sup>10</sup> Focus groups, in particular mixed sex focus groups, are not recommended for research on sensitive issues such as domestic violence. Research participants typically under-report violence even in confidential surveys, and are very unlikely to respond honestly in focus group discussions, in particular when participants are known to one another (see WHO 2001).

### ***Domestic Violence Contributes to and Is a Consequence of Poverty***

Participants in focus group discussions (in youth focus groups in Krasang, Andoung Trach, Kanhchor, and Kompong Tnaot, and in mobility focus groups in Dang Kdar, Kanhchor, Kompong Tnaot, Trapeang Prei, Ba Baong and Khsach Chi Ros) commonly suggested that violence was more prevalent in poorer households and was a consequence of alcohol use. In Krasang, participants said that violence occurred in better off households as well.

*“Domestic violence usually happens when a man who likes to drink wine is poor and unable to ensure enough food for the family.”—Moved into poverty focus group, Kompong Tnaot*

*“Only one out of 10 households has a domestic violence problem. This issue is not serious and it’s not a problem here. We used to have it slightly more than today, but still it was not a major problem in our village. It has decreased in the past two or three years when the abusers had to pay a fine when arrested. Domestic violence does not happen only in the poor households but in all type of households.”—Moved out of poverty focus group, Krasang*

Domestic violence was frequently reported to be a cause of downward mobility, due to property damage and the costs of illness and lost productivity (in youth and mobility focus groups Krasang, Andoung Trach, Kanhchor, Trapeang Prei and Dang Kdar). It also affects children of the relationship, including through lost days at school.

*“Domestic violence causes many problems afterward. It wastes a lot of time and valuable assets. Moreover, children are not able to attend school when their family has domestic violence.”—Female youth focus group, Krasang*

In some cases, domestic violence was reported to result in divorce (examples were cited in Dang Kdar and Andoung Trach). While domestic violence is a crime under Cambodian law, in practice, legal remedies such as prosecution are not available to victims, and many women seek a divorce as a way of escaping a violent situation (MOWA 2005). Divorce has severe consequences for women and their children.

*“Their mother is totally dependent on selling labour and making money from hand to mouth. She divorced her husband when Mut Phet [her oldest child, now 20] was around five years old. ... Domestic violence was determined to be the problem in this divorce. Because of this, Phet’s family faced lots of problems. such as loss of valuable assets (land, cow and buffalo), and the children couldn’t go to school and often were hungry, resulting in malnutrition.”—Male youth focus group, Andoung Trach*

### ***Attitudes towards Domestic Violence Are Shifting, at Least in Some Villages***

The MOPS suggests that attitudes towards domestic violence may be shifting, with it coming to be seen as a public rather than a private issue, at least in some villages. In eight of the study villages (all but Ba Baong), a combination of media education, NGO training programmes and in some cases greater intervention by local authorities, including fines, arrests and “advice” to the victim and perpetrator, had reportedly contributed to a reduction in violence. In Kompong Tnaot, women attributed a reported decrease in domestic violence to the following:

*“1) Media system: there are lots of education spots on television programmes that focus on domestic violence, and this may have helped people to think (or rethink) about what they have done so far. People who have no television are able to listen to similar messages on the radio and from NGOs. 2) Legal restrictions: after conflicts in households, the local authorities, especially the village chief, usually give advice to both the husband and the wife from time to time. 3) Learn from neighbours: the rich and medium households are not likely to provoke domestic violence because they have no time to do that. Therefore, they are a good role model for others.”—Moved into poverty focus group, Kompong Tnaot*

In Kanhchor and Khsach Chi Ros, local authorities were said to be reluctant to intervene, however. In addition, as discussed in Section 3.3 in Chapter Three, local authorities were said to require payment before they would support the victim (in Kanhchor). Other community members may also be reluctant to help the victim, because domestic violence continues to be seen as a private matter between husband and wife, and people fear to get involved in case the perpetrator turns on them.

*“Last night a family quarrelled because of a drunken man. The husband tied his wife with rope and beat her ... When female neighbours came to help ... he said ‘This is my family issue’ ... His wife shouted and cried for help ... but no one dared to help her.” Community timeline focus group, Dang Kdar*

Traditional attitudes persist that see violence as a “family matter” and which hold women responsible when their husbands are violent towards them. For example, participants in young men’s focus groups (in Dang Kdar and Kanhchor) and in downwardly mobile focus groups (in Ba Baong and Kompong Tnaot) blamed women for provoking their husbands’ violence. Young men were particularly likely to blame women for “causing” domestic violence, rather than attributing it to the perpetrator.

*“Domestic violence results from the fact that the wife does not prepare food on time for the husband who has come back from work in the forest. And sometimes it is because the men are drunk and sometimes because the wife gambles.”—Male youth focus group, Kanhchor*

As this discussion indicates, despite considerable efforts by the government and NGOs to provide information and education about domestic violence, results have been uneven. A better understanding of the factors that contribute to successful intervention, or which inhibit community members and leaders from acting in cases of domestic violence, is required to inform policy interventions.

#### ***Non-Productive Spending, Including on Gambling and Alcohol, Is Associated with Downward Mobility***

*“Alcohol is a cause of poverty here ... For example, some people earned 100,000 riels by working very hard for five to 10 days in the forest ... They spent most of the money on alcohol, not on saving or for productive purposes ... They used the money neither to help their family nor for important household needs.”—Community timeline focus group, Dang Kdar*

In addition to domestic violence, “non-productive” or discretionary spending on gambling and alcohol was cited as a reason for moving into poverty in some villages. Examples were sometimes given of women spending money on drinking and gambling, but participants observed that it is usually men who spend more on personal entertainment, including drinking, gambling and sex workers.

*“People believe that the husband has more freedom than the wife. For instance, the husband spends 20,000–30,000 riels a day [on alcohol], and the wife spends only about 5000 riels a day on food, but the husband shouts at the wife about her spending lots of money.”—Male youth focus group, Khsach Chi Ros*

Some of this expenditure is unlikely to be recorded in the household survey, in particular when the interviewee was not the male breadwinner or husband, or another adult male living in the household. Consumption data do show that male-headed households spend more on alcohol and tobacco than female-headed households, both in actual terms and as a proportion of annual income (Table 4.12). This may in part be due to larger households having more adult and male members. Male-headed households in the static middle and downwardly mobile segments spent a higher proportion of their income on alcohol, while among female-headed households, those in the falling into poverty segment spent more on alcohol and tobacco (in actual terms and as a proportion of household income), while those in the deepening poverty and chronically poor segments spent more on alcohol as a proportion of overall household income. As Table 4.12 illustrates, better off households spend more on alcohol and tobacco, but they can also better afford these discretionary costs than poorer households.

**Table 4.12: Annual Alcohol and Tobacco Consumption, by Mobility Group and Sex of Household Head, 2004/05**

	Alcohol 10,000 riels per household per year		Tobacco 10,000 riels per household per year		Alcohol spending as percentage of annual household consumption		Tobacco spending as percentage of annual household consumption	
	Male	Female	Male	Female	Male	Female	Male	Female
Comfortably rich	4.30	2.80	8.75	5.56	0.8	0.6	1.6	1.2
Climbing into wealth	4.97	3.21	9.13	4.39	1.0	0.8	1.8	1.1
Escaping poverty	5.58	1.13	6.80	4.47	1.5	0.4	1.9	1.7
Static middle	3.87	1.45	8.67	3.07	1.1	0.6	2.5	1.4
Falling into poverty	2.97	3.61	7.59	5.94	1.0	1.3	2.5	2.1
Deepening poverty	2.57	2.27	5.21	1.81	1.2	1.5	2.5	1.2
Chronically poor	2.94	1.68	4.90	2.20	1.3	1.0	2.1	1.4
Total	3.97	2.37	7.58	4.19	1.0	0.8	2.0	1.4

Annual consumption deflated by 18.59 percent. Source: 890 panel households.

Heavy drinking, which leads to illness and lost income, imposes a significant burden on households. Participants often gave examples of households becoming poor as a result of drinking or gambling. Heavy use of alcohol is also correlated with marital conflict and domestic violence.

*“One household in this community used to have two or three machines but now they almost cannot feed themselves ... The family business collapsed because both spouses drink alcohol almost every day.”—Community timeline focus group, Dang Kdar*

*“You know, when people are poor, they are moody and tend to do bad deeds easily ... go to spend money on unnecessary things like wine and gambling. And when their wife advises them to stop, they just hit her.”—Moved into poverty focus group, Khsach Chi Ros*

In some focus groups drinking and other behaviours such as domestic violence were seen as a result of the stresses of poverty, as the above quote from Khsach Chi Ros illustrates. This was particularly the case in downwardly mobile and youth focus groups. In village leader and upwardly mobile groups, participants were more likely to blame the poor for their misfortunes, characterising the very poor and destitute as lazy and immoral, and suggesting that negative behaviours were confined to these groups. These findings should therefore be treated with caution; they are more likely to represent people's perceptions rather than the actual prevalence of these behaviours (which are likely to be more widespread).

*“Many have become worse off because of bad behaviour (gambling, wine and girls); also in the past five or six years many, many people became infected with TB ... Some of those who became worse off do not bother to earn and save. They just spend all their earnings before thinking or making more money ... Some are lazy and some do not have enough labour in their family.”—Community timeline focus group discussion, Krasang*

*“It is different now ... The morality of people has declined; for example, many people now like drinking wine and easily go with many partners (misbehaviour of the men).”—Moved out of poverty focus group, Dang Kdar*

Participants in some villages (Krasang, Dang Kdar) also referred to sex outside marriage, either with sex workers or with “sweethearts”, as a sign of poor morality and a factor in downward mobility. Not only does this behaviour impose direct costs on the household, in the case of paid sex, but it also

exposes family members to the risk of HIV/AIDS. As noted in Chapter Two, HIV/AIDS was of particular concern in those villages close to the Thai border (Krasang and Andoung Trach) and in Kanhchor, where there has been an influx of workers in the forestry industry.

The costs of discretionary or non-productive spending are rarely measured adequately in household surveys (due to reluctance to admit to or lack of knowledge of these behaviours among survey participants and difficulties collecting data on intra-household resource allocation and use (Fuwa *et al.* 2000). Yet these costs have a significant impact on household well-being and also point to intra-household inequalities that determine how resources are used and benefits distributed. These are critical issues for poverty reduction interventions (for example for effective targeting of programmes) and will be an important issue for investigation in the next round of the MOPS.

***Young Men's 'Misbehaviour' Is Increasing, with Parents and Communities Reluctant or Powerless to Respond***

*"We now have some young men who like to gather together ... and during special ceremonies where there are amplifiers and dancing, they fight individually or between groups. This is encouraged by wild pornographic films. People just live with such issues, keep quiet and do not inform the local authorities."*—Community timeline focus group, Krasang

Young men's "misbehaviour", including involvement in gangs, fighting and in some instances rape, was raised by participants in most study villages (apart from the more isolated communities, Prek Kmeng and Khsach Chi Ros), as discussed in Chapter Three. In most affected villages, while parents and local authorities expressed their concern, there was also an apparent sense of reluctance or powerlessness to deal with young men's behaviour, for example by restricting their activities (in the case of parents) or imposing appropriate consequences (in the case of local authorities).

*"It is beyond the parents to find an appropriate solution for this matter ... One way would be to confine our children to the house, but then we are abusing our children's rights ... and of course they should help us in earning a living ... In order to protect our children from joining these bad gangs, we should keep an eye on who their friends are and decide who is bad and who is well behaved ... We don't have time to follow them, and it seems that our children lack a sense of [social responsibility] ... We do worry that in today's society, most friendships between teenagers and young men tend to result in gangs or using drugs."*—Community timeline focus group, Andoung Trach

One reason for this reluctance, discussed in Chapter Three, is that local authorities and ordinary households are powerless to act against young men from wealthy or powerful families, with "strong back", who are often the gang leaders. Lack of consequences, including legal penalties for offenders, was seen as undermining community security and parental authority.

*"In the family the father tells his son not to go out and gamble, but the son still goes. That means the father has no rights or power to control his son. The authorities also do nothing to help prevent such misbehaviour. If the authorities implement the laws, the children will follow and we can control them."*—Moved out of poverty focus group, Kompong Tnaot

Reluctance or inability to control young men also appears to have a gender dimension, linked to greater tolerance and acceptance of destructive and risky behaviour by men. Parents continue to see themselves as responsible for guiding and controlling their daughters' behaviour. Young women are closely confined, not allowed to walk at night or travel unaccompanied. Their actions are viewed as reflecting directly on their own and their family's reputation, and they are monitored accordingly. Young men are seen as troublesome and difficult to influence or direct; this is to some extent viewed as normal for young men (and would traditionally have been addressed through sending all young men for ordination in the wat, a practice that appears to be eroding among all but the poorest

families<sup>11</sup>). Increasingly, however, it appears that there is a lack of capacity or will to control young men's behaviour, which is proving very costly for households and communities.

As this discussion suggests, some destructive behaviours such as domestic violence and alcohol use, as well as gang fighting, appear to be more prevalent in poorer families and more accessible villages, but are by no means confined to these communities or households. Gender-specific destructive behaviours impact on all households but are more costly for those who are poor or just getting by. Better off households are more able to absorb any costs associated with these behaviours; for less well-off households, these behaviours can act as a trigger for movement into poverty.

Many of these behaviours are gender-specific and reflect men's relatively greater freedom and privilege. Efforts to address many of these problems are constrained by corruption and impunity. These problems are clearly exacerbated (although not caused) by poverty and, in the case of young men's involvement in gangs, by unemployment and limited opportunities.

Although NGO and media education and information campaigns have been successful in raising awareness about issues such as domestic violence, clearly more needs to be done to ensure that local authorities are responsive and to change attitudes which support violence against women, in particular among young men. In addition, a better understanding of the factors that contribute to changed behaviour (rather than just higher awareness) is required. Problems associated with alcohol use have received relatively little attention in Cambodia. Given the nexus between alcohol and violence (including domestic violence and gang fighting) identified in the MOPS, this is an issue that deserves greater attention.

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<sup>11</sup> This point was made by Dr Alix King in a presentation at CDRI in December 2006, and by Dr Judy Ledgerwood in conversation, July 2007.

## **Chapter Five.**

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### **Moving out of Poverty? Key Findings, Policy Implications and Recommendations for Further Research**

**Summary**

- Community well-being and prosperity are largely determined by two factors: the location and accessibility of the village, including its proximity to rural centres and markets and year-round road access; and its geographical endowment, including the soil quality, availability of arable land and irrigation. Strongly performing villages are characterised by good roads, location close to the Thai-Cambodian border or rural towns, good soil, irrigation and larger than average land-holdings. Moderately and poorly performing villages are less accessible, have less productive soil, have less arable land, lack irrigation and tend to be more reliant on CPR.
- In future, strongly performing villages are likely to continue to perform well, given improvements in agricultural productivity and access to waged employment, including through cross-border migration. Trapeang Prei (a moderately performing village) may also benefit from the availability of paid employment, due to its proximity to Phnom Penh. Of the other moderately and poorly performing CPR-reliant villages, Prek Kmeng and Khsach Chi Ros, while relatively isolated, have good soil and irrigation, with potential to further improve productivity. Kompong Tnaot, a coastal village, is well located, with potential to benefit from tourism if natural resources in the nearby Ream National Park are well managed. For the two forest-dependent villages, the outlook is relatively bleak; with limited arable land and restricted access to forests, they are likely to be increasingly reliant on emigration.
- Migration, including into Thailand, is an increasingly important source of income for study households, contributing to upward mobility, in particular for better off households and in villages close to the border. Migration is not a quick fix for poverty reduction, however, because most jobs are unskilled and often seasonal or short term. Local employment opportunities are typically agricultural and seasonal, and are usually poorly paid or involve “in advance” cash for labour, which constrains potential earnings.
- Demographic change, including immigration, population growth and new marriages, is impacting on all study villages, putting pressure on resources, including land and CPR. Land and water conflicts, over-exploitation of fisheries and forests and new security issues resulting from an under-employed male youth population and an influx of outsiders are particularly acute in villages that are CPR-reliant, where resources and opportunities are more limited.
- There is a significant generational difference in education, reflecting the relatively recent re-establishment of schools in the study villages. While more children are now attending school, children from poor families, in particular girls, continue to miss out. As education becomes more important, for example to secure the limited number of skilled jobs available in the garment sector, educational inequalities are likely to widen differences between villages and between poor and better off households.
- Because illness is the most frequent household shock or crisis, lack of affordable health care plays a direct role in driving households into poverty. Use of private health services among better off households is accelerating, with significant policy implications, while poor households are stuck with lower quality care or miss out altogether.
- Poor governance and weak institutional capacity are undermining pro-poor policies and exacerbating inequalities between households. Natural resource-dependent villages are most affected by poor governance. Some better off households take advantage of corruption and impunity to improve their status, while for poor households corruption is a shock they can ill afford.
- Rural villages and households are not the same, and policy interventions will have quite different impacts on communities and households according to their history and status. Location, assets and risk-spreading investments enable the comfortably rich to stay well off; they have multiple earners

and sources of income, as well as assets and savings that act as insurance against shocks and crises and allow investment in new opportunities. Upwardly mobile households grasp every opportunity to improve their status; they are more likely than others to take risks, invest in health and education and have members migrating for work. Downwardly mobile households typically experience shocks, life-cycle events, debt and destructive behaviours that drive them into poverty, and do not have the assets, savings or income sources to cope with these events. Chronically poor households are trapped in poverty due to limited or no assets, old, sick or disabled household heads, fewer earners and more dependants and reliance on only a few income sources, including CPR. It is very difficult for these households to move upwards without a significant change in circumstances.

- The MOPS provides a local perspective on national poverty studies and analysis, by validating national trends with local data, explaining national trends from the perspective of the poor and providing insights that are not captured by national studies. For example, the study shows a similar rate of growth, but a slower rate of poverty reduction and higher poverty rates than provincial averages reported in national studies. The study suggests that when measures other than consumption are taken into account, rural inequality can be seen to be increasing, while static consumption inequality may be explained by “flattening” at the top and bottom end of the distribution. The MOPS provides additional insights into the drivers of rising inequality, including the role of corruption and impunity in household mobility, and illustrates the ways in which poor governance undermines local implementation of pro-poor policies, including natural resource management. The study also shows that the changing nature of social capital, including the erosion of traditional mutual assistance and the increasing importance of patronage networks, plays a significant role in determining households’ opportunities and the support they receive.
- The MOPS may overestimate the importance of garment sector work, because it is likely that fewer households benefit from employment in this sector than focus group discussions indicate. The study may also overstate the reduced incidence of domestic violence, because national studies suggest that the incidence continues to be high, suggesting that further investigation is required of factors leading to successful intervention against domestic violence. Reproductive health issues are not well addressed in the study, an oversight given the relationship between dependency ratios and mobility and the high infant and maternal mortality and low adoption of birth spacing and safe obstetric care among rural women.
- Differences between rural villages and households need to be understood and taken into account in order to target policy interventions effectively. The study supports the case for investment in rural infrastructure, in particular roads, as well as in agriculture, including irrigation and extension services. Because some villages are CPR-reliant, with limited agricultural land, the study suggests that important complementary strategies are promotion of local employment opportunities, including agri-businesses, formalising and protection of the rural labour force and greater support for small family-run businesses. While stressing the importance of effective natural resource management, the study cautions against overestimating the impact of these policies, in particular in the short term, because pressure on CPR is likely to continue as the population grows. Other key priorities for policy makers are the impact of demographic change on poverty reduction initiatives, greater public investment in health and education and clean water and sanitation. While the study points to the need for increased investment in local government, including devolution of funds and revenue raising, it also suggests that governance failures cannot be addressed locally but require a national response.
- The study points to the need for more specific targeting of households, in particular the rural poor. It suggests that comfortably rich and upwardly mobile households are more likely to benefit from community investment, for example in roads, initiatives to boost agricultural productivity and new opportunities for business and skilled employment. Downwardly mobile households are more likely to benefit from measures such as greater public investment in human services and different forms of social protection, including income and weather insurance, health equity schemes,

targeted skill development and subsidised health care and education, as well as labour protection and savings schemes. Chronically poor households require very specific interventions to address poverty traps and enable them to cope with their circumstances, such as food for work programmes and other food security initiatives, locally provided free health care and health prevention programmes, clean water and sanitation, free or heavily subsidised education, increased locally available employment and basic labour protection and free health insurance and other forms of social protection. Stronger and more accountable local government that can protect the interests of poorer households, together with stronger rule of law and legal protection, is essential for poor and vulnerable households.

- Longitudinal, mixed-methods, contextual research can contribute to national poverty monitoring and analysis by providing an understanding of the relationship between transitory and chronic poverty, the interaction between poverty, vulnerability and opportunity and the impact of national and local trends on poverty rates and dynamics. Studies like the MOPS can help to inform design of national research, “ground truth” and validate national surveys with local data, and identify explanations and causal relations that national studies are unable to pick up. Considerable investment has been made in the MOPS, with two rounds of the study conducted in 2001 and 2004/05. The value of panel data really becomes evident with three or more rounds, however, because it is then possible to identify the extent of transitory and chronic poverty. There is a strong case for consolidating and institutionalising the MOPS, including by building on lessons from the current study, aligning study findings and future rounds more closely with national poverty monitoring and analysis and integrating the study into a broader, longer term programme of poverty research and analysis within CDRI.

Chapters Two to Four explored changes in community well-being and household mobility and the factors that have contributed to improved or declining village and household prosperity. This chapter summarises the findings, including the main factors determining community well-being and household movement or stability. A brief comparison of the MOPS with other major poverty studies and the policy implications arising from the analysis are also included. The chapter concludes with recommendations for future research.

Section 5.1 summarises key findings and determining factors for the three village “clusters” (strongly, moderately and poorly performing villages) and for non-moving and upwardly or downwardly mobile households.

Section 5.2 briefly examines findings from the MOPS in the context of other poverty studies in Cambodia, including national socio-economic and demographic health surveys, the World Bank’s Poverty Assessment and Equity Report and CDRI’s *Participatory Poverty Assessment of the Tonle Sap Region*. Section 5.3 presents policy recommendations based on the discussion in sections 5.1 and 5.2.

Finally, section 5.4 discusses how ongoing mixed-method panel surveys can contribute to national policy analysis and monitoring, and makes recommendations for future research.

### **5.1. Main Determining Factors in Community Well-Being and Household Mobility: Summary of Key Findings**

This section summarises key findings from the study, including the main factors that determine community well-being and household mobility. An understanding of determining factors is critical for policy makers and poverty reduction strategies in order to assess the relative weight that should be given to policy initiatives and to provide a framework for reviewing the effectiveness of strategies and programmes. The section also highlights previously neglected issues that require greater attention.

### ***Community Well-Being and Prosperity Have Largely Been Determined by Location and Geographic Endowment***

Although the timing of the peace dividend (the end of armed conflict) in different villages influenced the stage at which each community was able to begin to benefit from development, this factor is becoming less important as villages which experienced active fighting and conflict until the late 1990s catch up with those that benefited earlier in the study decade. However, location and geographic endowment are likely to continue to be critical for village prosperity and household mobility. This is clearly demonstrated by the performance of each of the village clusters identified in Chapter Two; those villages that have performed best and which appear to have the most potential are those that are most accessible and that have been able to increase productivity of wet and dry season rice. More remote and CPR-reliant villages have performed less well; this includes some that had improved living standards and reduced poverty prior to 2001 (largely due to good returns from CPR) but where living standards are now in decline.

The *strongly performing* villages, Krasang, Ba Baong and Andoung Trach, are characterised by accessible locations, good soil and irrigation (in the case of Krasang and Ba Baong—Andoung Trach does not yet have irrigation for dry season rice). While these villages experienced the peace dividend at different times, their locations have enabled them to benefit from development interventions, markets for trade and employment (including cross-border migration) and social services including health and education. Fertile soil and irrigation have enabled two of these villages to increase dry season rice yields substantially, balancing the impact of natural disasters on wet season rice productivity. With the exception of Andoung Trach, most households in these villages do not invest heavily in other crops or livestock, in part because the return on these activities has not been sufficient to justify the risk. Small business and petty trade are increasingly important as sources of income, in particular in the two villages close to the border, Krasang and Andoung Trach. Wage labour, including through migration inside Cambodia and across the border, has also increased significantly in all three villages and enabled many households to maximise and diversify income sources, protecting them from shocks and crises. While the proportion of stable or non-moving households varies between these villages (reflecting their different histories) they have the highest number of the more successful upwardly mobile households of all study villages; 60 percent of all climbing into wealth households are located in these three villages alone. It is important to note that income inequality rose in these communities (and consumption and non-land asset inequality rose in Ba Baong). While some households have been able to move out of poverty, the income gap between the best off and poorest households in Krasang and Ba Baong is significantly higher than in other villages.

The three *moderately performing* villages are all very different. Kanhchor is forest-dependent; Prek Kmeng is a fishing village; Trapeang Prei is increasingly reliant on wage labour. They have in common either less accessible locations or less productive soil. Together, these three villages have the highest proportion of escaping poverty (39 percent) and static middle households (37 percent). Kanhchor is still relatively isolated although contact improved considerably over the study decade. This village has less arable land than all other study villages, and forests are increasingly unavailable to ordinary villagers. Prosperity has declined considerably since the logging boom in the mid-1990s. Other income sources, such as wage labour, have become more important as CPR have declined.

Prek Kmeng, which cannot be reached except by boat for half the year, is predominantly a fishing community but has quite good agricultural potential, with good soil and irrigation. This village has the highest reliance on small business and petty trade, much of it from raising and processing fish, but many households are returning to farming as fish stocks decline. Prek Kmeng has the highest proportion of comfortably rich households (45 percent) of any village due to its relative prosperity prior to 2001, but also a substantial proportion of downwardly mobile households.

Trapeang Prei is well located, one and a half hours from Phnom Penh, but has very poor soil and almost no remaining CPR. Many households have lost or sold land due to intensifying land speculation, mostly by outsiders from Phnom Penh. Production of rice and other crops and raising of livestock have decreased; households increasingly make money from land sales and wage labour. This village has the highest proportion of chronically poor households of any community (34 percent) but also the most households escaping poverty (42 percent).

The three *poorly performing* villages are also quite different. Kompong Tnaot is a coastal village near Kep; Dang Kdar is a forest-reliant village; Khsach Chi Ros is a fishing community. Downwardly mobile and chronically poor households are over-represented in these three villages: 49 percent of falling into poverty, 55 percent of deepening poverty and 46 percent of chronically poor households are located in these three communities. Kompong Tnaot is quite accessible but suffers from poor soil due to rising seas and flooding; employment from salt farms and fish catches has declined in this formerly quite prosperous village, affecting many households. While 44 percent of households in Kompong Tnaot are comfortably rich, it has the highest proportion of downwardly mobile households, with 31 percent in the falling into poverty segment alone. Like Kanhchor, Dang Kdar has limited agricultural land, and forest access is also constrained. Wage labour has become more important as CPR have declined, and most households in this village are either downwardly mobile or poor.

Khsach Chi Ros is the poorest of all the study villages, isolated and accessible only by boat for half the year. Fish stocks have declined in this community; however, there has been some improvement in agricultural productivity due in part to development interventions. As in Dang Kdar, a majority of households in Khsach Chi Ros are downwardly mobile or poor; the households in this village earn and consume the least of any in the study.

The MOPS illustrates the importance of accessibility and geographic endowment, in particular fertile soil and water for irrigation, to improvements in community well-being. The growing of crops other than rice and raising livestock are constrained by lack of agricultural extension, disease and other risk factors; poor and moderate villages with fewer opportunities to earn income have tended to rely on these activities more than better off communities. CPR, while in the past an important source of income for all villages and households, have declined significantly and can no longer be relied on as a major income source by most households. Small business and wage labour are emerging as important income sources, but access to these opportunities is also determined by location: both waged employment and small business are more widely available in more easily reached, dynamic communities.

There are also downsides to both location and geographic endowment. Villages with fertile soil and access to water are at risk of damage from over-use of chemical fertilisers and pesticides. Conflicts over water use have been an issue in the past in Krasang and Ba Baong and are currently presenting problems in Khsach Chi Ros. Improved roads bring new forms of insecurity, including increased petty crime, and an influx of outsiders, including land speculators and powerful commercial interests interested in extracting CPR and other resources.

### ***Communities with Potential for Improved Productivity and Migration Have Better Prospects than CPR-Reliant Villages***

The future of the study villages is likely to vary significantly from their current performance, depending on the extent to which each community is able to gain from improved productivity, increased waged employment or other income sources such as small business. The two strongest performing villages, Krasang and Ba Baong, already profit from improved agricultural productivity and migration, as well as from small business opportunities. Appropriate use of chemicals, extension services and opportunities for small business and employment outside the community are likely to continue to benefit these villages.

Andoung Trach already benefits considerably from cross-border migration, but also has considerable agricultural potential if irrigation and extension services are made available. Trapeang Prei stands to profit from its closeness to employment in Phnom Penh, although the future prosperity of this village is likely to be disproportionately influenced by land speculation. Markets for livestock may also prove to be of continuing importance, if supported by extension and veterinary services, although production of crops apart from rice is in decline.

Forestry, fishing and coastal villages are more vulnerable. CPR in these villages appear likely to continue to decline as a result of population pressures, over-exploitation and weak governance, which has undermined government natural resource management policies. Even if they are well managed, it will take time for resources to regenerate, in particular in forestry communities.

While the two fishing villages of Prek Kmeng and Khsach Chi Ros are isolated, they do have significant untapped agricultural potential if land conversion and water conflicts are managed well. Kompong Tnaot could also benefit from its location between Kampot and Kep if the Ream National Park is well managed and the tourism potential in these two towns is realised. Raising livestock appears to have some potential as a supplementary income source, if appropriately supported.

The outlook is bleak for the two forestry villages, Kanhchor and Dang Kdar, in part because they are less within reach, but also because they have less arable land and most households are locked out of forests by powerful illegal interests. Even if forests are well managed in the future, it will take years for resources to regenerate, and population pressures are likely to continue to result in over-exploitation. Households are keen to diversify incomes, for example by growing crops apart from rice, but lack sufficient land to do so. It seems probable that these villages will increasingly rely on emigration. However, without other income sources to spread risk; households will be very vulnerable.

Agricultural production, including crops other than rice, raising livestock, agro-processing and other forms of agri-business, together with other small business activities, clearly have important potential to contribute more to livelihoods in at least seven of the nine study villages. Investment in road construction and maintenance and in irrigation, to improve accessibility and increase rice yields, would also have evident benefits for the moderately and poorly performing villages. However, the MOPS makes clear that extensive and sustained support is required to enable rural households to realise this potential. In the absence of this support, most communities and households will continue to turn to waged employment, including through migration.

### ***Migration Is Not a 'Quick Fix' for Poverty***

The MOPS identifies migration for waged employment as important in improving the well-being of communities and households, in particular those that can access cross-border employment. Migration is not, however, a quick method of poverty reduction, and as a factor in community and household well-being, its impact is variable and often short term. Most labour migration is unskilled, with the exception of garment sector work and some construction jobs, and is therefore poorly paid, in particular for women. Migrant workers can earn more in Thailand, but they also face significant risks, for example losing earnings when they return to Cambodia. Most labour migration is seasonal, employment conditions are often poor, and the prospect of ongoing work is uncertain.

Garment factory work has clearly had a profound impact on some households, not least by providing opportunities for young women and prompting parents to invest in girls' education. There are significant costs for the young women involved, however, and social consequences for both young women and young men, who generally cannot benefit from these opportunities. Garment factory jobs are not jobs for life, and young women typically return home, where they have limited prospects, or move into more vulnerable occupations in urban areas (Derks). Cambodia's other growth industry,

tourism, has had little impact on the study villages so far, except perhaps in the availability of construction work, which again is often seasonal and precarious.

Where it is available, local waged employment is typically agricultural and seasonal or involves agricultural production or processing of forest or fish products. This employment is often exploitative, involves interlocked credit and offers little in the way of labour protection. Since local employment is the stated preference of most young people, it would be preferable to develop locally based work opportunities, including alternatives to interlocked credit for labour arrangements, at the same time as increasing opportunities for skilled employment and safe migration.

### ***Demographic Change Is Impacting All Study Villages***

Demographic change—including population growth and migration, as well as new marriages, divorce and family breakdown—is impacting all study villages. Population growth and immigration are putting increasing pressure on the communities, especially those that are forest- or fishery-reliant, and on resources, in particular land and CPR. Land conflicts, over-exploitation of CPR and security problems resulting from under-employed male youths and an influx of outsiders are critical issues in all study villages, but most notably in CPR-reliant villages, where there is less of everything to go around. However, the youth population boom does suggest an untapped opportunity; the dynamism and energy of young people could be harnessed towards development goals and poverty reduction if the right incentives and opportunities were available. New marriages, divorce and family breakdown are also significant community issues. Tradition that demands significant expenditure on children's weddings and changing social trends that make extended family members less likely to live together than in the past are driving some households into poverty as they go into debt and sell off or give their land to their children. Domestic violence and male abandonment of families are factors in divorce and contribute to the number of female-headed households with few earners and many dependants. In addition, rural communities will continue to face the problem of supporting older people, disabled people and widows in the context of eroding forms of traditional social protection.

### ***Improved Health and Education Services Reflect Rising Living Standards and Impact on Household Prospects and Well-Being***

The reintroduction of basic health and education services has occurred since the end of the civil war. Across all study villages, there is a significant generational difference in access to education, which reflects the timing of the peace dividend and the re-establishment of schools. Although a majority of children are now attending primary school, educational attainment is low among young people and older adults. The impact of improved education is likely to be felt as the current generation of schoolchildren reach the age where they can earn an income and contribute to the household. Early indications of this impact include the connection between having some education and securing skilled work, for example in the garment sector. Should a wider range of skilled employment opportunities become available, having at least some education will become more important. Villages and households that can access at least basic education can expect to do better than those that cannot.

Educational attainment and current health status, as well as access to health and education services, vary considerably between mobility groups. For example, years of schooling, which for older household members include education before the civil war period, are correlated with household mobility and prosperity; heads and members of better off households typically have more years of education. In addition, although the availability of health and education services has improved in all communities, use of services depends on income: better off households can afford to spend more on health care and education, while poorer households miss out.

Improved health services were noted in all villages and include free vaccination, greater availability of prevention and health education services and more public and private practitioners. Although the quantity of available services has increased, improved quality and accessibility have been less

apparent. Public and private health services are unobtainable by poor households, with significant consequences for individual and household well-being. For example, households experiencing health shocks are unable to receive care unless they can pay informal costs in the public sector or afford the fees charged by private practitioners; health shocks are a significant factor in downward mobility. The poorest households are shut out of the health system, regardless of the provider. Villages with relatively poorer health provision or with larger numbers of poor households can expect to feel the impact of lack of affordable health care over time, as more households are driven into poverty and destitution.

Wealthier households are already “voting with their feet” by choosing private practitioners over public health centres, where informal payments are almost universally charged but basic care, including essential medicines, is often unavailable. It seems likely that use of private health services by better off households will accelerate because private sector care is widely available and perceived to be of better quality than public care. This has significant policy implications, for example for regulation of private health services and certification of private providers. It seems likely that the trend towards private provision of services will be repeated in education, with richer families choosing to pay for a better education for their children (as is already the case in major cities). In several villages, teachers were delivering private tutoring or classes (for a fee) which students needed to attend in order to pass their exams—mirroring the widespread practice of public health officials running their own private clinics in addition to their public duties. Poor households are likely to be stuck with public health and education, paying more than they should have to, receiving lower quality services or, in the case of the poorest families, missing out altogether.

***Poor Governance and Weak Institutions Are a Brake on Development and Poverty Reduction, Especially in Natural Resource-Reliant Villages***

The MOPS suggests that poor governance and weak institutional capacity are impeding development and poverty reduction, in particular in villages that are natural resource-dependent. Poor governance, corruption and weak institutional capacity undermine pro-poor government policies (particularly in regard to fisheries and forests) and exacerbate economic inequalities between households.

Political participation is largely confined to voting, and participants frequently said that they voted in order to gain the benefits of development. Indeed, the role of government in providing development assistance and delivering services such as health and education was viewed largely positively in study villages, and participants commonly expressed gratitude for improvements in health care and education, construction of roads and schools and so on. Although these development interventions were often provided or funded by international agencies or NGOs, progress in infrastructure and service delivery was frequently attributed to the government.

Other dimensions of governance were less positively perceived. Participants expressed frustration about the lack of concern for or interest in the needs of rural villagers among higher elected and administrative officials. Higher authorities were generally perceived to be remote, corrupt and exploitative. Fishery and forestry officials (who are responsible for implementing pro-poor policies) were widely reported to be corrupt, colluding with those with power, influence or wealth to benefit from illegal fishing and forestry (and escape any legal consequences) while at the same time penalising the poor, even when they are engaging in legal activities or have legitimate complaints.

Justice and access to legal remedies were reportedly available only to those with wealth or “strong back” (connections to those higher up in the patronage relationship), who can afford to pay bribes or mobilise connections to achieve a favourable result. Participants in most study villages stressed that it is difficult for ordinary villagers to speak openly about corruption and power relations or to seek redress for abuses committed by those with power, wealth or “strong back”, including higher officials. Considerable frustration, humiliation and a sense of powerlessness were evident among focus group participants over poor governance, impunity and corruption.

Although examples of corruption and impunity were raised in all communities, they were raised more frequently in villages that are more reliant on CPR, and participants there were more likely to report violence and intimidation. In villages where households are more reliant on agriculture, trade or wage labour, people paid corruption costs in many aspects of daily life (such as travel to markets and access to health services) but were generally free to go about their business. In CPR-reliant villages, in particular forest communities, corruption and intimidation were preventing people from earning a living, unless they were able to pay corruption costs or were in a position to benefit from illegal activities. This has significant implications for poverty reduction.

Local authorities (village and commune officials) were generally perceived to be more responsive and less corrupt than other government officials. They were also seen as powerless to protect or advance the interests of local villagers because they lack financial capacity and administrative authority, and are largely powerless in any situation in which more powerful interests, including higher government, are involved. Although local authorities do involve local people in planning and are able to resolve conflicts between those who are relatively equal, once powerful interests are involved, their hands are tied. While local authorities were generally viewed positively, in several villages they were reportedly corrupt, colluding with higher officials and outsiders to exploit villagers.

Community safety and security are undermined by poor governance, for example because wealthy and powerful perpetrators are rarely held accountable or punished for offences, including serious crimes such as violence, gang fighting and rape. Although focus group participants stressed the importance of the end of armed conflict, which had a positive impact on freedom of movement and enabled ordinary people to earn a living, new forms of insecurity were raised in all study villages, including drug use, youth gangs, violence against women, crime and conflict over natural resources. In all villages where security issues were reported, local authorities were said to be largely powerless to deal with them. In some instances police were said to collude with perpetrators to help them escape justice, while victims were required to pay for police assistance. Positive interventions were cited in some villages, however, including reduced domestic violence in five villages, and reduced petty crime and theft in two.

While examples of corruption and impunity were reported in all study villages, albeit more frequently in natural resource-reliant communities, the household impact of poor governance differs significantly. Corruption costs and lack of rule of law drive poor households further into poverty and destitution. Better off households either pay up or benefit from “strong back” and corruption, including by engaging in illegal activities. Corruption and impunity contribute to and reinforce rising inequality within communities, as well as fostering a growing sense of discrimination and social distance between households reported in some better off villages. The MOPS also illustrates the role corruption and poor governance play in upward mobility and remaining well off, as well as in moving down or remaining poor. Upwardly mobile and comfortably rich households are in a position to take advantage of corruption and impunity to build wealth and accumulate assets; they are in a sense an “investment” for at least some of these households. For poor and downwardly mobile households, corruption acts as a shock (like a health crisis or other disaster), which they may be ill prepared to cope with. Like other shocks and crises, corruption is unfortunately a fact of life and predictable. However, it is not insurable except in an informal sense: while households can use savings or assets to pay corruption costs, they are not amenable to policy interventions such as social protection or safety nets.

Community factors are summarised in the following table.

Table 5.01: Main Trends and Factors, by Village

	Strongly performing			Moderately performing			Poorly performing		
	Krasang	Ba Baong	Andoung Trach	Kanhchor	Prek Kmeng	Trapeang Prei	Kompong Tnaot	Dang Kdar	Khsach Chi Ros
<i>Net prosperity index, 1993–2004/05</i>	Steady improvement	Accelerated improvement	Slowdown	Slowdown	Steady improvement	Slowdown	Accelerated improvement	Slowdown	Accelerated improvement
<i>Community poverty line rates 1993–2004/05</i>	Steady progress	Accelerated poverty reduction	Steady progress	Rising poverty	Steady progress	Accelerated poverty reduction	Accelerated poverty reduction	Rising poverty	Accelerated poverty reduction
<i>Housing conditions 1993–2004/05</i>	Accelerated improvement	Accelerated improvement	Accelerated improvement	Accelerated improvement	Steady improvement	Steady improvement	Accelerated improvement	Steady improvement	Steady improvement
<i>Mobility groups 2004/05</i>	More comfortably rich and upwardly mobile	More comfortably rich and upwardly mobile	More upwardly mobile and chronically poor	More comfortably rich, upwardly and downwardly mobile	More comfortably rich and downwardly mobile	More upwardly mobile and chronically poor	More comfortably rich and downwardly mobile	More downwardly mobile and chronically poor	More downwardly mobile and chronically poor
<i>Socio-economic groups</i>	More average	More above average and average	More poor	More average and poor	More average	More average and poor	More poor	More destitute	More average
<i>Consumption inequality</i>	Falling	Rising	Static	Rising	Static	Rising	Static	Rising	Falling
<i>Income inequality</i>	Rising	Rising	Rising	Rising	Rising	Falling	Falling	Rising	Rising
<i>Land-holding size inequality</i>	Falling	Falling	Static	Falling	Static	Rising	Rising	Falling	Falling
<i>Non-land asset inequality</i>	Falling	Rising	Falling	Static	Rising	Rising	Rising	Static	Falling
<i>Asset value vs mean 2001</i>	Above 10 percent	Well above 59 percent	Above 15 percent	Below -4 percent	Above 6 percent	Well below -58 percent	Well above 38 percent	Well below -46 percent	Well below -47 percent
<i>Asset value vs mean 2004/05</i>	Below -6 percent	Well above 43 percent	Well below -51 percent	Below -17 percent	Well above 37 percent	Below -23 percent	Well above 75 percent	Well below -45 percent	Well below -47 percent
<i>Asset value change 2001–2004/05</i>	Moderate increase 10 percent	Moderate increase 18 percent	Significant decline -45 percent	Moderate increase 15 percent	Strong increase 69 percent	Strong increase 139 percent	Strong increase 66 percent	Strong increase 35 percent	Strong increase 32 percent

	Strongly performing			Moderately performing			Poorly performing		
	Krasang	Ba Baong	Andoung Trach	Kanhchor	Prek Kmeng	Trapeang Prei	Kompong Tnaot	Dang Kdar	Khsach Chi Ros
<i>Peace dividend</i>	Since 1998	Late 1980s	Since 1994	Late 1990s	Early 1990s	Late 1990s	Since 1997	Since 1998	Since 1994/5
<i>Accessibility</i>	Accessible	Accessible	Accessible	Relatively isolated	Isolated, inaccessible 5–6 months per year	Accessible	Accessible	Relatively isolated	Isolated, inaccessible 5–6 months per year
<i>Geographic endowment</i>	Good soil, irrigation	Good soil, irrigation	Good soil, lack irrigation	Good soil, limited agricultural land	Good soil, irrigation	Poor soil, no irrigation	Poor soil, no irrigation	Poor soil, limited agricultural land, no irrigation	Good soil, irrigation
<i>Rice productivity 2001-2004/05</i>	Rising yields, wet and dry season rice	Rising yields, wet and dry season rice	Declining yields, wet season rice only	Declining wet season yields, slight increase in dry season yields	Rising yields, dry season rice only	Declining yields, wet season rice only	Slight rise in wet season rice yields	Declining yields, wet season rice only	Rising yields, wet and dry season rice
<i>Other crops and livestock</i>	Few households grow other crops, fewer households raise livestock	Few households grow other crops, fewer households raise livestock	Few households grow other crops, slight increase in households raising livestock	Cash crops becoming more important, more households raising livestock	Cash crops grown by significant number of households, more households raising livestock	Cash crops no longer grown, fewer households raise livestock	Cash crops becoming more important, fewer households raising livestock	Cash crops grown by significant number of households, more households raising livestock	Cash crops grown by significant number of households, more households raising livestock
<i>CPR reliance</i>	Agriculture-reliant, declining CPR including fishing	Agriculture-reliant, limited CPR apart from fishing	CPR-reliant, declining fish stocks	CPR-reliant, declining access to forests and forest by-products	CPR-reliant, declining fish stocks	Little CPR due to land encroachment and privatisation	CPR-reliant, declining marine life (apart from small marine animals)	CPR-reliant, declining access to forests and forest by-products	CPR-reliant, declining fish stocks
<i>Food insecurity (not enough rice for consumption or sale in 2004/05)</i>	53 percent	38 percent	55 percent	76 percent	89 percent	61 percent	73 percent	78 percent	55 percent
<i>Development assistance 1992–2004/05</i>	14, including 3 agricultural interventions	14, including 6 agricultural interventions	16, including 5 agricultural interventions	1, no agricultural assistance	5, no agricultural assistance	3, no agricultural assistance	7, no agricultural assistance	3, no agricultural assistance	4, including 2 agricultural interventions
<i>Access to water and sanitation</i>	Moderate	Good	Moderate	Poor	Poor	Moderate	Poor	Good	Poor
<i>Access to health services and health status</i>	Significantly improved	Significantly improved but health is worse due to new problems	Significantly improved	Improved	Improved	Improved	Significantly improved, but costs are rising	Stagnant	Stagnant

	Strongly performing			Moderately performing			Poorly performing		
	Krasang	Ba Baong	Andoung Trach	Kanhchor	Prek Kmeng	Trapeang Prei	Kompong Tnaot	Dang Kdar	Khsach Chi Ros
<i>Health spending</i>	Decreased slightly	Decreased slightly	Increased significantly	Decreased slightly	Decreased slightly	Increased significantly	Increased	Decreased	Decreased
<i>Adult illiteracy rates (15–54 year olds)</i>	24 percent	20 percent	19 percent	12 percent	25 percent	30 percent	19 percent	46 percent	28 percent
<i>Education spending</i>	Decreased slightly	Decreased slightly	Increased significantly	Decreased slightly	Decreased slightly	Increased significantly	Increased	Decreased	Decreased
<i>Voting in elections—national (2003) and local (2002)</i>	97 percent/ 83 percent	97 percent/ 92 percent	97 percent/ 86 percent	94 percent/ 79 percent	99 percent/ 97 percent	91 percent/ 85 percent	94 percent/ 91 percent	92 percent/ 86 percent	96 percent/ 92 percent
<i>Political participation</i>	Slightly less active than average	Slightly more active than average	Active	Slightly less active than average	Active	Slightly less active than average	Slightly less active than average	Slightly more active than average	Active
<i>Membership of associations</i>	83 percent	95 percent	57 percent	100 percent	96 percent	72 percent	70 percent	100 percent	88 percent
<i>Main governance issues</i>	Impunity, corruption (checkpoints, cross-border)	Impunity, illegal fishing, trader monopoly, corruption (fishing authorities), violence and intimidation	Impunity (gang members, illegal fishing), illegal fishing, corruption (local authorities, fishing authorities)	Impunity, illegal logging, corruption	Impunity, illegal fishing, corruption (fishing authorities)	Participants reluctant to discuss these issues	Impunity (gang members, illegal fishing), illegal fishing, corruption (checkpoints, fishing authorities, service delivery), violence and intimidation	Impunity (gang members, illegal logging), corruption (forestry authorities), illegal logging, violence and intimidation	Impunity, corruption (local authorities, fishing authorities, land distribution)
<i>Main security concerns</i>	Drugs, theft	Gangs, domestic violence, rape	Drugs, gangs, theft	Gangs, domestic violence, theft	Gangs	Gangs, rape	Gangs, theft	Gangs, domestic violence, theft	Gangs, theft
<i>Trust in local authorities</i>	High	Moderate	Low	Low	Low	Moderate	High	High	High
<i>Change in proportion of income from different sources 2001–2004/05</i>	Agriculture, self-employment more important	Agriculture, self-employment more important	Wage labour more important	Self-employment more important	Self-employment more important	Wage labour more important	CPR more important	Wage labour more important	Agriculture, self-employment more important

	Strongly performing			Moderately performing			Poorly performing		
	Krasang	Ba Baong	Andoung Trach	Kanhchor	Prek Kmeng	Trapeang Prei	Kompong Tnaot	Dang Kdar	Khsach Chi Ros
<i>Female vs male-headed households (income sources) 2004/05</i>	MHH earn more than FHH, from all sources (except wage labour)	MHH earn more than FHH, from all sources (except self-employment)	FHH earn more than MHH, more from agriculture and wage labour	FHH earn more than MHH, from agriculture and self-employment	FHH earn more than MHH, from self-employment	FHH and MHH have similar incomes, but FHH earn more from wage labour	FHH and MHH have similar incomes, but FHH earn more from agriculture	FHH and MHH have similar incomes	FHH and MHH have similar incomes, but FHH earn more from agriculture
<i>Landless households 2004/05</i>	38 percent	7 percent	41 percent	22 percent	32 percent	16 percent	7 percent	3 percent	7 percent
<i>Average land-holding size 2004/05 (ha/hh)</i>	2	1.9	2.5	1.1	1.4	0.9	0.6	1.4	2.5
<i>Households with more than 1 ha agricultural land</i>	39 percent	67 percent	44 percent	26 percent	28 percent	32 percent	15 percent	48 percent	66 percent
<i>Households with outstanding loans</i>	74 percent	74 percent	63 percent	64 percent	78 percent	78 percent	76 percent	58 percent	78 percent
<i>Main sources of credit</i>	Village bank, middleman/moneylender	Middleman/moneylender, relative/friend	Middleman/moneylender, relative/friend	Middleman/moneylender, relative/friend	Middleman/moneylender, MFI	MFI, relative/friend	MFI, relative/friend	Middleman/moneylender, relative/friend	Middleman/moneylender, relative/friend
<i>Use of credit (first two main reasons)</i>	Agriculture, food shortage	Agriculture, illness	Food shortage, illness	Food shortage, business inputs	Business inputs, food shortage	Food shortage, build or renovate house	Business inputs, food shortage	Food shortage, illness	Agriculture, food shortage
<i>Proportion earning income from small business (change 2001–2004/05)</i>	Rising	Rising	Rising	Falling	Rising	Static	Rising	Rising	Rising
<i>Proportion earning income from wage labour (change 2001–2004/05)</i>	Rising	Rising	Rising	Rising	Static	Rising	Static	Rising	Falling

	Strongly performing			Moderately performing			Poorly performing		
	Krasang	Ba Baong	Andoung Trach	Kanhchor	Prek Kmeng	Trapeang Prei	Kompong Tnaot	Dang Kdar	Khsach Chi Ros
<i>Wage labour (percent of adult earners round one and two 2004/05)</i>	69 percent 72 percent	52 percent 47 percent	53 percent 63 percent	55 percent 49 percent	12 percent 23 percent	76 percent 59 percent	33 percent 39 percent	45 percent 56 percent	31 percent 37 percent
<i>Main location of wage labour (2004/05)</i>	In the village, in Thailand	In the village, elsewhere in Cambodia	In the village, Thai-Cambodian border	In the village, elsewhere in Cambodia	Elsewhere in Cambodia, in the village	Elsewhere in Cambodia, in the village	In the village, elsewhere in Cambodia	In the village, elsewhere in Cambodia	In the village, elsewhere in Cambodia
<i>Proportion of households collecting CPR (change 2001– 2004/05)</i>	Falling	Rising	Falling	Falling	Falling	Falling	Falling	Falling	Falling
<i>Proportion of households experiencing shocks 2004/05</i>	77 percent	88 percent	72 percent	78 percent	62 percent	72 percent	80 percent	69 percent	86 percent
<i>Main crises</i>	Illness, crop failure	Illness, animal died or stolen	Illness, animal died or stolen	Illness, crop damage	Illness, theft	Illness, crop damage, animal died or stolen	Illness, crop damage	Illness, animal died or stolen	Crop damage, failure
<i>Coping strategies</i>	Savings, loan	Savings, loan	Savings, loan, migration	Savings loans, cut consumption	Savings, loan, migration	Savings, sold animals, loan	Savings, loan, sold animals	Savings, loan, migration	Savings, loan, cut consumption
<i>Domestic violence</i>	Declining, infrequent	Increasing, frequent	Declining, infrequent	Declining, still serious	Declining, infrequent	Declining, infrequent	Declining, infrequent	Declining, still serious	Declining, infrequent

### ***Different Strategies Are Required for Different Mobility Groups***

Importantly, the MOPS shows that policy interventions are likely to have quite different impacts on rural households depending on their status, and therefore suggests that policy makers need to take into account the differences between rural households in order to target interventions more effectively. It cannot be assumed that the interests of all rural households, or even villages, are the same: indeed, inequalities between households and villages appear likely to increase. *This is a critical finding of the study and requires attention and a nuanced response from policy makers and poverty reduction initiatives.*

### ***Location, Assets and Risk-Spreading Investments Enable Rich Households to Remain Well-Off***

While participants in focus group discussions in four of the nine study villages (Andoung Trach, Kanhchor, Trapeang Prei and Khsach Chi Ros) did not identify any rich households in their community, panel survey data reveal that “comfortably rich” households were present in all villages, ranging from 2 percent in Trapeang Prei to 45 percent in Prek Kmeng. Like most households, the comfortably rich are better off in the strongly performing villages than in moderate or poor communities; typically, their fortunes reflect village trends in incomes and important income sources.

Comfortably rich households have the most assets, earn the most from each source, have the largest land-holdings and are the most productive. They take advantage of the opportunities available to stay well off, including by accumulating assets and maximising and diversifying their income, spreading risk by having multiple earners and sources of income. Should one income source fail or an earner fall ill, there are others to fall back on, as well as assets that can be sold to cope with shocks or to invest in new opportunities. These households are primarily reliant on agriculture and self-employment, and are typically less reliant on wage labour than other households. They use credit, including from private providers and moneylenders, largely for productive purposes such as agricultural or business inputs.

Members of comfortably rich households have the highest average years of education of all households. They invest in health and education for members, spending more on education than any other mobility group. They are more likely to use private medical providers and travel to receive good health care and can afford to keep their children in school for longer, even in a few instances sending them to Phnom Penh to study.

These households are able to use their wealth to secure connections and influence. In some villages, they exploit others through interlocked employment or credit, or control their access to markets or trade. Some of them also have connections with powerful outsiders or interests that facilitate their access to resources and decision making, including illegal exploitation of natural resources. They have a disproportionate influence on community decisions as a result of their wealth and connections, in particular in villages where they control markets for rice and other produce.

The MOPS suggests that in strongly performing communities, there are more opportunities to earn income legitimately, for example through agriculture or small business, and comfortably rich households are best placed to take advantage of these openings. In poorer, CPR-reliant villages, income generation is more likely to require involvement in corrupt and illegal activities, although these behaviours cannot be attributed to specific households.

These households appear to be less likely to move down, according to focus group findings and household panel data, which show that fewer households dropped from well off to very poor than from moderately poor to very poor between 2001 and 2004/05. The main reason for this is that they can insure against crises through asset accumulation and multiple income sources.

### ***Upwardly Mobile Households Grasp New Opportunities to Diversify and Maximise Income***

Like static or non-moving households, upwardly mobile (climbing into wealth and escaping poverty) households also benefit from location in strongly performing communities and do less well in poorer villages, but their experience is more likely to diverge from village trends. They have not yet accumulated assets on the same scale as comfortably rich households, but the value of their agricultural land in particular is increasing. They are better educated and have larger land-holdings than any other segment except the comfortably rich. The climbing into wealth segment and female-headed households in both upwardly mobile segments spend the most on health of any mobility group.

These households grasp every opportunity to diversify and maximise their incomes. They have benefited from improved dry season rice productivity (in the five villages that increased dry season rice productivity between 2001 and 2004/05). However, they are less reliant on agriculture than in the past and more reliant on self-employment (for the climbing into wealth segment) and wage labour (for the escaping poverty segment). According to focus group participants, they are more likely than other households to be early adopters and risk-takers.

Some of these households have also increased income from CPR, even though overall village incomes from CPR are declining. They have lower dependency ratios than most other households, apart from the comfortably rich. They are more likely than other households to have members migrating for work; either within Cambodia (the escaping poverty segment) or across the Thai-Cambodian border (those climbing into wealth). Like the comfortably rich, these households tend to use credit more productively than poorer households, although those escaping poverty were more likely to use loans to offset food shortages than were those climbing into wealth. In poorer CPR-reliant communities, where economic opportunities are more limited, they may benefit from illegal fishing and forest activities, which may account for their ability to generate more income from CPR.

The upward mobility of these households is likely to be volatile, although this will need to be tested in a further round of the MOPS, because they are unable to insure against shocks as effectively as comfortably rich households. Their consumption is also higher (in particular among female-headed households), which may impact on their ability to save.

### ***Households in the Static Middle Are Just Getting by, but for How Long?***

Like the other non-moving households (the comfortably rich and chronically poor), households in the static middle experience similar trends to others in the village in income and relative importance of different income sources. These households are fairly evenly distributed between the strongly, moderately and poorly performing villages. Their incomes have risen between 2001 and 2004/05, but their consumption is static, although they have increased food consumption relative to non-food consumption. In some villages, such as Andoung Trach, Prek Kmeng and Kompong Tnaot, their incomes are considerably lower than those of downwardly mobile households, while in other communities, such as Krasang, Ba Baong and Kanhchor, they are comparable. In Trapeang Prei, Dang Kdar and Khsach Chi Ros their incomes are closer to those of upwardly mobile households. This may to some extent predict their future status, but a further round of the MOPS is needed to determine this. In assets, they are closer to the climbing into wealth and falling into poverty segments, perhaps because of past prosperity. They also have better rice yields than those escaping poverty. This suggests that their fortunes depend very much on which village they are located in: in some communities they have more in common with upwardly mobile households, while in others they are closer to the poor.

These households spend more on health and education than poor and downwardly mobile groups, but like these households, they are earning more from selling labour now than in the past. There are fewer female-headed than male-headed households in this segment; however, they are earning more, in

particular from agriculture. Male-headed households in this group are still reliant on CPR, in particular fishing, with the most adult earners engaged in fishing of any group except those falling into poverty.

It seems likely that some of these households will prove to be quite volatile in the next round of the MOPS, some moving up and some down. While just getting by may be all right in the strongly performing villages, where living standards are rising, it is not sufficient to maintain prosperity in the longer run in communities that are performing moderately or poorly.

***'Insurable' Shocks, Life-Cycle Events, Debt and Destructive Behaviours Drive Households Down***

Downwardly mobile households tend to be concentrated in poorer communities, but some households also move down in villages that are performing well. These households have smaller land-holdings or no agricultural land and are less productive than other households. They are more likely to engage in wage labour or run small businesses than to rely on agriculture. They tend to use credit to cope with food shortages or shocks. They have fewer earners and more dependants. They spend too much (relative to their incomes) on crises such as ill health and celebrations such as weddings. They divide land when children marry, which they can ill afford to do. They also spend too much on health care, and not a lot on education.

Most of the factors that push households down are predictable, and many are preventable or insurable; in other words, they are policy-amenable. These include the costs of health care, a significant factor in downward mobility, as well as natural disasters. Life-cycle events, such as death and marriage, and destructive behaviours also contribute to downward movement. Corruption costs act as a shock for these and other households.

The difficulty for downwardly mobile households is that they do not have enough assets or income sources to cope with a single shock, or are hit by multiple shocks and crises. Shocks tend to have a cascading effect; for example, natural disasters or ill health lead to lower productivity, land sale and debt.

***Location, Lack of Assets, Demographic Characteristics and Single or Limited Income Sources Keep Households Poor***

While chronically poor households are found in all communities, they are concentrated in the poorly performing villages of Khsach Chi Ros, Dang Kdar and Kompong Tnaot. These households have no or very few assets, a higher dependency ratio than any other mobility group and often sick, old, disabled or female household heads. They typically rely on only one or two income sources and are unable to eke out a living from agriculture because they are landless or have little land. They continue to rely on CPR due to lack of viable alternatives. Not able to rely on agriculture or to afford to run small businesses, they are forced to sell their labour, often in in-kind arrangements that give them just enough to feed the household each day. They use credit to eat and repay loans. They are unable to spend on health care or education for their children, and so cannot gain skilled employment. Serious illness often incapacitates or kills them, and results in additional lost income because they cannot afford to pay for health care. Shocks and crises, including corruption costs, drive them further into poverty.

These households are the least likely to have clean water or sanitation, which contributes to their disease burden. They often do not have enough to eat, and are forced to sell their own and their children's labour in order to survive. Female-headed and immigrating households are over-represented in this group. It is very difficult for households in this segment to move out of poverty without significant assistance or a change in circumstances.

A summary of the characteristics of the seven mobility groups is given in the following table.

Table 5.02: Main Trends and Factors, by Mobility Group

	Comfortably rich	Climbing into wealth	Escaping poverty	Static middle	Falling into poverty	Deepening poverty	Chronically poor
<i>Share of sample</i>	24 percent	12 percent	14 percent	14 percent	15 percent	7 percent	14 percent
<i>Distribution in villages</i>	Over-represented in Prek Kmeng, Kompong Tnaot and Ba Baong	Over-represented in Krasang and Ba Baong	Over-represented in Andoung Trach and Trapeang Prei	More in Kanhchor than other villages	Over-represented in Prek Kmeng and Kompong Tnaot	Over-represented in Dang Kdar	Over represented in Dang Kdar and Khsach Chi Ros
<i>Consumption vs poverty line 2001</i>	Well above 98 percent	Below -1 percent	Well below -34 percent	Below - 1 percent	Well above 59 percent	Below - 4 percent	Well below -43 percent
<i>Consumption vs poverty line 2004/05</i>	Well above 62 percent	Well above 59 percent	Below -6 percent	Below -17 percent	Below -21 percent	Well below -44 percent	Well below - 47 percent
<i>Consumption change 2001–2004/05</i>	Falling consumption - 3 percent	Rising consumption 91 percent	Rising consumption 71 percent	Falling consumption -1 percent	Falling consumption - 41 percent	Falling consumption -31 percent	Rising consumption 9 percent
<i>Income vs mean 2001</i>	Well above 64 percent	Below -2 percent	Well below -39 percent	Below -18 percent	Above 5 percent	Below -19 percent	Well below -49 percent
<i>Income vs mean 2004/05</i>	Well above 80 percent	Above 20 percent	Below -22 percent	Well below -27 percent	Well below -28 percent	Well below -48 percent	Well below - 54 percent
<i>Income change 2001–2004/05</i>	Strong increase 60 percent	Strong increase 79 percent	Strong increase 87 percent	Moderate increase 30 percent	Static 0 percent	Moderate decrease -6 percent	Moderate increase 33 percent
<i>Asset value 2001</i>	Well above 73 percent	Above 14 percent	Well below -40 percent	Below - 16 percent	Below - 1 percent	Well below -39 percent	Well below -64 percent
<i>Asset value 2004/05</i>	Well above 98 percent	Above 12 percent	Well below -36 percent	Below -21 percent	Well below -29 percent	Well below - 65 percent	Well below -61 percent
<i>Asset value change 2001–2004/05</i>	Strong increase 50 percent	Strong increase 29 percent	Strong increase 41 percent	Moderate increase 23 percent	Moderate decline -6 percent	Moderate decline -24 percent	Strong increase 39 percent
<i>Food insecurity (not enough rice for consumption or sale in 2004/05)</i>	51 percent	54 percent	62 percent	67 percent	73 percent	78 percent	83 percent
<i>Health expenditure (Change 2001–2004/05)</i>	Decreased slightly	Increased significantly	Increased significantly	Decreased slightly	Decreased significantly	Decreased significantly	Increased slightly
<i>Years of education (15–54-year-old household members)</i>	4.3	3.3	2.8	3	3	2.5	2.5
<i>Education expenditure</i>	Decreased	Decreased	Increased slightly	Decreased	Decreased	Decreased	Decreased
<i>Voted in elections—national (2003), local (2002)</i>	97 percent 93 percent	97 percent 83 percent	96 percent/ 86 percent	93 percent 88 percent	96 percent 89 percent	94 percent 84 percent	94 percent 86 percent

	Comfortably rich	Climbing into wealth	Escaping poverty	Static middle	Falling into poverty	Deepening poverty	Chronically poor
<i>Change in proportion of income from different sources 2001–2004/05</i>	Self-employment more important	Self-employment more important	Wage labour more important	Wage labour more important	Self-employment, wage labour more important	Wage labour more important	Wage labour more important
<i>Female vs Male-headed households (income sources) 2004/05</i>	FHH earn more than MHH, earn more from agriculture and wage labour	FHH earn more than MHH, earn more from self-employment and wage labour	FHH earn more than MHH, earn more from agriculture and wage labour	FHH earn more than MHH, earn more from agriculture and wage labour	FHH earn less than MHH, earn more from self-employment than MHH	FHH earn less than MHH, earn more from self-employment than MHH	FHH earn less than MHH, earn more from wage labour than MHH
<i>Landless households 2004/05</i>	14 percent	18 percent	20 percent	16 percent	18 percent	14 percent	22 percent
<i>Average land-holding size 2004/05 (ha/hh)</i>	1.8	1.8	1.5	1.6	1.5	1.2	1.3
<i>Households with more than 1 ha agricultural land</i>	47 percent	47 percent	43 percent	41 percent	37 percent	35 percent	35 percent
<i>Households with outstanding loans</i>	68 percent	70 percent	86 percent	69 percent	63 percent	78 percent	72 percent
<i>Main sources of credit</i>	Relative/friend, middleman/moneylender	Middleman/moneylender or relative/friend	Relative/friend, middleman/moneylender	Relative/friend, middleman/moneylender	Middleman/moneylender or relative/friend	Relative/friend, middleman/moneylender	Middleman/moneylender, relative/friend
<i>Use of credit (first two main reasons)</i>	Business inputs, agriculture	Agriculture, food shortage	Food shortage, build or renovate house	Business inputs, agriculture, food shortage	Business inputs, food shortage	Food shortage, business inputs	Food shortage, illness
<i>Other crops and livestock (change 2001–2004/05)</i>	Fewer households raising livestock	More households raising livestock	More households raising livestock	Static number of households raising livestock	Static number of households raising livestock	Fewer households raising livestock	Fewer households raising livestock
<i>Wage labour (adult earners round one and two 2004/05)</i>	31 percent 31 percent	47 percent 48 percent	55 percent 58 percent	45 percent 50 percent	35 percent 46 percent	53 percent 51 percent	65 percent 64 percent
<i>Adult earners engaged in CPR (change 2001–2004/05)</i>	Falling	Falling	Falling	Falling	Falling	Static	Falling
<i>Proportion of households experiencing shocks 2004/05</i>	84 percent	82 percent	78 percent	80 percent	76 percent	75 percent	69 percent
<i>Main crises</i>	Illness or death, crop failures	Illness or death, crop failures	Illness or death, crop failures	Illness or death, crop failures	Illness or death, crop failures	Illness or death, crop failures	Crop failures, illness or death
<i>Coping strategies</i>	Savings, loan, family/friends	Savings, loan, migration	Savings, loan, migration	Savings, loan, reduced consumption	Savings, loan, reduced consumption	Savings, loan, reduced consumption, family and friends	Savings, loan, cut consumption, migration
<i>Dependency ratio 2004/05</i>	1.3	1.3	1.4	1.5	1.3	2.1	1.6

## **5.2. How Does MOPS Fit into National Poverty Analysis and Monitoring?**

This section provides some brief examples of how the MOPS findings compare with national poverty trends, in order to provide some context for the policy recommendations that follow.

### ***The MOPS Provides a Local Perspective on National Poverty Studies and Analysis***

The MOPS was specifically designed to provide a local and longitudinal perspective on national poverty trends and analysis. As noted in Chapter One, these trends are elaborated in the national socio-economic surveys (the 1993/94 SESC, 1997 CSES and 2004 CSES), as well as in national poverty profiles produced by the National Institute of Statistics (1993, 1997 and 2004), and the two Cambodia Demographic and Health Surveys conducted in 2000 and 2005 (NIPH, NIS and ORC Macro 2006; NIS, MoH and ORC Macro 2001). Further analysis of poverty trends has been undertaken by the World Bank in the 2006 Poverty Assessment and the 2007 Equity Report. Other studies include CDRI's recent *Participatory Poverty Assessment of the Tonle Sap Region* (2007), as well as papers commissioned for the World Bank reports, including the IRL perception survey on attitudes towards inequality and governance issues (IRL 2007).

The MOPS provides a unique perspective on these national studies, by “ground truthing” and validating (or challenging) national trends, providing explanations for trends from the perspective of the poor (in a similar fashion to the voices of the poor approach taken in the CDRI *Participatory Poverty Assessment*) and, importantly, by providing insights that are not captured by national studies, including by examining poverty dynamics over time using data from the panel households. The study also provides some insights into the timing of trends (such as accelerating economic growth and rising inequality between households and communities), also considered in national studies and World Bank reports.

### ***The MOPS ‘Grounds Truths’ and Validates National Poverty Trends***

During the three years covered by the household survey, the proportion of panel households living below the poverty line fell, from 47 percent to 46 percent, representing an aggregate 1 percent poverty reduction. Since incomes increased significantly, by 46 percent, between 2001 and 2004/05, this represents slow poverty reduction in contrast to high growth (around 0.3 percent poverty reduction and 13 percent growth per annum for the three-and-a-half-years covered by the two surveys).

According to the national socio-economic surveys, poverty in rural Cambodia fell by an estimated 10–15 percent between 1993/94 and 2004, or around 1–1.5 percent a year, while growth averaged 7.1 percent during this period (World Bank 2006: 18, 56). The MOPS therefore identifies a similar rate of growth, but slower poverty reduction, than the national studies. However, recall-based measures used to construct a community poverty line were broadly consistent with national data, showing a 13.6 percent reduction in poverty from 1993 to 2004/05.

The rate of poverty reduction was uneven across the study villages: poverty fell in six villages but rose in three, and rates of reduction differed significantly between villages, ranging from a 3 percent fall in Kanhchor to 29 percent in Trapeang Prei. 2004/05 poverty rates in study villages also varied considerably from provincial averages, and were higher than the provincial rate in most study villages. The MOPS is therefore consistent with national studies that show poverty rates varying significantly between rural regions and villages, while also suggesting that poverty may be greater in some provincial areas than aggregate figures indicate. The study therefore illustrates just how fine-grained the assessment of poverty needs to be to represent accurately the experience of rural communities.

A second key finding of the MOPS study is that income inequality rose, consumption inequality was stable, and land-holding inequality fell between 2001 and 2004/05 (although the Gini for land-holding

inequality was high at 0.57). The study also shows that the income gap between the richest and poorest households (expressed as the ratio of the income of the comfortably rich to the income of chronically poor households) increased, as did the asset gap, while the gap between the per capita consumption of the richest and poorest households fell.

The MOPS findings on consumption and land inequality are comparable to national survey data presented in the World Bank's 2007 *Equity Report*, which argues that rural inequality did not increase between 1997 and 2004 (based on consumption measures) and that land inequality is high (2007: 21, 56). The MOPS suggests, however, that when income and non-economic measures of inequality such as access to and control over resources and decision making are taken into account, rural inequality does appear to be rising, economic and socio-political power being increasingly concentrated in the hands of better off households. In addition, the study points to a possible explanation for static consumption inequality, suggesting that consumption may be flattened at the top and bottom of the distribution by savings and investment in assets among wealthy households, and funding of expenditure through credit and asset sales by poor households. These findings are consistent with research for the *Equity Report* by Indochina Research Limited in 2007, which found that 59 percent of respondents thought that the gap between rich and poor was greater or much greater than five years ago and that 52 percent of respondents think inequality is a big problem (IRL 2007: 31-32).

The study therefore bears out the importance of taking a broad perspective on poverty and inequality, including non-economic dimensions together with an analysis of the political economy of poverty, an approach that is increasingly favoured by poverty analysts (Harriss 2007, Deaton and Grosh 2000).

The MOPS identifies the importance of rural infrastructure, in particular roads and irrigation, in lifting communities and households out of poverty. Strongly performing villages are closer to urban centres, with year-round roads, than moderately and poorly performing villages. This is consistent with the 2007 *Equity Report*, which shows that roads are correlated with poverty: the poorest quartile of rural households has further to travel to reach an all-weather road than the richest quartile (World Bank 2007: 83). In the MOPS, water and sanitation are available only to a small handful of better off households, mostly in the strongly performing villages. Again, this is consistent with the findings of the 2007 *Equity Report*, which showed that very few rural households have clean water and that only 2.2 percent of the poorest quartile of rural households have clean water, compared to 5.1 percent of rural households in the richest quartile (2007: 79, 84).

The MOPS found that small land-holdings (below one hectare per household) are not productive and that landlessness is always not correlated with poverty; landless households may not be poor when other economic opportunities apart from agriculture are available. Similarly, the 2007 *Equity Report* shows that while small farms are more productive, there is a minimum size below which they cannot provide a household with a living. In addition, the study shows that the landless poor are not more disadvantaged than the poor who have land, and that not all rural households without land are poor; indeed, more households with land are poor than those without (2007: 59-60).

The MOPS suggests that while health and education services have improved in all study villages, there remain significant gaps in provision and in the ability of poor households to use the services. Poor children, in particular girls, continue to miss out on schooling, while poor households are unable to obtain health services. Better off households tend to rely on private health providers, while school attendance rates fall off significantly above the primary grades. Education is correlated with mobility, better off households having more education, while poorer households experience higher illiteracy rates and have fewer years of schooling. These findings are consistent with the CDHS 2005, which shows that health indicators are significantly worse for the poorest two quintiles, households in the bottom 40 percent experiencing a higher disease burden as well as malnutrition, stunting and infant mortality and having less access to preventive care (World Bank 2007: 98, 100, 103). In addition, the CDHS shows that while health spending has fallen, low public expenditure on health services continues to result in high out-of-pocket spending on public and private care, which locks out the

poorest households (World Bank 2007: 105, 107). The CDHS also shows significant inequalities in educational attainment between men and women, urban and rural people, income groups and regions. While primary school participation has increased for children of both sexes, in lower secondary school participation rates fall markedly, in particular for girls (World Bank 2007: 127-129, 145).

Finally, the MOPS shows that corruption and weak governance are a significant concern in rural areas, in particular in natural resource-dependent villages, and are acting as a brake on poverty reduction, including by undermining pro-poor government policies. The MOPS shows a consistent pattern of discrimination by authorities against the poor, while those with wealth and influence are protected and favoured, and trust and satisfaction in authorities (above the commune), such as police and fisheries and forestry officials, are low. This is consistent with findings of other CDRI studies, as noted earlier, including the *Participatory Poverty Assessment* and the accountability study by CDRI's governance team (Pak *et al.* 2007), as well as with the IRL survey, which found that government officials, police and judges are not perceived to treat all citizens fairly and that people do not trust judges, police and middlemen (IRL: 2007: 16-17).

### ***The MOPS Explains National Trends from the Perspective of the Poor***

Nationally, inequality and relatively modest poverty reduction have been explained in terms of narrowly distributed, largely urban-based growth (World Bank 2006: 30), while rural-rural inequality has been explained in terms of geographic location (proximity to or distance from markets, services and job opportunities), differences in household human capital and assets and the role of governance and local institutions (World Bank 2007: vi-vii). The MOPS offers additional insights into these trends. The study found that inequality continues to rise in rural areas, according to panel survey data (using income as well as consumption and asset measures) and that inequality has socio-political as well as economic dimensions. Wealth and power intersect; people with power and influence use it to build wealth and gain opportunities, while economic resources are used to buy power and influence. Poor households are locked out of the patronage networks and connections that would allow them to gain opportunities and lack the resources to "buy in" to the patronage system. The result is that assets, opportunities, power (including influence over local decision making) and resources are increasingly concentrated in the hands of better off, well-connected households, while the very poorest households, far from catching up, are falling further behind.

While the concentration of political and economic power, and the rapidly escalating acquisition of wealth and assets such as land and business concessions among urban elites, have been well documented nationally, the MOPS shows that this trend is replicated in *rural* villages. This is a critical finding, because it demonstrates that rural households are not the same and, indeed, often have competing rather than common interests, which will, inevitably, impact on community decision making, use of and control over resources and the outcomes of development interventions.

A second key finding is that corruption and impunity are fuelling rising economic and political inequality. National poverty studies tend to analyse economic trends separately from governance issues. The MOPS shows, however, that corruption is a mechanism for wealth acquisition and political influence that operates at all levels of government and is embedded in socio-economic structures and relationships. The *khsae* or string of patronage relationships involves a system of informal payments in which "everyone's pockets open downwards" and everyone must pay those higher in the chain in order to do business, earn a living, get an education or obtain health services. Better off households are able to afford these costs, some actively participate (for example by engaging in illegal activities and paying off the authorities), and others tolerate corruption as a fact of life: it can be seen as a tax, or even as an investment, by these households. The poor are also forced to pay corruption costs but do not benefit, or are unable to pay (for example for health services); corruption costs act as a shock, imposing a further burden on already impoverished households.

The MOPS provides a local perspective on gaps in access to education and health services which are well documented nationally. Findings from the MOPS are consistent with the CDRI *Participatory Poverty Assessment*: opportunity costs act as a barrier to education among poor households because children's labour is required in the home or for income generation, and investment in girls' education continues to be seen as less worthwhile by many parents due to traditional gender attitudes (and despite emerging opportunities for women in the garment sector). Better off households, including the comfortably rich and upwardly mobile, make investment in education a priority and increase education spending when additional income becomes available. Children from these households remain in school longer, even when additional costs such as travel are involved.

Both the MOPS and the PPA show that preventive and essential health care is often forgone by the poorest households, which either delay treatment until the condition is very serious, thus increasing the overall cost of care, or are unable to obtain health care at all. Health shocks are the most prevalent form of crisis rural households face and cause a downward spiral of asset sale, debt, reduced consumption and child labour for poor households in particular. Better off households invest in health care, using private providers even though they are often more expensive, because they are considered to deliver better quality care.

National survey data do not capture informal costs and corruption in the health and education system: the MOPS suggests that while the aggregate cost of education has fallen due to the introduction of free primary school enrolment and the costs of health care have fallen in some villages due to the greater availability of health services, households continue to pay informal costs in both sectors. These costs act as a barrier for the poorest households.

National studies indicate that participation in waged employment, in particular in agriculture, has increased significantly since 1998 (World Bank 2006: 61). The MOPS also identifies a rise in wage labour, including local wage labour (selling agricultural labour within one's own community) and labour elsewhere in Cambodia. The MOPS suggests that the main drivers of the rise in wage labour are declining agricultural productivity, landlessness and land atomisation (which leads to lower productivity and makes farming unsustainable) and declining availability of CPR. The MOPS also shows that migration, including cross-border migration into Thailand and around the Thai-Cambodian border, has become increasingly important as an income generation strategy and a way to diversify income sources and manage risk as well as to offset shocks and lost income from crop failure and other crises. Cross-border migration is the most lucrative, but is confined to only two of the study villages (those located on the border) and better off mobility groups, while households in all villages had family members migrating for work within Cambodia. Although local wage labour and migration are important income sources for rural households, they are not without risk. While wage labour is an important supplement to rural incomes, it is typically seasonal and short term, and often unskilled and poorly paid, and is therefore not an adequate alternative to agricultural production or self-employment for most households.

### ***The MOPS Provides Insights on Poverty Trends and Dynamics Not Captured in National Surveys***

As noted above, the MOPS illustrates the ways in which local corruption and impunity impact on poor households and constrain poverty reduction, including by undermining pro-poor government policies. The problem is particularly acute in the management of natural resources and was also reported as an issue in conflicts over water use and land. Natural resource management policies are designed to protect the interests of poor Cambodians and ensure equitable access to fisheries and forests, as well as to promote conservation. The MOPS suggests that in practice these policies serve as a vehicle for rent-seeking. Fishery and forest authorities shield illegal exploitation by big companies and other powerful interests, while targeting small-scale fishing and forestry in order to extract bribes and "fines" from ordinary villagers.

Conflicts, including over natural resources, are almost always resolved in favour of those who can afford to pay off the authorities or who have connections that enable them to secure a favourable outcome. In most study villages, ordinary villagers were reluctant to speak about corruption and power relations, fearing violence and retribution. In forestry villages in particular, it was sometimes difficult for ordinary villagers to distinguish between forestry authorities, the military and powerful business interests using intimidation and violence to protect their “exploitation rights”.

The MOPS also shows that trust in and satisfaction with authorities are generally low, in particular above the commune. Although ordinary villagers do not know their national representatives or understand the role of national institutions, they do perceive them to be remote, ineffective (in delivering development outcomes) and corrupt. While local authorities are more trusted and are considered to share the interests of their constituents, they are perceived to be powerless to protect the interests of local communities. Local authorities are reported to lack financial and administrative capacity, but are also seen as powerless to act when higher officials, commercial interests or other powerful individuals or groups are involved. In some villages local authorities were seen to be corrupt and acting in collusion with higher authorities to exploit villagers and natural resources.

The changing nature of “social capital” also plays a significant role in determining households’ opportunities and the support they receive. Traditional labour exchange and other forms of mutual assistance provided assistance to the poor and enabled households with limited labour to continue to farm their land. These practices have been eroded by the introduction of a market economy, with households in all villages engaging in wage labour to earn additional income, such as harvesting and transplanting for those with more land. In addition, while patronage networks traditionally provided assistance and support to poor households, increasingly these relationships serve the interests of higher-ups, with little benefit to those lower in the chain.

Shocks and crises such as ill health, the death of a family member or breadwinner and crop failure, as well as life-cycle events such as the marriage of adult children and even the costs of corruption are to a large extent unavoidable. While better off households can weather these events, using savings or selling assets to manage their impact, poorer households cannot, in particular in the absence of traditional forms of community support and mutual assistance.

The MOPS also shows that while access to markets has improved dramatically since 1998, markets for trade, credit and jobs are constrained by local monopolies, interlocked credit and trade arrangements and limited options for waged employment. Often better off households control market prices for labour and agricultural products to their advantage, because households are unable to find other jobs or buyers for their produce. Interlocked credit, in which households sell their produce at reduced prices to repay a loan, also prevent households from obtaining better prices. Corruption, including transaction costs and informal payments, also restrict entry to job and produce markets and reduce income from them.

Finally, the MOPS illustrates that security concerns have changed. Since the 1998 elections, people are no longer concerned about armed conflict (which affected some villages until the late 1990s); they enjoy freedom of movement and the ability to travel for employment, markets and services. New forms of insecurity include drug use, youth gangs, violence against women and intimidation and violence by higher authorities and powerful commercial interests. These new forms are threatening community and household well-being and prosperity.

### ***The MOPS May Overemphasise the Importance of Some Trends and Underestimate or Overlook Others***

The MOPS may overstate the significance of garment work, because, according to the CSES, this sector absorbs only 3.4 percent of the total labour force, while two-thirds of garment workers are from Phnom Penh, Kandal, Kompong Cham, Takeo and Kompong Speu (none of which were included in

the study) (Urashima and FitzGerald 2007). One possible explanation for this is that some households, in particular in focus group discussions where other community members are present, may claim that their daughters work in the garment sector, when in reality some of them are working in other occupations (perhaps without the knowledge of their families) that are more marginal and risky, including hospitality (as beer promoters, karaoke waitresses and the like) and the sex industry.<sup>12</sup>

Secondly, the MOPS may overemphasise the reduced incidence of domestic violence. The study indicates that awareness is higher than in the past and that there is less domestic violence as a result of interventions by local authorities, media education and NGO campaigns and activities. National statistics including the 2005 CDHS and the 2005 Baseline Survey on Violence against Women (MOWA 2005) indicate that the incidence of domestic violence continues to be high (an estimated one-fourth to one-fifth of adult women have experienced violence from their spouse). The CDRI PPA also found that while domestic violence had decreased in five of the 24 villages studied, it had increased in three and was unchanged the remaining 16 (FitzGerald 2007: 136). As discussed in Chapter Four, with the mixed-sex focus group discussions used in the study, findings on domestic violence should be treated with some caution. The factors leading to successful intervention in domestic violence also require further investigation.

Finally, some key issues that contribute to movement into poverty or which keep households poor were not considered in any depth in the study. For example, reproductive health issues, including maternal mortality, access to ante-natal and skilled obstetric care and use of contraception and birth spacing, were not addressed. However, the study does show a clear correlation between family size and mobility group status, downwardly mobile households having fewer earners and more dependants, indicating that reproductive practices are an important factor. Infant and maternal mortality rates are still very high in Cambodia and are correlated with economic status (infant mortality being much higher in the bottom two quintiles) (World Bank 2007: 103). Adoption of birth spacing remains limited among women in rural areas, in part due to low education of rural women (use of contraception increases with education) (NIPH, NIS and ORC Macro 2006: 83-84). In the CDRI *Participatory Poverty Assessment*, reproductive health issues were discussed (in single-sex focus groups), and the findings were consistent with national studies: poor women suffer from treatable reproductive health problems because they cannot afford to seek treatment; women from better off households are more easily able to obtain ante-natal care and more likely to give birth with trained health care professionals; use of contraception is limited among rural women due to the costs and attitudinal barriers (FitzGerald 2007: 125-128). These issues deserve greater attention in a future round of the MOPS.

### ***The MOPS Provides Insights into the Timing of Trends***

Nationally, poverty fell by 1-1.5 percent per annum between 1993/94 and 2004. The MOPS identifies a very slow rate of poverty reduction between 2001 and 2004/05, 0.3 percent per annum over a 3.5 year period, while recall-based data suggest poverty fell by 13.6 percent between 1993 and 2004/05, which is comparable to socio-economic survey data. This may indicate that there was little poverty reduction between 2001 and 2004/05, with more significant gains being made prior to 2001.

Secondly, the MOPS identifies relatively rapid economic growth between 2001 and 2004/05 (using income as a measure), at 13 percent per annum. Recall-based measures suggest that improvements in aggregate prosperity were steady over 1993–2004/05, as well as between 1998 and 2004/05. This may suggest that economic growth has accelerated since 2001.

Finally, the MOPS suggests that rural inequality accelerated after 1998 (according to focus group participants), and that inequality also increased significantly between 2001 and 2004/05 (income

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<sup>12</sup> This observation was made by Ms Olga Torres of AMK (a micro-finance institution) in the CDRI PPA peer review meeting held in Phnom Penh on 30 November 2006.

inequality rose and the income and asset gap between the richest and poorest households increased). The study also argues that while consumption inequality is static, this is more likely a reflection of increased savings and investment in assets among the rich, and use of asset sale and loans to fund consumption among the poor.

Taken together, these trends suggest that between 2001 and 2004/05 in particular, the benefits of economic growth have been unevenly distributed, fuelling inequality rather than substantially reducing poverty. As discussed earlier, weak governance, corruption and impunity have contributed to the uneven distribution of the benefits of growth.

Rising inequality is contributing to another trend. Expectations of government and elected officials are changing. Up to and following the 1998 national elections, peace and security were critical issues for rural Cambodians. Increasingly, rural villagers expect their elected officials to deliver improved living standards, and express frustration and disappointment about slow poverty reduction and increasingly unequal access to resources, opportunities and the benefits of development. While the MOPS found little evidence of collective claims for justice (apart from a few complaints over mismanagement of fisheries and conflicts over natural resource use), high frustration and disappointment appear to be contributing to disengagement with the political process, including declining participation in community decision making in many villages (because it does not deliver results), and may also help to account for the low turnout in the 2007 commune elections.

### **5.3. Policy Implications of the Study**

The study findings and comparison with national trends suggest the following implications for policy makers and poverty reduction. Many of these policy implications are consistent with current policies and priorities. However, higher public spending on infrastructure and services, supported by increased revenue, and capacity building for public institutions and officials are required to implement the recommendations.

#### ***An Understanding of Differences and Commonalities between Rural Villages Is Required for Effective Policy Making***

Study villages are at different stages of development, with different resources, geographic endowments and potential. Policy interventions will have quite different impacts depending on communities' current situation and resources, in particular the extent to which they are dependent on declining natural resources or are able to improve incomes from agriculture, self-employment or wage labour.

For communities, the MOPS suggests that investment in making rural villages as accessible as possible, including through construction of roads, is critical. A national and coordinated approach to road construction and maintenance is required, in preference to the current situation, in which roads are constructed ad hoc, often by NGOs or donors, and are not maintained, or roads are controlled by private interests, as in Ba Baong. Roads will in turn increase access to and demand for new markets, services and opportunities, including for employment and trade.

A much stronger response from responsible legal institutions, in particular local authorities and police, is required to address new forms of insecurity that result from improved roads, while preventive health initiatives targeting infectious diseases such as HIV/AIDS are also a priority because these illnesses are likely to increase with greater population movement.

The findings from MOPS strongly support greater investment in agriculture, including improving agricultural productivity and establishing and expanding labour-intensive agri-business, as emphasised in recent national policies, including the NSDP. Increased investment in irrigation and research and extension services is critical: many of the villages in the study would benefit

significantly from interventions such as these, which boost productivity, mitigate natural disasters and other shocks and increase prosperity and well-being. Raising livestock and growing and marketing of crops other than rice are important secondary strategies (in particular in poorer villages) that currently have significant unrealised potential; extension and veterinary services, market information and insurance (including weather insurance) against risks are required to enable villages and households to maximise returns from non-rice crops and livestock.

Improved agricultural productivity is not a viable solution for forestry-dependent villages such as Dang Kdar and Kanhchor unless large-scale land conversion takes place and land is equitably distributed, which would be a poor outcome for regeneration of forests. Investment in rice production is also unlikely to be of significant help to households in villages with characteristics similar to Kompong Tnaot or Trapeang Prei, although other agricultural activities such as raising livestock have potential if appropriately supported.

Land concentration is likely to continue in all study villages, in particular those such as Trapeang Prei, Dang Kdar and Kanhchor, in which land speculation and conversion (of forest to agricultural land, usually by influential wealthy villagers or outsiders) are locking poorer households out of land ownership. Because many smaller land-holders are deciding that farming is no longer worthwhile, other income opportunities will become more important. Facilitating larger landowners to establish and grow agri-businesses that can employ local villagers is a viable alternative to reliance on declining CPR and increased agricultural productivity for these households.

Local employment (in which poorer households work for better off families) is typically exploitative; employees often have no say in or capacity to negotiate wages or other employment conditions. Formalising the rural labour force and extending basic legal protection, including protection from the worst forms of exploitation and abuse, is an important component of any long-term strategy to increase the contribution of local wage labour to reducing rural poverty. Similarly, employment for migrant workers requires much greater regulation and protection than is currently available, in particular for cross-border and overseas migrants.

Small business is increasingly important as a source of income in rural villages and is of particular significance for women in both male- and female-headed households. The need for greater attention to, and support for, small family-run businesses, including affordable sources of credit and savings schemes, and improved access to markets and market information is well recognised; however, these interventions should be based on an understanding of the role of women in small business and targeted accordingly.

Natural resource management is one of the most critical issues to emerge from the study. Positive impacts of government policy were felt earlier in the study decade in the case of forestry and more recently in the case of fishing villages. However, the period of improved access to CPR and increased income from them has now passed in most study villages, and erosion of the natural resource base is accelerating in all communities. Although effective implementation of government natural resource policies and strict application of penalties for illegal fishing and forestry are critical, the impact of these policies should not be overestimated, especially in the short term, because it will take time for resources to regenerate, and population growth will continue to put pressure on CPR.

Policy responses to demographic change have been insufficient because population policy is more often considered in the context of health care rather than as a component of poverty reduction. Potential responses could include development of a national youth policy; a national employment creation, skills and migration policy (and related programme initiatives); greater investment in girls' education, including changing parental attitudes and extending financial incentives such as scholarships and subsidies for food, uniforms and materials; strengthening of birth spacing initiatives for women; providing social protection and safety nets for older people, disabled people and widows; and strategies to support families to stay together (for example by promoting non-violent

communication and negotiation skills), to prevent domestic violence and protect victims and to support women and children when divorce does occur. Considerable national and sub-national investment is required, including greater devolution of funding to local government, together with support for commune councils to raise their own revenue, in order to ensure these issues are addressed.

Affordable quality health care is one of the key measures required to prevent movement into poverty. Improving public health and education services is a key priority of the government. The MOPS suggests that, unless there are sufficient incentives to encourage public health officials and teachers to do their jobs, demand for informal payments will continue, in particular in the health sector. Because better off households will continue to choose private providers, private health care, and perhaps also education services, will continue to proliferate and may threaten the ability to sustain reforms and greater financing in the public sector. The client base of the public health system is likely to include the poorest households, and training for public health officials should take this into account. Registration and regulation of private providers, as well as expanded funding and support to public health and education services, are critical. Expansion of health equity funds and the piloting of community-based insurance are other key measures.

Most Cambodians still lack clean water and sanitation, with serious consequences for communities and households, increasing the disease burden and contributing to the costs of health care. More equitable decision making about use of water resources in local communities is required in order to balance competing priorities for domestic purposes, agricultural production and fishing. In addition, construction of wells and pumps and toilet facilities should be a priority for the government and development partners.

Expenditure on health care is typically an investment in the current well-being and future earning capacity of household members, while spending on education is an investment in the future. Although this investment is increasingly seen as important to secure skilled employment, poor children, in particular girls, continue to miss out due to traditional gender attitudes and the opportunity costs of keeping children in school. Educational subsidies and incentives—scholarships, subsidies for books and other materials and free meals—should be expanded and targeted at the very poorest households, and in particular at girls.

Without substantial investment in both school and adult (vocational) education and training, Cambodia is very likely to continue to be a source of unskilled labour in the region, with most workers unable to fill skilled jobs. Reform of education is essential, including curriculum development and a much greater focus on targeted short-term and post-secondary skill development and vocational training (as an alternative to the current emphasis on university education).

The national government is committed to strengthening local government through deconcentration and decentralisation. Improving the financial and administrative capacity of local institutions is important because there is more that local authorities can do, for example to manage local conflicts, involve community members in decision making, reduce domestic violence and improve local security. But this will be effective only up to a point, because local authorities are powerless to act once powerful external influences are involved. Significant governance failures, in particular in relation to natural resource management, cannot be addressed locally but require a national response. Political will is required to implement government policies and impose consequences on those who break the law.

### ***Recognising Differences between Rural Households Is Essential to Inform Effective Policy Interventions***

The study suggests that policy interventions need to be much more carefully targeted to take account of differences between rural households.

Public investment in improving agriculture and supporting small business is most likely to benefit **comfortably rich** households. In light of the rising inequality identified in the study, it will be important to ensure that the benefits of greater investment are as equitably distributed as possible.

Better off households are increasingly likely to turn to private providers for health and education services. They are unlikely to use public health services unless they are of good quality, and may contribute to increased private education services. Expanding private sector service provision poses significant public policy challenges, suggesting the need for greater attention to certification, registration and regulation of private service providers. Because many private providers actually hold public sector jobs in addition to their private businesses, there are also implications for labour supply in the public sector: stronger incentives are required for public health providers.

Village leadership is likely to be drawn from or influenced by these households, with implications for community decision making. Processes need to be strengthened or established to ensure that the needs and interests of poorer households are also represented in community decision making.

Given the lack of alternative investment opportunities, these households tend to buy land from other villagers. Other opportunities for investment, as well as development of a savings culture, could help to diversify their investments and counteract land concentration.

With support, these households have the potential to expand small businesses that could employ others, including agri-businesses. This would need to be accompanied by formalisation of labour relations and labour protection for workers. In the context of poor governance and weak institutional capacity, however, some of these households are in a position to exploit others economically and politically. Stronger rule of law is critical to contain rising inequality based on abuse, exploitation and impunity.

Improving dry season rice productivity, including by providing irrigation and extension services, will be of particular benefit to **upwardly mobile** households. Because they are more likely to be early adopters, they will also benefit from access to extension services for other crops and livestock, as well as new business opportunities. Because wage labour is of particular importance to upwardly mobile households, they would benefit from an expansion of skilled employment opportunities. Legal protections for both internal and cross-border migrants are required to protect them from abuse and exploitation and to ensure that they can bring all their earnings home.

Upwardly mobile households are using investment in education to obtain employment and move upwards. Opportunities for skill development, including formal and informal vocational training and literacy education, are likely to be positively received by these households and should specifically target women.

While they may be less entrenched in corrupt practices than the comfortably rich, these households may become involved, in particular in poorer communities, if they stay well off. Stronger rule of law is therefore important to protect their interests, but also to protect others from potential exploitation. Like poorer households, discussed below, they could also benefit from social protection and safety nets to cushion them from shocks and crises.

The fortunes of **static middle** households are very likely to rise or fall in line with village trends, so community-wide strategies are likely to be of benefit to them. With an average of 1.5 hectares of agricultural land per household, they are on the borderline of having enough land to be productive. While some will probably sell land, others may be able to take advantage of improved agricultural productivity, especially in the case of dry season rice.

Like other mobility groups, they will clearly benefit from increased access to waged employment, including both skilled and unskilled jobs. Effective natural resource management, in particular of fisheries, could potentially assist male-headed households in this segment.

These households could also benefit from social protection and safety nets, because their lower incomes and high food consumption put them at risk of moving down due to shocks and crises.

In addition to the measures outlined above, improvements to health service availability and quality and free or more affordable health services would be a significant boon to **downwardly mobile** households and could help to prevent them (and others) from moving further into poverty. Irrigation and other measures that might alleviate the impact of natural disasters (such as income insurance) would also assist them. Agriculture-based poverty reduction initiatives alone will not result in substantial direct benefit to this segment, because they rely substantially on wage labour. Skill development, skilled and unskilled employment opportunities and micro-business development schemes would be of significant help to these households.

While important for all households, affordable and flexible credit (both as a form of safety net and for more productive purposes) would also help this group. Other forms of social protection such as health equity funds, health insurance and saving schemes (to cope with predictable life-cycle events such as marriage and death) are critical for these and other households.

Supported education (including scholarships, free meal programmes and subsidised materials and books) is required to keep their children in school.

Media education, NGO and local authority interventions to tackle destructive behaviours such as alcoholism and domestic violence are also important for this group. However, these should be directed to all households because these practices exist in all income groups.

Strong rule of law is essential to protect their interests and property and reduce corruption costs, which contribute to downward movement.

Quite different strategies are required to support the **chronically poor** because moving them out of poverty is not an easy task. Current interventions have not been particularly effective in reaching these households. When they do move out of poverty, it is because their children grow up and start working, or they receive windfalls such as remittances from overseas relatives (although this is rare).

Food for work programmes and other initiatives targeting food security are critical for these (and downwardly mobile) households in particular. While food insecurity exists in all mobility groups, some villages reported that the poorest households had not been able to use these programmes in the past. Transparency and accountability in the management of these schemes (and careful setting of the wage rate) are important to ensure that the poor can benefit as intended.

Free, quality health care delivered in the village by qualified practitioners, including pre-natal and obstetric care, would make a significant difference, in particular if prevention measures such as vaccination and health education are scaled up. While important for all households, birth spacing programmes are particularly critical to relieve the poorest women of the burden of multiple pregnancies and reduce maternal and infant mortality. Clean water and sanitation are also critical for these households, which cannot afford to buy water or even purchase fuel to boil water in some villages, and would help to reduce their disease burden. This also points to a need for alternatives to wood fuel (for example, rural electrification) to counter accelerated degradation of forests.

Strategies to keep their children in school are essential to ensure a better future for chronically poor households. Subsidised education programmes should specifically target these households and focus on girls.

CPR are not going to continue to provide a safety net or incomes for these households, and other forms of social protection are required. As land concentration increases, these households are likely to be squeezed out of farming, becoming employees for other households. Increased access to locally

available employment, including unskilled work, would benefit this group and break the monopoly imposed by in-kind payment for labour. Labour protection is essential.

Health and other forms of insurance should be universally available to these households as an alternative to using credit for food and health care crises. Recognition and protection of their interests and needs, including through stronger and more accountable local government, are essential.

#### **5.4. Tracking Change: Institutionalising Longitudinal Research on Poverty Reduction**

Ongoing longitudinal studies have considerable potential to inform policy makers and poverty reduction initiatives.<sup>13</sup> This section examines how the MOPS could be further institutionalised and followed up with subsequent rounds of data collection and analysis. It outlines the context for future research, including the national policy framework and the framework for poverty analysis and monitoring, and the unique contribution that MOPS and post-MOPS research in the nine study villages are able to make, as a complement to national poverty analysis. The section concludes with some suggestions about how best to situate longitudinal mixed-methods research in national policy monitoring.

##### ***The Policy Context for Longitudinal Mixed-Methods Research***

The national policy framework for poverty reduction is embedded in the National Strategic Development Plan (NSDP) 2006–2010, which incorporates poverty reduction and socio-economic development plans (which were formerly separate). The NSDP also incorporates the Cambodian Millennium Development Goals (CMDGs), which set out human development targets and indicators. The NSDP serves as a “wrapper” for sectoral strategies (for example in health and education) and interrelated reforms such as the Public Financial Management Reform Programme.

Supporting this policy framework is a schedule of official data collection, analysis, monitoring and evaluation. Key elements of this schedule include the Cambodia Socio-Economic Surveys, to be conducted annually from 2007 onwards, with the next large-sample CSES to be held in 2009; the national population census (to be held in 2008); and the Cambodia Demographic and Health Survey, held at five-yearly intervals, with the next scheduled to be conducted in 2010. Each of these surveys and reports is integrated into the Statistical Master Plan. These data collections in turn support a series of statistical reports produced by the government and its development partners (often in collaboration), and monitoring and evaluation, most notably the NSDP Monitoring Framework, which tracks progress towards the CMDGs, with the NSDP Annual Progress Report being the key mechanism. Of particular relevance for institutionalising post-MOPS studies, the government and its partners will prepare a new poverty assessment in 2009/10, which will provide the analytical basis for the production of the new NSDP (2011–15). As in the past, nationally representative findings from the large-sample CSES will provide the core of the poverty assessment, because this provides the basis for new poverty estimates and the poverty profile and, when compared to the CSES 2004, a sense of trends over the last five years. However, it is increasingly recognised that the picture derived from this national analysis can be considerably strengthened by bringing in additional sources of information. Longitudinal and mixed-methods analysis is, potentially, one such valuable complement.<sup>14</sup>

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<sup>13</sup> The case for institutionalising longitudinal poverty analysis using the data sets (quantitative and qualitative) developed during the Moving out of Poverty Study was discussed at a roundtable on MOPS held in April 2007.

<sup>14</sup> Others might include developing a new poverty map, using small area estimation techniques to estimate commune poverty rates by combining data from the (2008) decennial census and the 2009 CSES.

### ***What Can Studies like MOPS Contribute to This National Framework?***

As noted in Chapter One, there are two distinctive features of the MOPS project. The first is the use of longitudinal analysis, following the changing fortunes of specific households and the nine study villages over time, by revisiting the study locales at intervals of 3–3.5 years. This dynamic approach complements national “snapshots” of poverty, which provide a series of static aggregate pictures obtained through the use of random sample surveys. The second feature is the use of mixed methods and a contextual approach, in which the interactions of different processes and factors in specific locations are investigated through a combination of quantitative and qualitative methods.

### ***What Can Longitudinal Research Contribute?***

Returning to survey the same households every few years (in panel surveys) allows for an understanding of the numerical balance between the transitory poor and chronically poor among the total of poor households. Panel surveys also allow a deeper investigation of the relationship between poverty, vulnerability and opportunity, including the effects of seasonal cycles, life-cycle events, local events and national influences, and how people respond to and try to cope with these changes. Longitudinal studies also allow a better understanding of trends and therefore better forecasting, for example by analysing whether net poverty reduction between panel surveys is due to broad economic growth, changing demographic structure or the short-term boost to incomes achieved by running down local natural resources as these become commercially valuable.

Reducing the poverty headcount (the proportion of households below the consumption poverty line) is likely to involve a combination of strategies designed to prevent those who are currently not poor from moving into poverty, and initiatives which aim to assist those who are currently poor (chronically or transiently) to move out of poverty. Panel studies often show that the factors associated with being poor at a given time differ from those associated with movement into and out of poverty, or staying poor over time (see, for example, Baulch and McCulloch 1998 on Pakistan). In addition, as the MOPS demonstrates, factors that keep poor households poor are different from factors that cause non-poor households to move into poverty. An understanding of these different factors is critical to develop policies, programmes and mechanisms that address vulnerability and transitory and chronic poverty.

### ***What Can Contextual Mixed-Methods Research Contribute?***

A long-running debate in poverty research has focused on the relative merits of quantitative and qualitative research methods and data. These debates are often associated with rivalry between economists on the one hand and anthropologists and sociologists on the other, as well as the different perspectives presented by local, intensive and contextual, and large-area, extensive, decontextualised and generalisable, studies (Bardhan 1989; Kanbur 2003). Over the past decade, however, there have been increasing efforts to maximise the insights and value of poverty research by combining the two approaches (often described as qualitative-quantitative, mixed methods, or “Q-squared” approaches).

The potential benefits of contextual mixed-methods research include using quantitative and qualitative methods in an iterative approach to research design (for example, using initial qualitative research to suggest key questions or pre-coded categories to be used in survey instruments, or using national surveys to inform the choice of representative locations for in-depth qualitative research). Secondly, a mixed-methods approach can be used to triangulate and cross-check research findings, and to “ground truth” national surveys with local data, for example by verifying whether conclusions derived from statistical analysis conform with or differ from people’s perceptions, or conversely, whether findings from local studies are representative of broader trends as observed in national surveys or wildly atypical. Finally, qualitative research can provide explanations for statistical relations observed in survey data, moving beyond establishing correlations to determining the direction of causality. Qualitative research can suggest explanations and causal relations that surveys find difficult to

identify (such as the role of interlocked credit markets or patron-client relationships) and can explain people's choices and behaviours (such as the reasons parents continue to invest in boys' education despite apparent incentives for educating girls, or who makes household decisions about expenditure and strategies for income generation). In addition, contextual (locality-based) research is able to identify the interaction between disparate factors as they affect specific households in particular circumstances (for example, the changing balance between income sources from different sectors in a single household) (Bamberger 2000; Booth *et al.* 1998; Kanbur and Schaffer 2007).

The following table shows how contextual mixed-methods studies such as the MOPS relate to other kinds of research.

**Table 5.03: Comparison of MOPS with Other Research Studies**

	Quantitative	Qualitative	Mixed methods
<b>Static</b>	"Snapshot" (one point in time, "comparative statics") national sample surveys (e.g. CSES, CDHS)	One-off ethnographic, village or thematic studies (e.g. CDRI's PPA)	Sample surveys and village or thematic studies (CDRI's original study in three villages in 1997)
<b>Longitudinal</b>	Panel surveys (revisiting the same households or individuals at different times)	Village restudies (e.g., May Ebiara and Judy Ledgerwood's studies of Svay Village in Kandal province)	<b>MOPS: using a combination of panel survey and village re-study in 9 villages</b>

### *The Case for Institutionalising Longitudinal Mixed-Methods Studies*

As noted in Chapter One, the MOPS is a first of its kind in Cambodia: a mixed-methods longitudinal study of poverty trends and dynamics. The study has been complex to implement and analyse and has involved a steep learning curve for CDRI and its partners. The study clearly adds significant value as a check on and a complement to cross-sectional "snapshot" national studies such as the socio-economic surveys. CDRI has now collected two rounds of panel data (with aggregate village data also potentially available for the three villages included in the original study in 1997). The value of panel survey data really becomes evident with three or more rounds, as it is then possible to identify the extent to which poverty is transitory or chronic—in other words, how many households move into and out of poverty and how many remain trapped and why. Given the considerable investment that has been made to date and the potential value of further rounds of the study, there is a strong case for consolidating and institutionalising further studies.

There are very few panel studies on poverty dynamics; a review in 2000 identified only 13 internationally. These studies have their limitations, because they tend to focus on the household and not the context in which households are situated and also lack supporting qualitative data:

*"... most studies focus on the characteristics of the individual [household] to explain mobility. This omits the role of socio-economic opportunity, and in particular the possible role of inequality ... [and] the roles played by institutions and policies" (Yaqub 2000)*

The MOPS sets out to address these issues by using qualitative methods to explore explanations and causes for factors and relationships identified in the panel survey and presenting contextual analysis, including village-specific geography and history. While MOPS research in other countries will add to the list of panel studies, most of the countries chosen for inclusion in the global study do not have panel data and rely on recall-based data to analyse trends in community and household well-being. The MOPS is therefore unusual and important, for Cambodia and potentially for other countries as well.

Should another round of the MOPS be conducted, an opportunity exists to learn from the current study, including by reflecting on what elements of the study were successful and what was less useful, in order to identify what can be retained or improved in a further round. Additional technical detail on

the methodology (data collection, analytical techniques and practical dimensions of implementing the study) should be documented in order to inform planning: this would be an appropriate topic for a technical working paper. Data (both qualitative and quantitative) should be carefully cleaned, documented and archived for future use, including by other researchers.

A third round of data collection and analysis in 2008 would have considerable relevance for national debate on poverty reduction strategy and programming. That year will mark the mid-point of the current NSDP and will include development of the second NSDP Annual Progress Report. This report is likely to include new national poverty estimates from the 2007 CSES, updating our knowledge of poverty trends to cover 2004–2007. Mining existing data collected from the MOPS and other CDRI studies could provide valuable inputs to the analysis and reporting. CDRI will also need to engage in further discussions with the National Institute of Statistics and the NSDP secretariat about the potential to integrate CDRI longitudinal research into NSDP poverty analysis and monitoring to inform the NSDP 2011–2015.

Publication of the MOPS will bring to a conclusion three major CDRI poverty studies—the MOPS, PPA of the Tonle Sap and the RETA (a study on poverty and cross-border migration and trade). These studies, together with CDRI's research on governance and natural resource management, suggest the need for a more integrated approach to poverty policy research, which includes greater attention to the intersections between political and economic power and the way in which national and sub-national institutions facilitate or constrain poverty reduction. CDRI intends to develop a three-year poverty programme to investigate these and other critical issues (such as the relationship between poverty reduction and cross-border trade and migration, poverty reduction and policy reach for the poor and very poor and poverty trends and dynamics in specific regions) and to ensure that poverty research is more closely linked to policy analysis and development. A further round of the MOPS will be a key initiative in such a programme.

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Annex to Chapter Two

**Table: 2.08: Percentage of Households With Different Assets**

		Motor Bike			Bicycle			TV			Cassette Player			Radio			Generator			Battery		
		1993	1998	2004	1993	1998	2004	1993	1998	2004	1993	1998	2004	1993	1998	2004	1993	1998	2004	1993	1998	2004
Strongly-performing	Krasang	9	14	26	54	70	86	11	21	46	14	25	40	16	20	28	1	2	2	19	46	82
	Ba Baong	10	11	20	37	54	64	16	34	69	10	16	29	14	19	28	1	2	2	18	32	86
	Andoung Trach	6	7	12	31	39	84	5	14	44	15	18	41	12	14	18	0	0	0	20	36	91
Moderately-performing	Kanhchor	7	11	22	25	37	69	7	13	58	14	20	16	29	38	40	3	3	3	12	20	80
	Prek Kmeng	10	13	16	26	29	29	19	38	72	19	26	28	12	14	31	2	2	3	58	71	88
	Trapeang Prei	15	21	32	27	34	56	10	16	38	8	15	22	4	5	12	0	0	0	10	21	62
Poorly performing	Kompong Tnaot	9	23	24	38	57	65		7	10	7	20	22	21	45	50	0	1	5	23	46	62
	Dang Kdar	6	11	17	34	51	78	3	10	23	6	14	22	22	34	30	0	2	2	11	27	66
	Ksach Chi Ros	3	3	4	21	23	36	3	7	27	8	11	15	16	19	16	0	0	1	27	43	78
<b>All villages</b>	<b>Total</b>	<b>8</b>	<b>12</b>	<b>19</b>	<b>33</b>	<b>44</b>	<b>63</b>	<b>8</b>	<b>18</b>	<b>43</b>	<b>11</b>	<b>18</b>	<b>26</b>	<b>17</b>	<b>24</b>	<b>29</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>22</b>	<b>39</b>	<b>77</b>

Source: 1010 households in 2004/05 Round One

**Table 2.09: Expenditure on Health and Education, by Sex of Household Head and Mobility Group (riels per capita per day), 2004/05**

	<i>Health care and treatment</i>				<i>Education</i>			
	<b>MHH</b>		<b>FHH</b>		<b>MHH</b>		<b>FHH</b>	
Comfortably rich	191		258		127		78	
Climbing into wealth	178		323		58		69	
Escaping poverty	96		160		42		41	
Static middle	81		85		47		39	
Falling into poverty	67		60		33		44	
Deepening poverty	37		41		25		17	
Chronically poor	48		39		20		20	
<b>Total</b>	<b>111</b>		<b>155</b>		<b>60</b>		<b>48</b>	

Source 890 panel households deflated by 18.59% inflation in 2004/05

**Table 2.10: Consumption, by Village and Mobility Group, 2001–2004/05**

		<b>Comfortably rich</b>		<b>Climbing into wealth</b>		<b>Escaping poverty</b>		<b>Static middle</b>		<b>Falling into poverty</b>		<b>Deepening poverty</b>		<b>Chronically poor</b>	
		2001	2004/05	2001	2004/05	2001	2004/05	2001	2004/05	2001	2004/05	2001	2004/05	2001	2004/05
<i>Strongly performing</i>	Krasang	3398	2955	1425	2236	1022	1574	1435	1425	2006	1345	1231	1107	833	943
	Ba Baong	2504	2808	1480	2648	952	1587	1439	1407	2004	1258	1424	970	860	951
	Andoung Trach	2810	3125	1462	2522	943	1605	1432	1345	2281	1338	1602	1071	799	973
<i>Moderately performing</i>	Kanhchor	2650	2939	1483	4761	992	1458	1436	1477	2380	1513	1402	981	939	912
	Prek Kmeng	3083	2799	1597	3392	1082	1504	1469	1478	2593	1396	1549	928	1016	1008
	Trapeang Prei	1852	1813	1493	2466	898	2000	1350	1516	1872	1254	1383	1115	779	925
<i>Poorly performing</i>	Kompong Tnaot	3183	2820	1652	3007	1200	1700	1567	1563	2314	1575	1456	1066	1166	859
	Dang Kdar	2499	3107	1377	2669	1024	1710	1491	1417	2306	1256	1484	974	920	950
	Ksach Chi Ros	2599	2283	1340	2001	970	1337	1450	1339	2494	1165	1235	886	760	819
<i>All villages</i>	<b>Total</b>	<b>2931</b>	<b>2836</b>	<b>1459</b>	<b>2779</b>	<b>968</b>	<b>1653</b>	<b>1460</b>	<b>1447</b>	<b>2353</b>	<b>1385</b>	<b>1424</b>	<b>983</b>	<b>849</b>	<b>922</b>

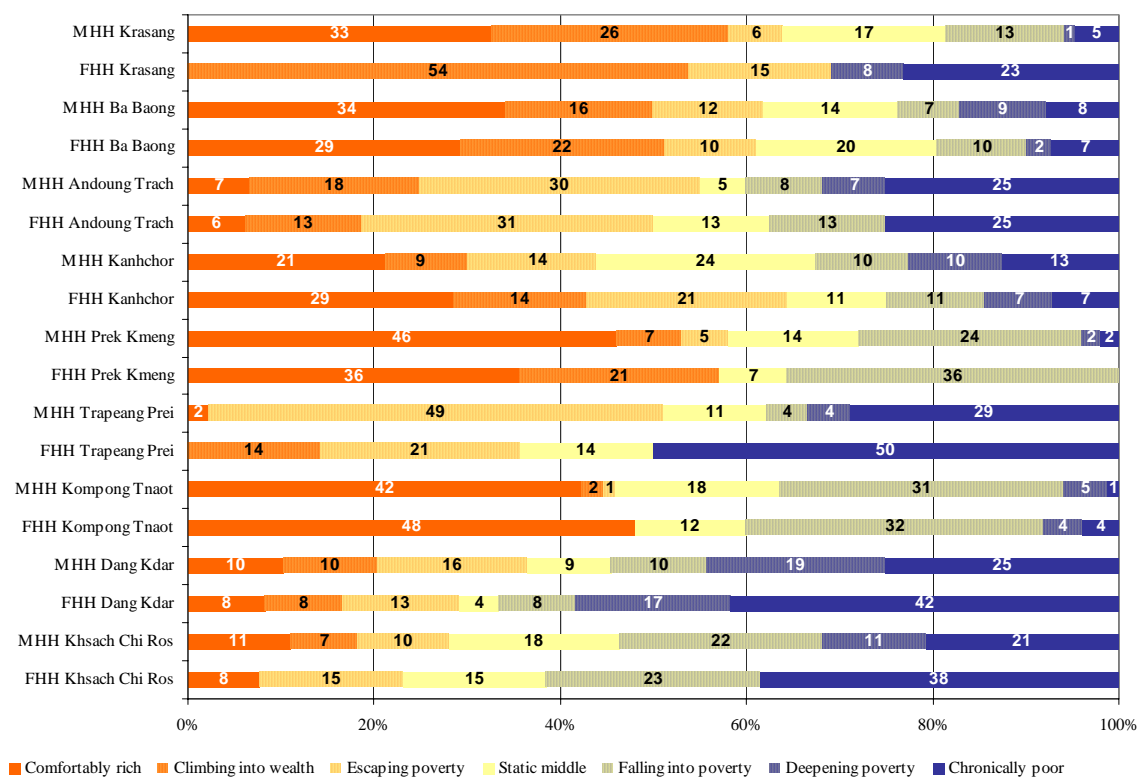
Source: mean per capita consumption for 890 panel households deflated by 18.59% inflation in 2004/05

**Table 2.11: Income, by Village and Mobility Group, 2001–2004/05**

		<b>Comfortably rich</b>		<b>Climbing into wealth</b>		<b>Escaping poverty</b>		<b>Static middle</b>		<b>Falling into poverty</b>		<b>Deepening poverty</b>		<b>Chronically poor</b>	
		2001	2004/05	2001	2004/05	2001	2004/05	2001	2004/05	2001	2004/05	2001	2004/05	2001	2004/05
<i>Strongly performing</i>	Village														
	Krasang	1771	3948	1137	2676	808	1645	1152	1265	1253	1406	894	871	738	811
	Ba Baong	2277	4201	1524	1962	998	1806	1181	1496	1189	1480	1922	888	746	850
<i>Moderately performing</i>	Andoung Trach	2033	2644	1024	1666	957	1256	1335	948	1435	2185	947	1994	853	1095
	Kanhchor	1564	3282	805	1477	423	845	694	1184	1191	1209	652	706	467	536
	Prek Kmeng	2203	2920	1411	1918	764	1367	1060	930	1446	1135	1052	522	1022	1380
<i>Poorly performing</i>	Trapeang Prei	1827	1825	1684	2370	671	1711	1065	1785	1959	1256	685	943	646	1051
	Kompong Tnaot	1870	2167	825	2181	673	905	790	927	1096	1288	781	581	477	684
	Dang Kdar	1116	2422	758	1820	500	1128	608	1386	977	835	841	961	429	703
	Ksach Chi Ros	1115	1491	706	1368	595	819	918	1181	1115	911	710	641	461	445
<i>All villages</i>	<b>Total</b>	<b>1902</b>	<b>3049</b>	<b>1132</b>	<b>2031</b>	<b>708</b>	<b>1323</b>	<b>948</b>	<b>1231</b>	<b>1222</b>	<b>1222</b>	<b>935</b>	<b>883</b>	<b>588</b>	<b>784</b>

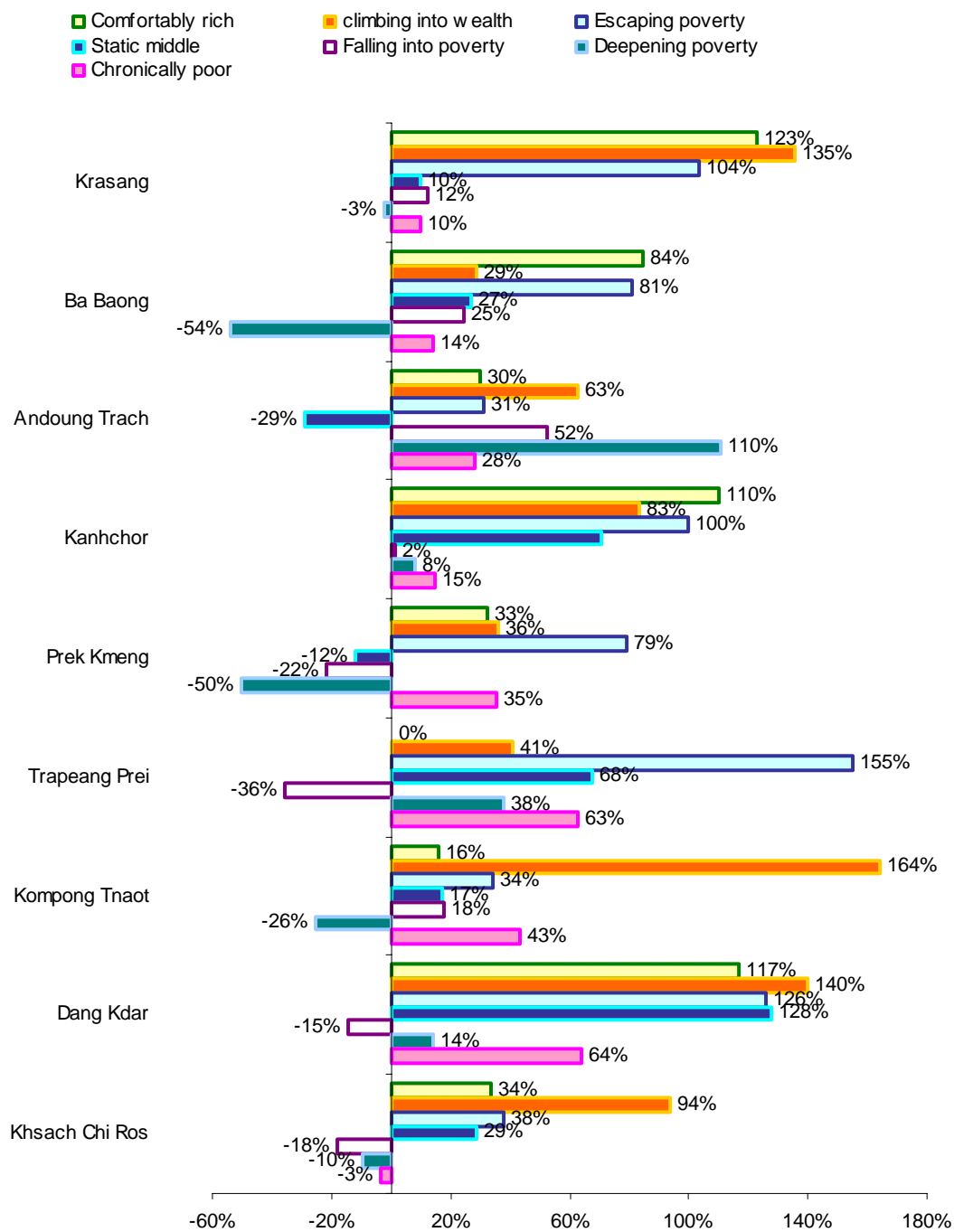
Source: mean per capita income for 890 panel households deflated by 18.59% inflation in 2004/05

**Figure 2.18: Mobility Groups by Sex of Household Head, and Study Village 2004/05**



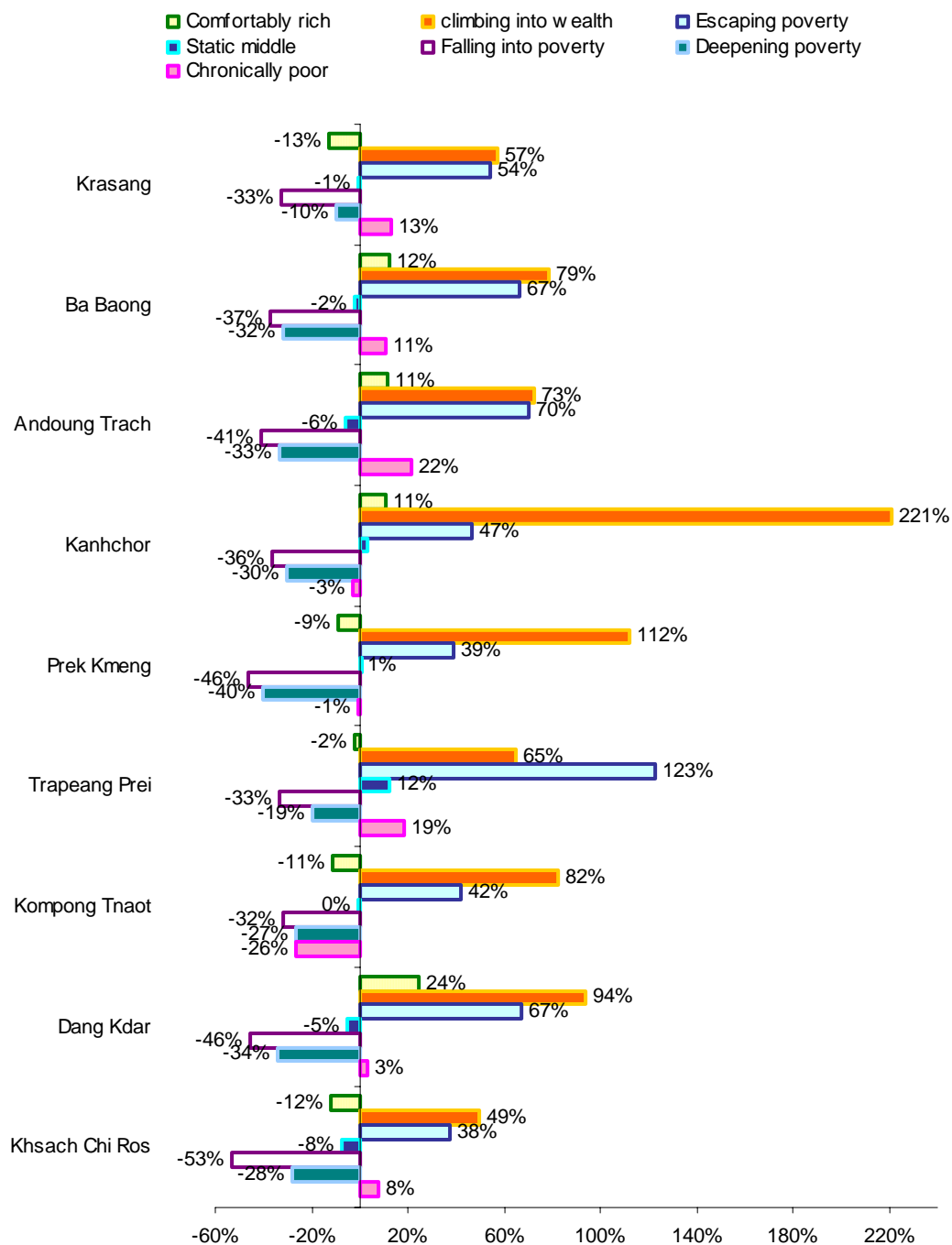
Source: 890 panel households in 2004/5

**Figure 2.19 Change in Real Per Capita Income, 2001-2004/05, Mobility Groups in Study Villages**



Source: 890 panel households in 2004/05

**Figure 2.20 Change in Real Per Capita Consumption, 2001-2004/05, Mobility Groups in Study Villages**



Source: 890 panel households in 2004/05

## Annex to Chapter Three

**Table 3.07: Educational Attainment, by Mobility Group and Gender, People 15-54 Years Old in 2001 & 2004**

Village	Active Population		Average Year of Schooling					
			Male		Female		Total	
	2001	2004	2001	2004	2001	2004	2001	2004
Strongly performing								
Krasang	376	441	3.6	3.8	2.7	2.9	3.1	3.3
Ba Baong	356	330	5.4	5.5	3.2	3.0	4.3	4.1
Andoung Trach	251	262	3.3	3.8	2.3	2.9	2.8	3.3
Moderately performing								
Kanhchor	317	357	4.0	4.7	3.5	3.7	3.7	4.1
Prek Kmeng	321	349	4.7	4.3	2.4	2.3	3.5	3.3
Trapeang Prei	195	217	4.0	4.3	1.8	2.3	2.8	3.2
Poorly performing								
Kompong Tnaot	339	381	3.6	4.8	2.2	2.8	2.8	3.7
Dang Kdar	348	331	2.1	2.2	1.5	1.8	1.8	2.0
Khsach Chi Ros	358	379	2.8	3.4	2.4	2.4	2.6	2.9
All villages	1,771	1,897	3.7	4.1	2.5	2.7	3.1	3.3

Source: 1005 households in 2001 and 1010 households in 2004/05

**Table 3.08: Schooling Parents Would Like Their Children to Achieve, by Mobility Group, 2004/05 (%)**

	Completed primary	Less than completed secondary	Completed secondary	Post -primary vocational	University or other post-secondary education	N/A
<b>Male children</b>						
Comfortably rich	1.4	11.5	21.7	5.1	38.7	21.7
Climbing into wealth	3.8	21.0	28.6	9.5	18.1	19.0
Escaping poverty	1.7	22.0	35.6	8.5	18.6	13.6
Static middle	3.9	22.0	37.0	10.2	18.9	7.9
Falling into poverty	1.5	15.6	35.6	4.4	31.1	11.1
Deepening poverty	6.3	20.6	39.7	7.9	11.1	14.3
Chronically poor	4.0	20.8	39.2	7.2	20.0	6.4
Total	2.8	18.1	32.4	7.2	25.1	14.0
<b>Female children</b>						
Comfortably rich	2.8	17.1	20.7	8.3	27.6	23.0
Climbing into wealth	7.6	29.5	27.6	5.7	12.4	13.3
Escaping poverty	8.5	26.3	25.4	3.4	17.8	17.8
Static middle	8.7	26.8	29.1	6.3	14.2	13.4
Falling into poverty	6.7	31.1	29.6	2.2	12.6	17.0
Deepening poverty	7.9	30.2	28.6	4.8	14.3	11.1
Chronically poor	10.4	34.4	21.6	5.6	16.0	9.6
Total	7.0	26.6	25.4	5.5	17.8	16.2

Source: 890 panel households in 2004/05

**Table 3.09: Schooling Parents Expect Their Children to Achieve, by Mobility Group (%)**

	Less than completed primary	Completed primary	Less than completed secondary	Completed secondary	Post primary vocational	University or post- secondary education	N/A
<b>Male children</b>							
Comfortably rich	6.5	8.3	18.4	22.1	5.5	16.6	21.7
Climbing into wealth	9.5	12.4	31.4	17.1	1.0	8.6	20.0
Escaping poverty	8.5	16.1	33.9	22.9	0.8	2.5	14.4
Static middle	6.3	17.3	32.3	29.1	3.9	1.6	7.9
Falling into poverty	8.9	16.3	28.1	22.2	4.4	6.7	11.9
Deepening poverty	14.3	14.3	34.9	14.3	3.2	0.0	15.9
Chronically poor	11.2	24.0	37.6	16.0	0.8	2.4	6.4
Total	8.7	14.9	29.3	21.2	3.1	7.0	14.5
<b>Female children</b>							
Comfortably rich	6.9	11.5	25.8	16.6	5.1	9.2	23.5
Climbing into wealth	12.4	16.2	30.5	18.1	1.9	5.7	13.3
Escaping poverty	9.3	19.5	36.4	14.4	0.0	0.8	18.6
Static middle	12.6	22.0	27.6	19.7	2.4	0.8	14.2
Falling into poverty	12.6	23.0	25.2	13.3	3.7	3.0	17.0
Deepening poverty	11.1	22.2	33.3	15.9	0.0	0.0	12.7
Chronically poor	12.8	27.2	36.0	11.2	0.0	0.8	9.6
Total	10.7	19.3	29.9	15.6	2.4	3.7	16.6

Source: 890 panel households in 2004/05

**Table 3.10: Schooling Parents Would Like Their Children to Achieve, by Village (%)**

		Completed primary	Less than completed secondary	Completed secondary	Post primary vocational	University or other post- secondary education	N/A
<b>Male children</b>							
<i>Strongly performing</i>	Krasang	8.1	39.4	30.3	3.0	12.1	4.0
	Ba Baong	5.1	13.7	14.5	11.1	36.8	17.9
	Andoung Trach	5.3	28.9	42.1	6.6	5.3	11.8
<i>Moderately performing</i>	Kanhchor		11.1	31.5	13.9	26.9	16.7
	Prek Kmeng	0.9	12.3	28.1	3.5	38.6	16.7
	Trapeang Prei	1.7	10.2	35.6	8.5	23.7	20.3
<i>Poorly performing</i>	Kompong Tnaot	0.9	9.1	41.8	1.8	31.8	14.5
	Dang Kdar	3.6	17.9	35.7	15.2	16.1	11.6
	Khsach Chi Ros		23.2	37.9		25.3	13.7
<i>All villages</i>	Total	2.8	18.1	32.4	7.2	25.1	14.0
<b>Female children</b>							
<i>Strongly performing</i>	Krasang	4.0	13.1	44.4	22.2	2.0	8.1
	Ba Baong	4.3	8.5	17.1	8.5	10.3	23.9
	Andoung Trach		15.8	25.0	35.5	2.6	3.9
<i>Moderately performing</i>	Kanhchor	0.9	3.7	13.0	36.1	7.4	25.0
	Prek Kmeng	0.9	1.8	25.4	28.9	6.1	24.6
	Trapeang Prei		3.4	28.8	20.3	6.8	16.9
<i>Poorly performing</i>	Kompong Tnaot		5.5	20.9	36.4		19.1
	Dang Kdar	0.9	8.9	31.3	18.8	12.5	10.7
	Khsach Chi Ros		3.2	37.9	23.2		22.1
<i>All villages</i>	Total	1.3	7.0	26.6	25.4	5.5	17.8

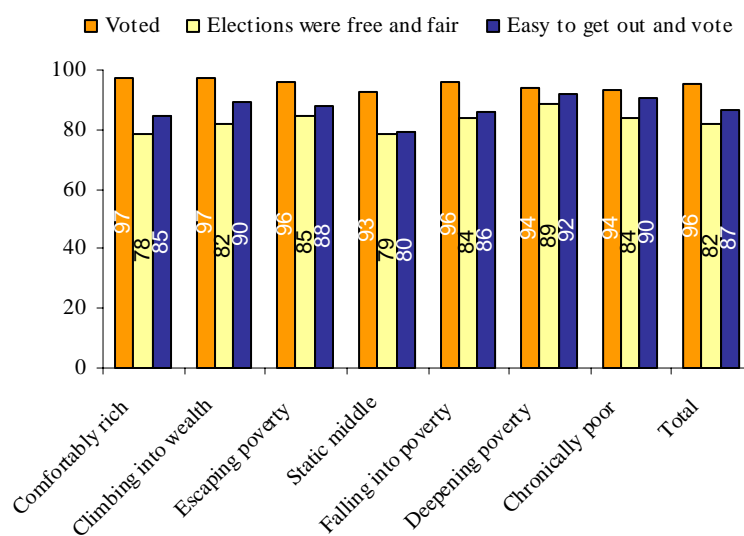
Source: 890 panel households in 2004/05

**Table 3.11: Schooling Parents Think Their Children Will Achieve, by Village (%)**

		Less than completed primary	Completed primary	Less than completed secondary	Complete d secondary	Post primary vocational	University or other post secondary education	N/A
<b>Male children</b>								
<i>Strongly performing</i>	Krasang	13.1	21.2	34.3	23.2	1.0	3.0	4.0
	Ba Baong	9.4	20.5	17.9	17.1	5.1	12.0	17.9
	Andoung Trach	11.8	27.6	32.9	9.2	2.6	3.9	11.8
<i>Moderately performing</i>	Kanhchor	2.8	10.2	25.9	26.9	4.6	11.1	16.7
	Prek Kmeng	5.3	6.1	26.3	26.3	5.3	14.0	16.7
	Trapeang Prei	1.7	8.5	35.6	32.2	1.7		20.3
<i>Poorly performing</i>	Kompong Tnaot	14.5	14.5	20.0	23.6	1.8	9.1	14.5
	Dang Kdar	4.5	17.9	42.9	13.4	4.5	0.9	14.3
	Khsach Chi Ros	13.7	8.4	33.7	21.1		3.2	14.7
<i>All villages</i>	Total	8.7	14.9	29.3	21.2	3.1	7.0	14.5
<b>Female children</b>								
<i>Strongly performing</i>	Krasang	16.2	22.2	37.4	14.1		3.0	7.1
	Ba Baong	9.4	17.1	21.4	14.5	5.1	5.1	26.5
	Andoung Trach	10.5	36.8	19.7	10.5	1.3	2.6	15.8
<i>Moderately performing</i>	Kanhchor	1.9	17.6	22.2	31.5	2.8	8.3	14.8
	Prek Kmeng	5.3	14.9	33.3	21.9	6.1	4.4	12.3
	Trapeang Prei	6.8	8.5	47.5	13.6			23.7
<i>Poorly performing</i>	Kompong Tnaot	21.8	19.1	21.8	12.7	1.8	3.6	18.2
	Dang Kdar	7.1	23.2	37.5	10.7	0.9	0.9	17.9
	Khsach Chi Ros	16.8	14.7	34.7	7.4	1.1		14.7
<i>All villages</i>	Total	10.7	19.3	29.9	15.6	2.4	3.4	16.6

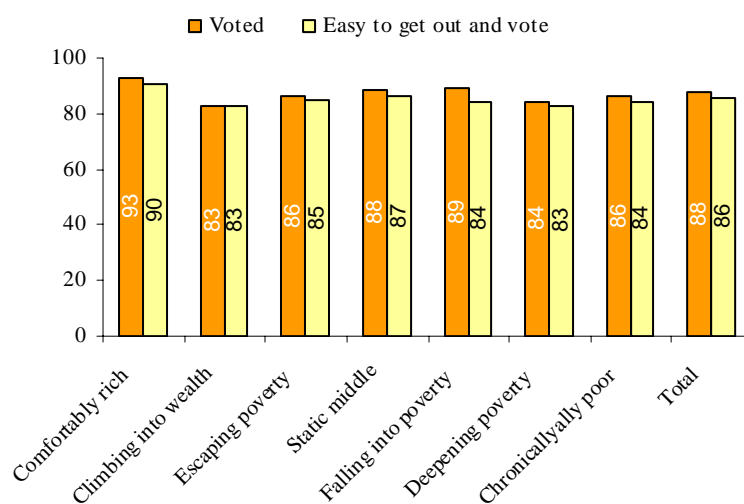
Source: 890 panel households in 2004/05

**Figure 3.17: Participation in National Election, by Mobility Group, 2003**



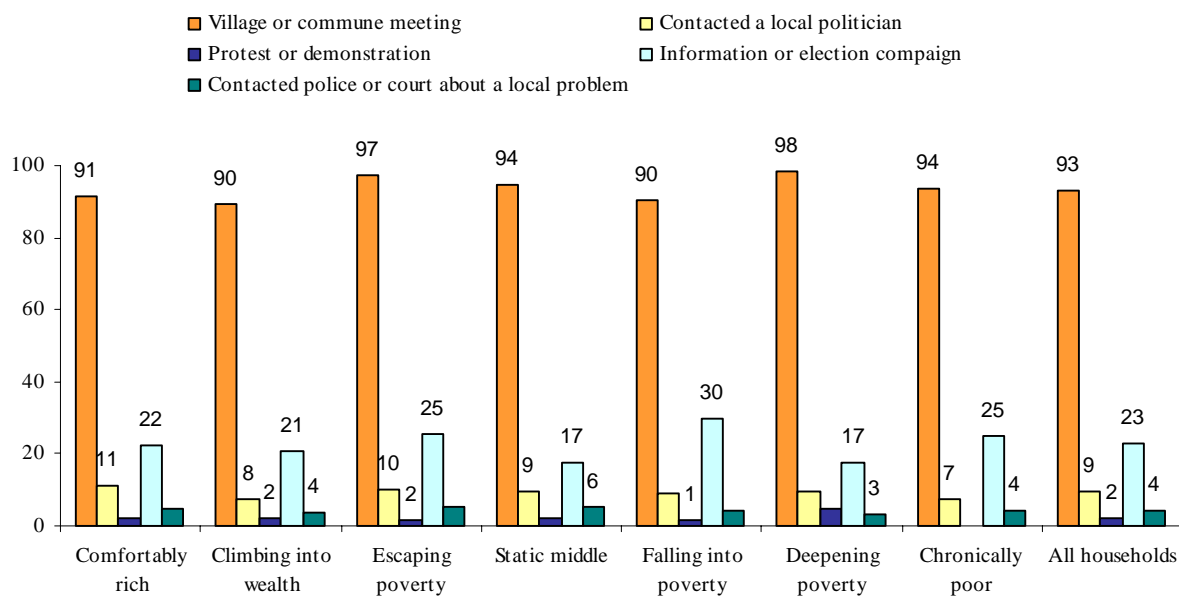
Source: 863 panel households

**Figure 3.18: Participation in Commune Election, by Mobility Group, 2003**



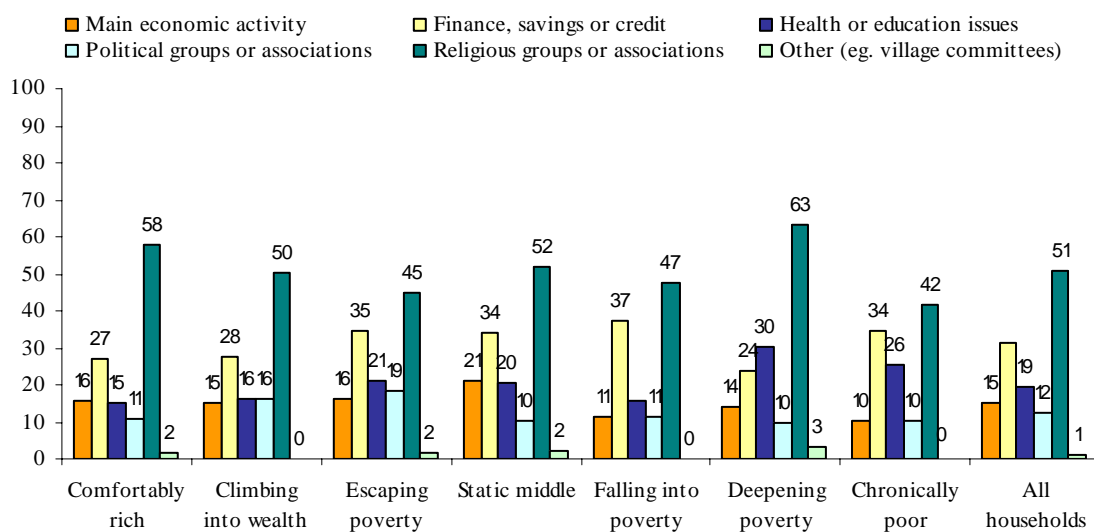
Source: 863 panel households

**Figure 3.19: Political Participation over the Last 10 Years, by Mobility Group (%)**

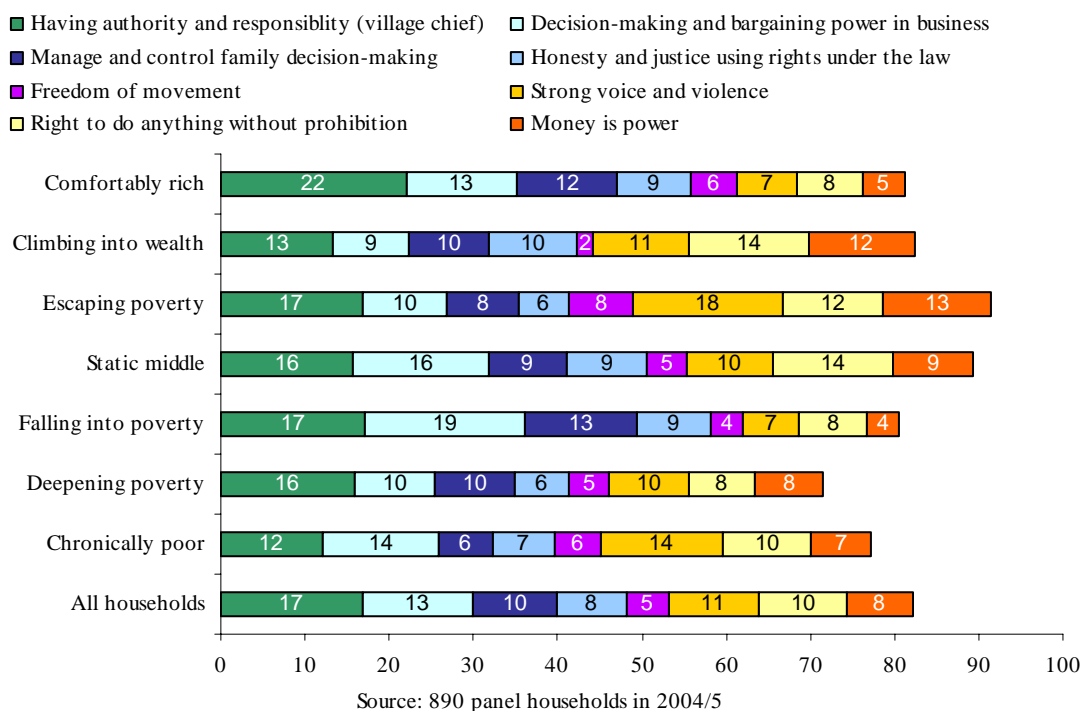
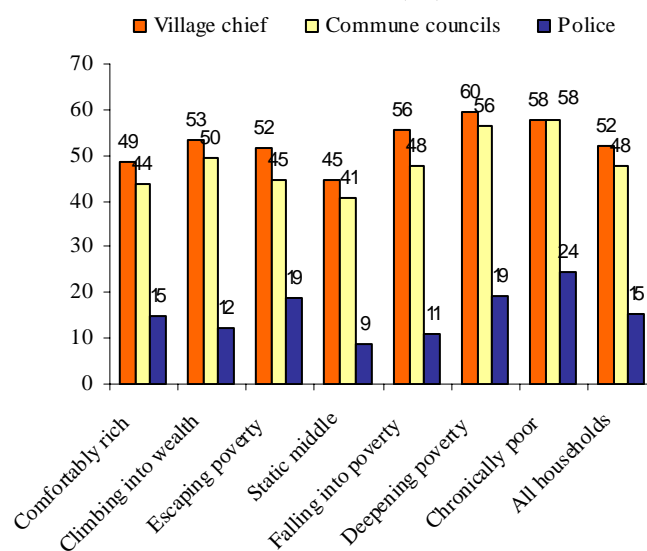


Source: 862 panel households

**Figure 3.20: Membership of Associations, by Mobility Group, 2004/05 (%)**



Source: 863 panel households in 2004/5

**Figure 3.21: Definitions of Power, by Mobility Group, 2004/05 (%)****Figure 3.22: Trust Local Authorities 'to a Great or Very Great Extent', by Mobility Group, 2004/05 (%)**

Annex to Chapter Four

**Table 4.13: Consumption and Income, Married and Unmarried Female-Headed Households, 2004/05 (riels per capita per day)**

		Consumption 2004/05			Income 2004/05		
		Married	Unmarried	All female-headed households	Married	Unmarried	All female-headed households
Strongly performing	Krasang	1762	1929	1877	1796	1433	1545
	Ba Baong	1907	1856	1869	2457	2086	2186
Moderately performing	Andoung Trach	1607	1624	1623	884	1671	1622
	Kanhchor	1949	2708	2518	1914	1930	1926
	Prek Kmeng	2998	3450	3418	975	2528	2417
Poorly performing	Trapeang Prei	0	1626	1626	0	1442	1442
	Kompong Tnaot	1780	2184	2136	1120	1700	1630
	Dang Kdar	1632	1250	1377	957	1143	1081
	Khsach Chi Ros	683	1190	1151	187	969	909
<b>All</b>	<b>Total</b>	1815	2001	1966	1685	1720	1713

Source: Per capita daily income and consumption of 188 female-headed households in 2004/05 deflated by 18.59 percent

**Table 4.14: Consumption and Income, Married and Unmarried Female-Headed Households, 2004/05 (riels per capita per day)**

		Consumption 2004/05			Income 2004/05		
		Married	Unmarried	All female-headed households	Married	Unmarried	All female-headed households
Comfortably rich		2581	2981	2903	2938	3533	3417
Climbing into wealth		2609	3654	3402	2053	1598	1708
Escaping poverty		1451	1768	1717	1287	1363	1351
Static middle		1512	1441	1454	1303	1433	1410
Falling into poverty		1380	1352	1357	1291	1210	1225
Deepening poverty		1005	930	955	848	655	719
Chronically poor		934	901	906	687	824	804
Total		1815	2001	1966	1685	1720	1713

Source: Per capita daily income and consumption of 188 female-headed households in 2004/05 deflated by 18.59 percent

**Table 4.15: Reasons for Becoming Landless, by Mobility Group, 2004/05**

	Number of landless households	Number that ever had land	Reasons for becoming landless (%)				
			Sold it	Gave all to children	Displacement (just moved into this village)	Distribution policy didn't offer land to public servants	No resources to claim bush land
Comfortably rich	30	15	53	7	7	27	7
Climbing into wealth	19	9	56	0	44	0	0
Escaping poverty	23	12	58	0	25	17	0
Static middle	20	12	58	8	17	8	8
Falling into poverty	24	15	60	0	13	7	13
Deepening poverty	9	5	20	40	0	40	0
Chronically poor	28	14	71	0	21	7	0
All households	153	82	57	5	18	13	5

Source: 153 of 890 panel households that lost land between 2001 and 2004/05

**Table 4.16 Sources of Loans, by Village, 2004/05**

		Number of households with outstanding loans	Proportion of households with outstanding loan	Number of outstanding loans	Relative/ friend	Moneylender/ middleman	Source of loan (%)		
							MFI	Village bank	Other
Strongly performing	Krasang	73	74	204	22.5	33.3	2.9	37.7	3.4
	Ba Baong	87	74	191	44.0	45.5	9.4	0.0	1.0
	Andoung Trach	48	63	122	32.8	53.3	13.9	0.0	0.0
Moderately performing	Kanhchor	69	64	136	71.3	23.5	0.0	0.7	4.4
	Prek Kmeng	89	78	258	21.3	49.6	28.3	0.8	0.0
	Trapeang Prei	46	78	88	14.8	3.4	81.8	0.0	0.0
Poorly performing	Kompong Tnaot	84	58	178	28.1	12.9	59.0	0.0	0.0
	Dang Kdar	65	76	114	64.9	14.0	9.6	4.4	7.0
	Khsach Chi Ros	74	78	180	40.0	32.2	20.6	6.1	1.1
All villages	Total	635	71	1471	36.1	32.6	23.0	6.5	1.7

Source: 890 panel households in 2004/05

**Table 4.17 Sources of Loans, by Mobility Group, 2004/05**

Mobility Group	Number of households with outstanding loans	Proportion of households with outstanding loan	Number of outstanding loans	Average number of loans per household	Source of loan (%)				
					Relative/ friend	Moneylender/ middleman	MFI	Village bank	Other
Comfortably rich	148	68	309	2.1	35	32	24	8	1
Climbing into wealth	73	70	170	2.3	33	38	14	14	2
Escaping poverty	102	86	193	1.9	47	22	28	2	2
Static middle	88	69	201	2.3	34	34	23	9	0
Falling into poverty	85	63	261	3.1	30	35	27	5	3
Deepening poverty	49	78	114	2.3	48	25	20	6	1
Chronically poor	90	72	223	2.5	35	39	21	4	2
<b>Total</b>	<b>635</b>	<b>71</b>	<b>1471</b>	<b>2.3</b>	<b>36</b>	<b>33</b>	<b>23</b>	<b>7</b>	<b>2</b>

Source: 890 panel households in 2004/05

**Table 4.18: Income From Selling Livestock 2001 & 2004/05 ‘0,000 riel**

	2001	2004/05	Change
Comfortably rich	33.1	56.2	70%
Climbing into wealth	19.3	39.5	105%
Escaping poverty	14.6	37.3	155%
Static middle	23.6	26.7	13%
Falling into poverty	21.6	31.6	46%
Deepening poverty	17.9	30.3	69%
Chronically poor	16.5	18.5	12%
<b>Total</b>	<b>22.5</b>	<b>36.6</b>	<b>63%</b>

2004/05 income is deflated by 18.59 percent. Source: 890 panel households in 2004/05

**Table 4.19: Proportion of adult earners selling labour, and breakdown by location 2004/05**

	Adult earners participating in wage labour (percentage of whole sample)		In the village		Elsewhere in Cambodia		Cambodia-Thai border		In Thailand	
	2004 Mar-Sept	2004/05 Oct-Mar	2004 Mar-Sept	2004/05 Oct-Mar	2004 Mar-Sept	2004/05 Oct-Mar	2004 Mar-Sept	2004/05 Oct-Mar	2004 Mar-Sept	2004/05 Oct-Mar
Comfortably rich	31%	31%	24%	60%	42%	21%	19%	4%	15%	15%
Climbing into wealth	47%	48%	26%	51%	31%	15%	18%	16%	24%	17%
Escaping poverty	55%	58%	34%	57%	53%	31%	12%	9%	1%	4%
Static middle	43%	50%	24%	71%	61%	26%	8%	2%	7%	1%
Falling into poverty	35%	46%	28%	66%	50%	21%	17%	9%	5%	5%
Deepening poverty	53%	51%	40%	77%	51%	15%	2%	6%	7%	2%
Chronically poor	65%	64%	35%	65%	48%	24%	14%	9%	3%	2%
All households	45%	47%	30%	63%	48%	23%	14%	8%	8%	6%

Source: 890 panel households: 843 of 1891 adult earners in Round One (March-September) and 809 of 1705 adult earners in Round Two (October-March)

**Table 4.20: Incidence of shocks and Monetary Losses Caused by Crises, by Village 2004/05**

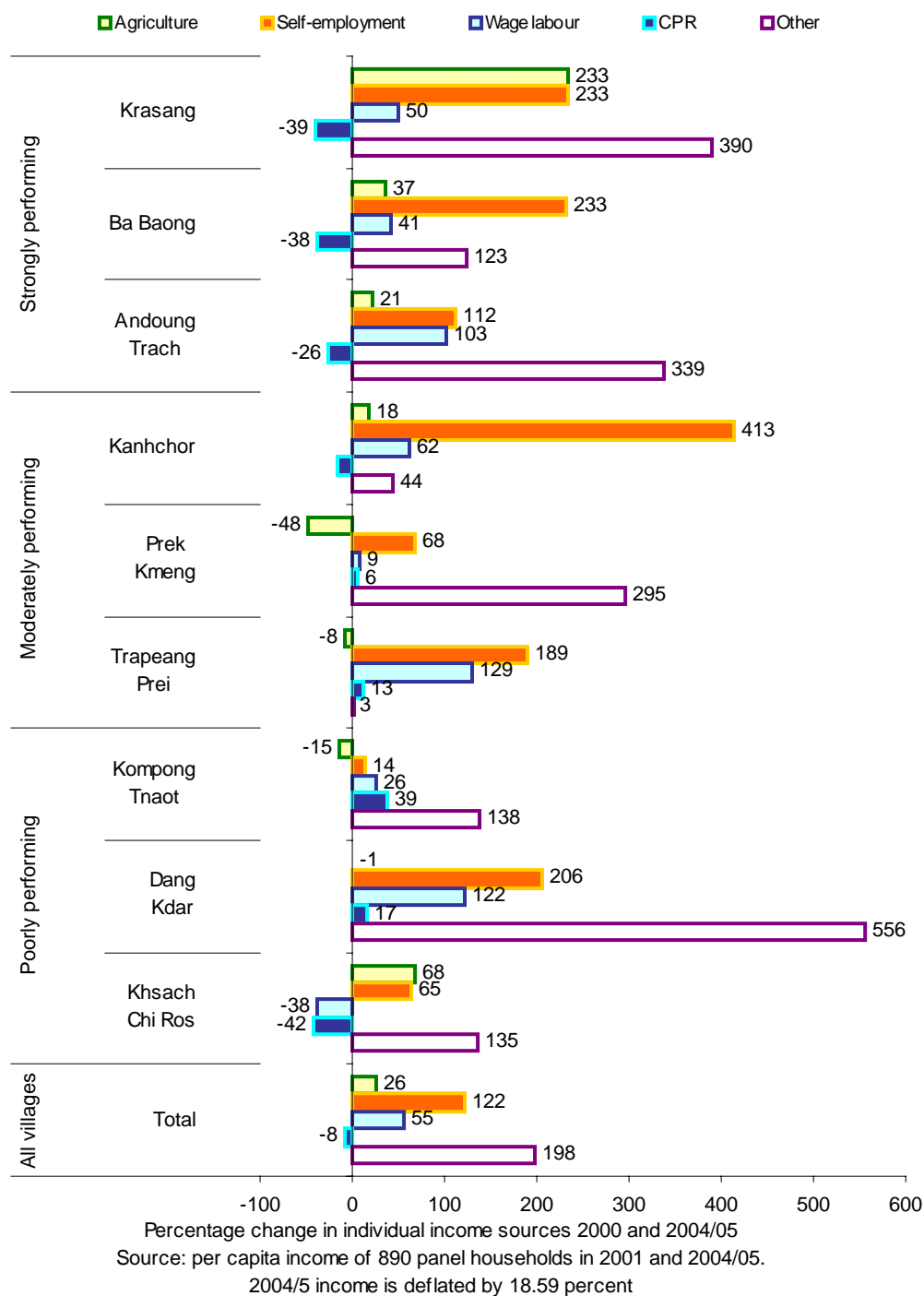
<i>Village</i>	<i>Number of households affected by crises</i>	<i>Total number of crises</i>	<i>% of HHs experiencing crises</i>	<i>Loss as a proportion of household income (%)</i>	<i>Mean value of crises per hh '000 riels</i>	<i>Illness or death</i>	<i>Crop failures caused by natural disaster</i>	<i>Animal died</i>	<i>Being cheated or theft</i>	<i>Other</i>
<b>Percentage of the monetary value of all crises</b>										
Krasang	89	163	77	19	1043	28	50	2	13	7
Ba Baong	81	122	88	20	706	55	32	5	0	8
Andoung Trach	108	224	72	24	675	50	34	5	0	12
Kanhchor	74	122	78	27	649	22	48	2	9	18
Prek Kmeng	60	102	62	35	879	58	17	5	9	11
Trapeang Prei	96	199	72	25	757	43	40	4	1	12
Kompong Tnaot	111	237	90	15	449	62	13	10	4	11
Dang Kdar	90	196	69	23	612	30	30	8	15	16
Khsach Chi Ros	50	125	86	46	822	39	31	6	14	9
<b>Total</b>	<b>759</b>	<b>1490</b>	<b>78</b>	<b>26</b>	<b>725</b>	<b>38</b>	<b>39.7</b>	<b>4</b>	<b>8</b>	<b>9</b>

**Table 4.20: Main Coping Strategies for Dealing with Crises, by Village, 2004/05**

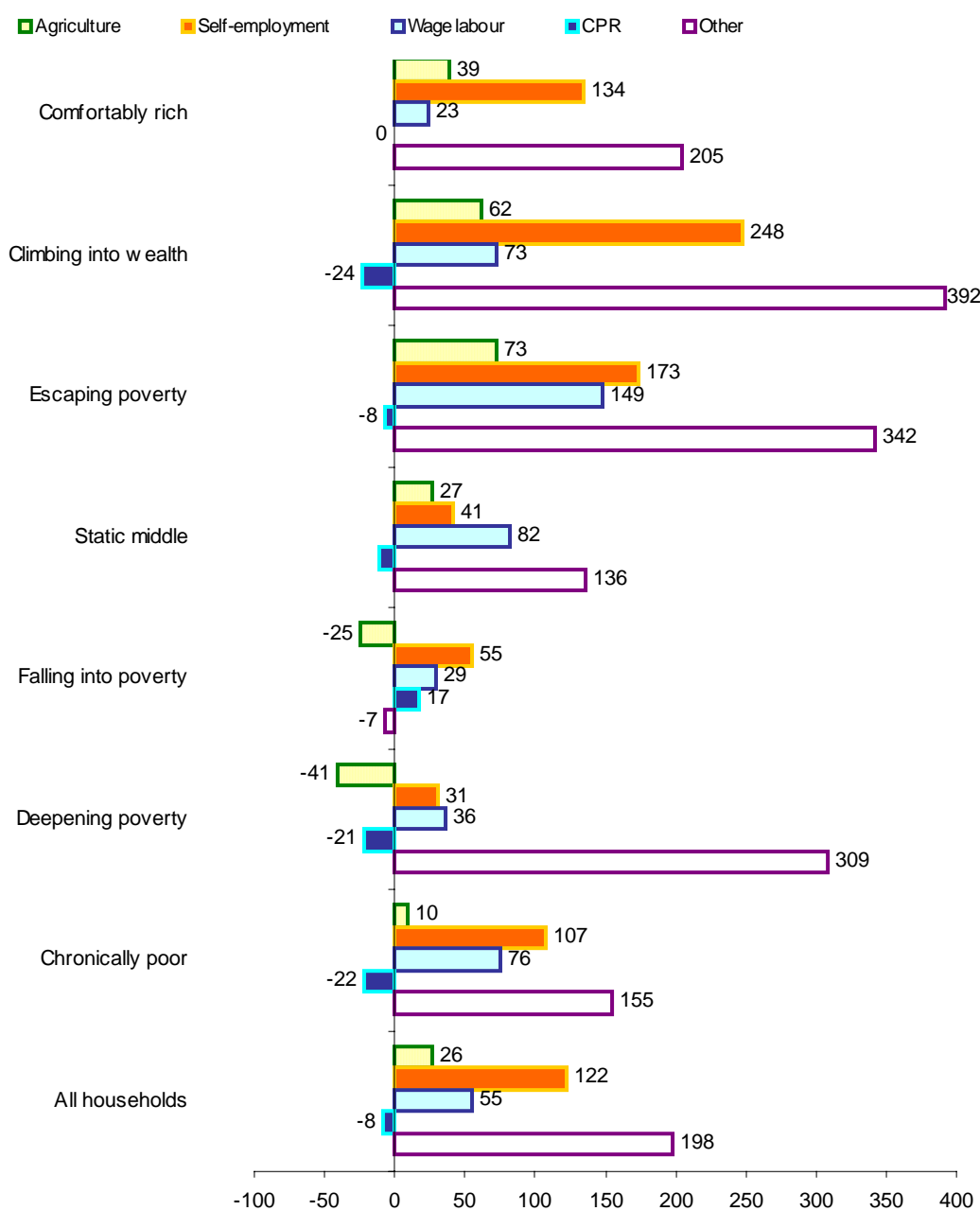
<b>Village</b>	<b>Used savings</b>	<b>Reduced consumption</b>	<b>Took loans</b>	<b>Sold animals</b>	<b>Sold agricultural land</b>	<b>Household members migrated for work</b>	<b>Child labour</b>
<b>Strongly performing</b>							
Krasang	56%	8%	38%	2%	2%	10%	25%
Andoung Trach	73%	13%	42%	15%	3%	17%	0%
Ba Baong	84%	9%	32%	3%	2%	7%	4%
<b>Moderately performing</b>							
Kanhchor	87%	20%	20%	10%	2%	13%	6%
Prek Kmeng	66%	5%	41%	4%	0%	31%	3%
Trapeang Prei	54%	16%	22%	24%	4%	6%	8%
<b>Poorly performing</b>							
Kompong Tnaot	65%	10%	23%	19%	0%	19%	0%
Dang Kdar	64%	14%	28%	6%	0%	19%	4%
Khsach Chi Ros	56%	35%	41%	18%	1%	5%	10%
<b>All villages</b>	<b>68%</b>	<b>15%</b>	<b>32%</b>	<b>11%</b>	<b>1%</b>	<b>15%</b>	<b>8%</b>

Source: 759 (of 1010) households that experienced crises in 2004/05

**Figure 4.16 Change in Income from Individual Sources (Actual Income, riels/per capita/per day) 2001-2004/05, by Village (%)**

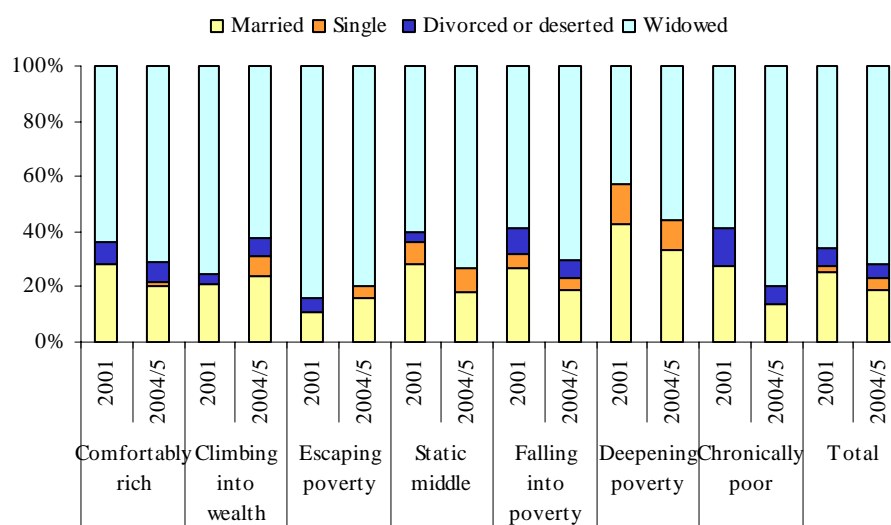


**Figure 4.17: Change in Income from Individual Sources (Actual Income, riel/per capita/per day) 2001-2004/05, by Mobility Group (%)**



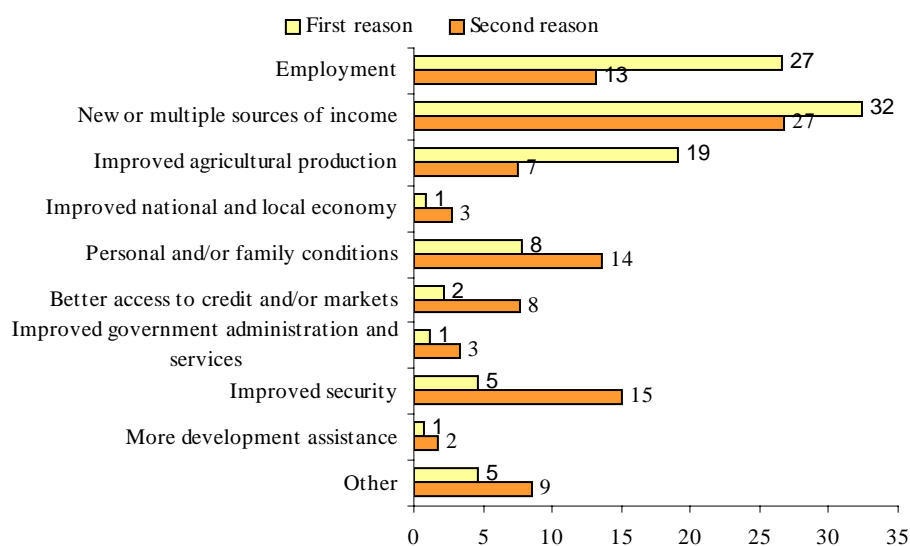
Percentage change in individual income sources 2000 and 2004/05  
 Source: per capita income of 890 panel households in 2001 and 2004/05.  
 2004/5 income is deflated by 18.59 percent

**Figure 4.18: Marital Status of Female Household Heads**

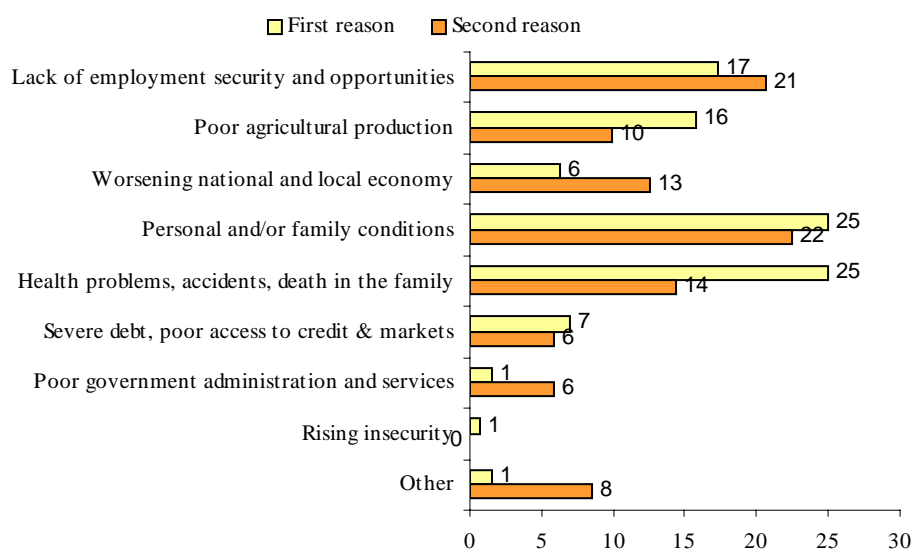


Source: 188 female-headed households in 2004/05

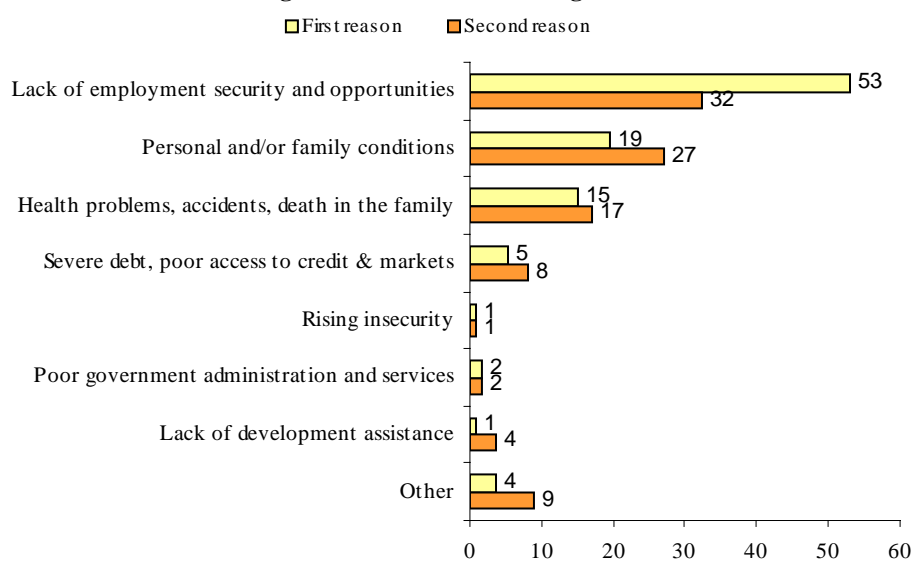
**Figure 4.19.a: Factors in Upward Mobility**



Source: 863 panel households in 2004/05

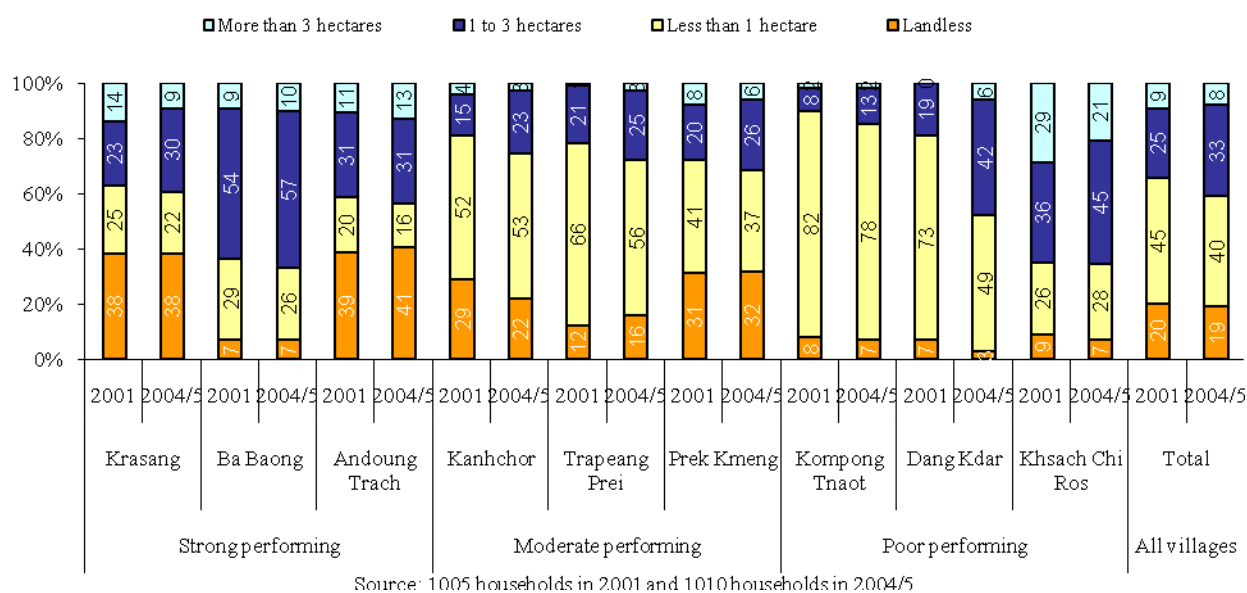
**Figure 4.19.b: Factors in Downward Mobility**

Source: 863 panel households in 2004/05

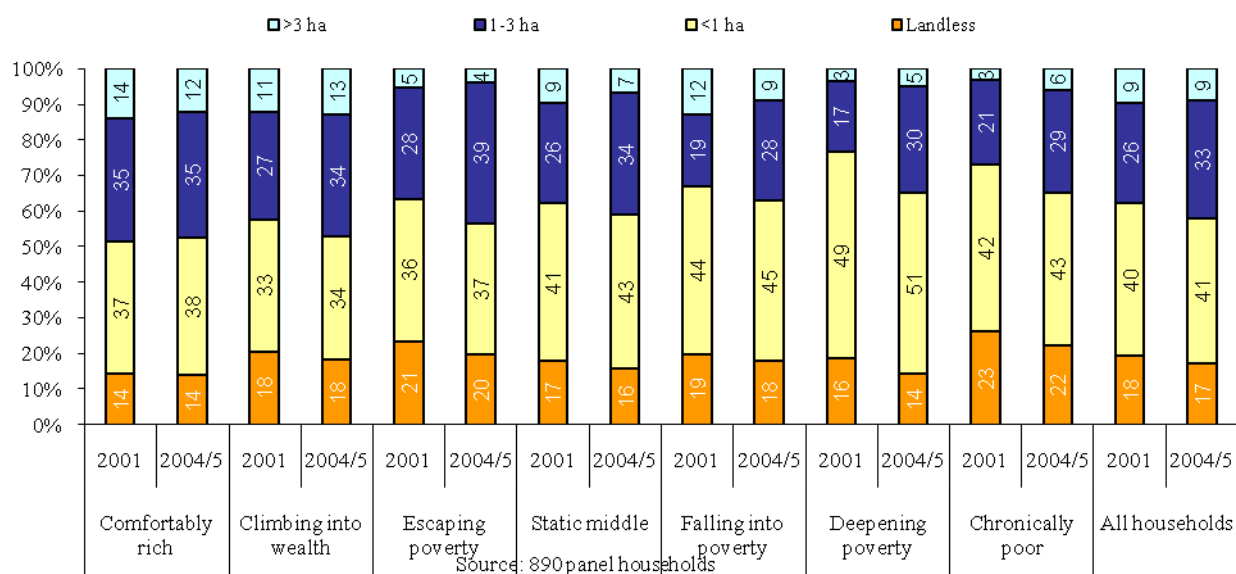
**Figure 4.19.c: Factors in Stagnation**

Source: 863 panel households in 2004/05

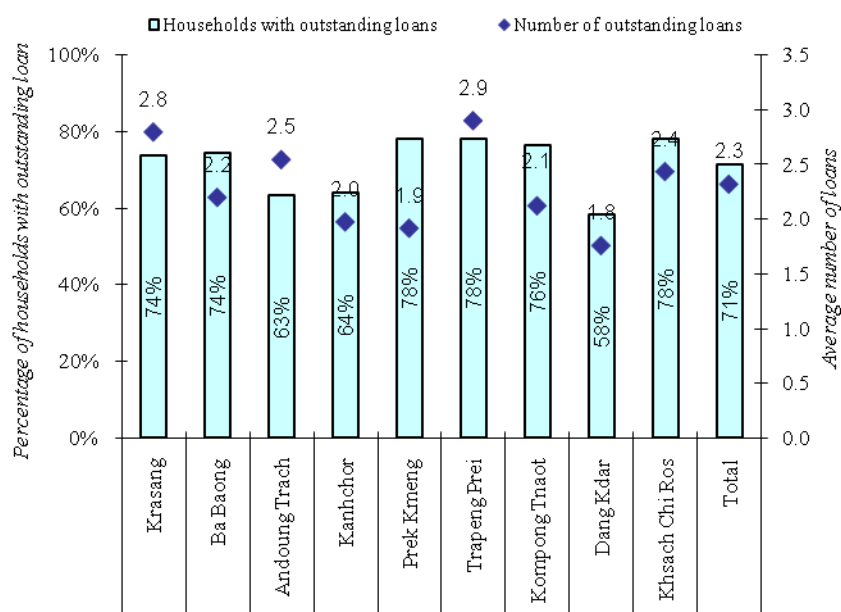
**Figure 4.20: Landholding Size, by Village, 2001-2004/05**



**Figure 4.21: Landholding Size, by Mobility Group, 2001-2004/05**

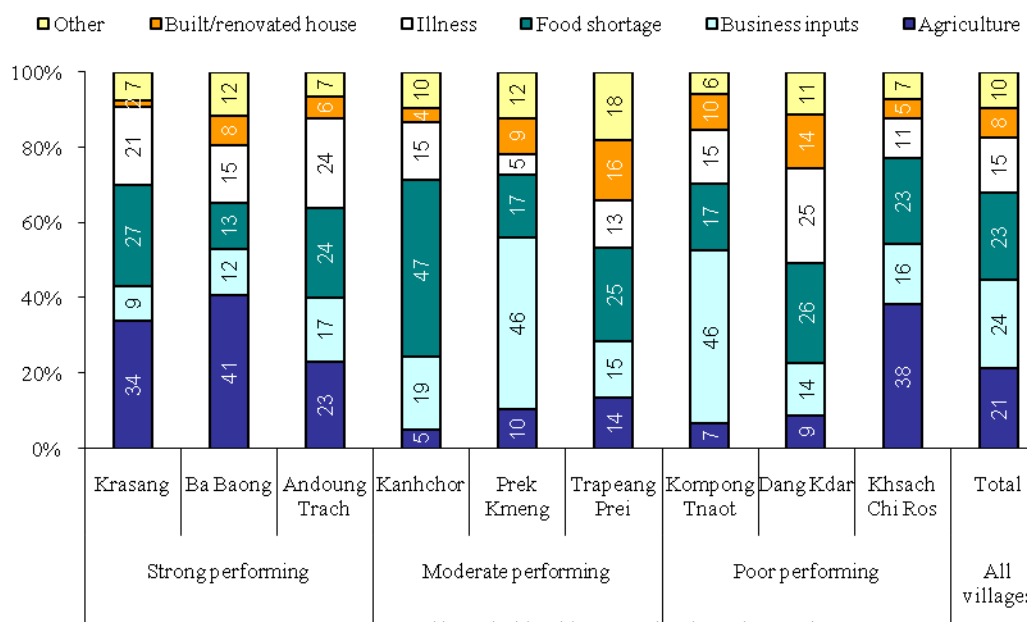


**Figure 4.22: Households With Outstanding Loans, by Village, 2004/05**



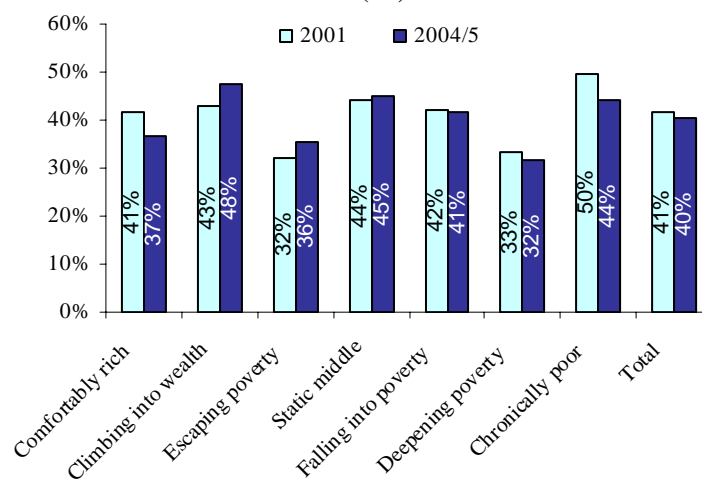
Source: Proportion of 890 panel households with loans in 2004/05, average number of loans for 635 households with loans

**Figure 4.23: Main Reasons for Accessing Credit, by Village, 2004/05 (%)**



Source: 635 panel households with outstanding loans in 2004/05

**Figure 4.24: Proportion of Panel Households  
Earning Income From Livestock 2001 & 2004/05  
(%)**



Source: 890 panel households in 2004/5

## Appendix A: The Global Moving Out of Poverty Study<sup>15</sup>

Why and how do some poor people move out of and stay out of poverty while others remain trapped in chronic poverty? A follow-up to the 2000 World Bank Voices of the Poor study, **Moving Out of Poverty** is a global study to explore how people move out of poverty or remained trapped in it from the perspectives of men, women and youths who have lived through these experiences. The study seeks to understand from the bottom up factors that unleash poor people's economic potential and support their transitions out of poverty. The global breadth of the study will make possible examination of economic, social, political and institutional factors across diverse environments.

### *Key Questions of the Study*

- How and why do some men and women move out and stay out of poverty? Why do others fall into poverty or remain trapped in it? Why are some able to maintain the little wealth that they have? What wealth maintenance strategies do people use?
- Do people experience mobility differently in areas of high and low economic growth? Does the extent of global integration affect mobility?
- Are there gender differences? How do gender relationships within the household condition movements out of poverty?
- Do networks and social identity matter in men's and women's upward climbs? Are there important social constraints that create and perpetuate inequalities in economic opportunities?
- Do the quality of local governance, "depth" of democracy and freedom make a difference? In what ways do local governments promote or inhibit poverty transitions?

In answering these questions, the study will explore people's definitions and understandings of mobility, freedom, power, democracy and aspirations, and how these concepts link to building assets and creating wealth.

### *What Makes the Study Unique?*

- focuses on wealth creation rather than poverty;
- is global in scope and will draw lessons for national and global policy;
- focuses on mobility rather than static poverty, and seeks to understand permanent movements out of poverty;
- brings a bottom-up perspective to how people move out of and stay out of poverty;
- takes an "economics plus" approach, also exploring social, political and institutional factors that influence economic opportunities;
- explores community and household factors that enable people to move out of poverty;
- addresses key poverty issues in each country and links to ongoing policy processes such as *Poverty Reduction Strategic Plans* where relevant;

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<sup>15</sup> This material was adapted from the Global MOPS website. See [www.worldbank.org](http://www.worldbank.org) for more information.

- complements ongoing macro research on pro-poor economic growth and inequality;
- is a follow-up study to *Voices of the Poor*, a World Bank study in 60 countries exploring poverty and powerlessness from the perspectives of poor people.

In selecting countries for the study, an effort was made to ensure diverse country contexts in terms of per capita national incomes, rates of economic growth, extent of political rights and civil liberties (as a proxy for democracy) and degrees of openness to trade. These variables are considered to be especially important determinants of the extent and types of poverty transitions.

Country selection was also influenced by several other factors: available panel data on which the study can build, interest in the study by the government and World Bank country teams and local research institutes with the interest and capacity to carry out the multidisciplinary work.

The study countries are:

#### ***Africa***

☐ Malawi    ☐ Senegal  
☐ Morocco    ☐ Tanzania  
☐ Niger    ☐ Uganda  
☐ Rwanda

#### ***Latin America and the Caribbean***

☐ Colombia    ☐ Mexico

#### ***East Asia and the Pacific***

☐ Cambodia    ☐ Philippines  
☐ China    ☐ Thailand  
☐ Indonesia

#### ***South Asia***

☐ Afghanistan    ☐ India  
☐ Bangladesh    ☐ Sri Lanka

### ***Methodology Development***

#### **Initial Design Phase**

Study preparations began early 2003 with a literature review, internal meetings on the study concept note and a series of five interdisciplinary research methodology workshops with World Bank and external experts from diverse disciplines, including economics, political science, anthropology, sociology and psychology. The workshops served multiple purposes, including specifying the research hypotheses, criteria for country and community selection and data collection tools.

A first workshop to discuss the study proposal was held in Cairo during the annual meetings of the Global Development Network (GDN) in January 2003. Two additional international methodology workshops were held in London with the Development Planning Unit of University College, London, Overseas Development Institute and DFID in May 2003 and at World Bank headquarters in July 2003.

#### ***Field Pilots***

Prior to the official launch of the study, draft data collection guidelines were developed and field tested in Ethiopia, India, Peru, the Philippines and Romania in October and November of 2003. While all tools were tested numerous times in varied contexts, two qualitative tools in

particular required additional testing and refining: the Ladder of Life and individual life stories.

**Ladder of Life** opens with a small community group reaching agreement on overall trends in and leading factors affecting the prosperity of their community in the past 10 years. The group then describes the number and characteristics of well-being categories in their community on a visual of a ladder. Five aspects distinguish this tool: (i) it provides a subjective and multi-dimensional examination of well-being; (ii) the number of well-being categories is not fixed; (iii) it covers a 10 to 15 year period, making it possible to look at policy impacts; (iv) it examines reasons for movement up or down and stagnation at each category of well-being; and (v) it engages local people in classifying the status of households in their community now and 10 years ago. At the end of the activity, the community group places its own subjective poverty line as well as the official poverty line on the ladder visual.

The tool was experimented with over a period of a year in different cultural contexts. The instrument builds on previous work and takes it further, five studies in particular providing inspiration. Participatory poverty assessments conducted in Kenya (Narayan 1996) and Tanzania (Narayan 1997) involved community groups in reaching agreement on multi-dimensional descriptions of categories of well-being, and then sorting households in the village into the different categories and marking them on a map drawn by the community. The sorting provided a distribution of the households in the different categories based on local people's perceptions, and the household list was used to select a sub-sample for interviews. An early brainstorming workshop in 2003 discussed Cantril's 10-step Self-Anchoring Ladder (Cantril 1965) as well as the Stages of Progress tool developed by Anirudh Krishna (2004 and 2005). The latter engages local groups in examining well-being groups by expenditure patterns and explores changes in household status over a period of 25 years. The study design was also inspired by work in Malawi, where community groups sorted households around levels of food security (Barahona and Levy 2003).

**Life stories.** The second data collection tool requiring additional testing was the individual life story. There are many different ways of doing life stories, and the tool evolved based on the needs of the study and some requirements for comparability. The interview covers five themes: migration history; occupational history; financial history; social, cultural and psychological history; and educational history. Trend lines are created for each thematic area and annotated with ratings from minus five to plus five to describe the impact of key events on overall well-being. The trend lines and ratings provide subjective information on life's ups and downs along different dimensions and enrich the understanding of factors and processes that come together to help and hinder individual mobility. The interview concludes with respondents creating a consolidated trend line to illustrate their overall well-being over the last 10 years.

**Methodology reviews.** The first review meeting of the study design involved academics from Harvard, Cornell, the Institute for Development Studies at the University of Sussex and World Bank staff in December 2003. A second meeting was held during the annual meetings of the GDN in New Delhi in January 2004 and engaged 45 developing country researchers, primarily economists and political scientists, in providing detailed feedback on the research design. Additional rounds of pilots of the qualitative methods were conducted in Peru and India in the summer of 2004.

A methodology guide was developed to orient country research teams to the study. It includes discussion of the overall purpose of the study, the basic concepts, sampling techniques and 10 data collection tools, including how to conduct a workshop with national policy makers. The guide has been translated into Spanish and French.

**Guidance to country teams.** With the methodology completed, five regional training workshops were conducted for the country research teams. Workshops were held in Bangkok in November 2004, Dakar in January 2005, New Delhi in March 2005, Mexico City in April 2005 and Jakarta in May 2005. Country-level workshops were also held in each of the study countries to finalise the country research designs and train fieldworkers in the study methodology.

In January 2006, team leaders from 16 of the Moving Out of Poverty study countries were joined by 11 senior international experts in economics, sociology and political science for an intensive six-day workshop in St. Petersburg in collaboration with GDN. The workshop featured reporting on initial country findings interwoven with rich discussions on hypothesis development and analysis of the qualitative and quantitative data sets collected for the study.

### ***Overview of Sampling and Methods***

#### ***Community and Household Sampling***

The study is designed to maximise use of existing data sets on poverty, governance and service provision. In countries with panel data at the household or community level, the sampling areas and households in the panel will be revisited to the fullest extent possible, given limitations due to attrition (e.g. migration or deaths among panel households) and budget. The countries with panel data on which the study is building include Bangladesh, India (Andhra Pradesh), Malawi, Tanzania (Kagera) and Uganda.

In the remaining countries, teams have selected a small number of communities through a comparative case study approach based on stratified random sampling. Each country case is stratified by growth and one other relevant policy variable.

#### ***Policy Focus***

Each country study explores one or two key policy issues that shape the dynamics of mobility in that country. Some examples of the policy focus which the Moving Out of Poverty country studies are exploring include how mobility is affected by: inequality, infrastructure, agricultural modernisation, social networks and migration. In addition, a set of countries affected by ongoing or recent conflict is looking at how conflict affects economic opportunities. A stratified sampling framework is then developed to guide the random selection of regions and communities that will capture variations on the dimension related to the policy focus (such as an index of roads, energy and active markets in the case of infrastructure) and on growth.

The selection of households is designed to capture the four transition groups of interest to the study: those who move out of poverty, the never poor, the chronically poor and the fallers. A total of 15–20 households per community will be visited, including a substantial number of households that have made the transition out of poverty.

#### ***Data Collection Methods***

The primary data collection tools include household and community questionnaires, focus group discussions, open-ended individual life stories and key informant interviews with policy makers and community leaders. The household survey gathers information on the household's status now and 10 years ago using four alternative poverty measures: expenditure data, household assets, food security and self-assessments of current and previous status through a **Ladder of Life** ranking. The qualitative tools gather perceptions from focus groups and individuals on how and why people escape poverty, as well as how people maintain their wealth, fall into poverty or remain trapped in poverty.

## **Appendix B: Study Methodology: Design of Quantitative and Qualitative Methods**

The Cambodia MOPS employs both quantitative and qualitative methods. CDRI used panel data from its nine-village study to examine an integrated set of explanatory variables capturing change in economic, social and political factors. Broad economic factors explaining and contributing to change in wealth status included demographic change, asset ownership, source of income, access to and terms of engagement in credit markets, employment choices, access to, cost and quality of services (health, education) and resource endowments. Social factors underlying household transitions were primarily concerned with membership in groups and networks, while political factors were captured in such variables as control over decisions, political participation, access to information and exposure to crime and violence.

### ***Questionnaire Design: Combining Recall and Measurement of Change***

The team coordinating the global Moving Out of Poverty Study supplied researchers conducting the country case studies with a generic template for the household survey component of the research. This was designed on the assumption that there were no existing baseline data—i.e. that panel survey analysis is not possible—and therefore uses recall questions to examine how household wealth and well-being have changed over the last 10 to 15 years. In Cambodia, by contrast, there was survey information on the sample households available from 2001 and, in the case of three villages, from 1996/97.

Three years were not long enough, however, to capture the medium-term movement of households into and out of poverty, a key aim of the global research. Movements into or out of poverty over three years are likely to reflect short-run, year-on-year influences (e.g. shocks such as a poor harvest or family health crisis from which the household takes one or two years to recover, or positive but ephemeral influences such as a higher than average price for the household's products in a given year, or a small inheritance). While movements over three years and the reasons underlying them are highly instructive, and for any given household may add up to a sustainable shift out of poverty, they are not enough in themselves to provide clear indications of long-term movements.

It was thus necessary to combine i) analysis of actual change in status (based on comparison of reported status in 2004 with status reported previously in the 1996/97 and 2001 surveys) with ii) questions, derived from the global MOPS questionnaire, which require households to recall facts (e.g. asset holdings or sources of income) over a longer period. In developing the methodology, CDRI experimented with using both five and 10 years as a recall period.<sup>16</sup>

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16 The choice of recall period is slightly difficult in Cambodia. Ten years earlier was memorable, in that 1994 was shortly after the first democratic elections and the end of the UN peacekeeping operation that supervised them. The problem is that this period marked the emergence of Cambodia from a long period of isolation, the end of which was marked by a complex and in many ways disruptive multiple transition (from economic isolation to market economy, from civil war to more generalised peace and from one-party rule to multi-party democracy). Although it is important to remain open to the possibility that people do not see this political change as having led to a dramatic improvement in their standard of living (national sample surveys suggest that the poverty rate fell slowly despite high rates of economic growth), the scale of the transition from isolation and civil war in the early 1990s is such that it is almost inevitable that people will see their lives as being transformed primarily by

CDRI used the questionnaire it had used in 2001 as the starting point when designing the questionnaire for this survey: in order to compare household economic and social data from 1996/97, 2001 and 2004/05, it was essential that the same questions be asked, and the replies recorded, in the same way. To this template was added:

- supplementary questions that ask the respondent to recall their situation 10 years ago with regard to key variables;
- additional questions on socio-economic variables that were required by the global study but not included in previous CDRI surveys;
- additional questions on themes not included in previous CDRI surveys but required by the global study. These questions fall into sections 4–7 of the MOPS model questionnaire, covering i) social capital, ii) freedom, crime and violence, iii) power, governance and access to information and iv) perceptions and aspirations, including a Ladder of Life exercise.

CDRI drew selectively on the template of the MOPS questionnaire, choosing most but not all of the additional questions listed there. The researchers also dropped from the CDRI form some of the detailed questions on topics that were of particular concern for the 2001 survey (e.g. detailed questions on landholdings, and some of the questions on production costs or use of common property resources) but that were not critical for this research.

In 2001, the sample households were surveyed in two rounds in order to capture seasonality and to break a one-year recall of income and expenditure into two six-month periods. This project also conducted the household survey in two rounds to improve comparability. The first round was in September 2004 and provided a concrete basis for categorising households into poor or non-poor groups; it also identified which households had moved up or down, or stayed static. This round collected much of the basic household information (e.g. demographics, assets, landholdings) and took slightly longer (on average around 20 days per village) than the second round.

The second survey was conducted in March 2005 to reflect the surplus season. The purpose of the second round was mainly to survey employment, income and expenditure (which varied substantially between the lean and surplus seasons) as well as the remaining perception-based questions from the MOPS template.

### ***Qualitative Methods***

Qualitative research methods, and the cross-referencing of qualitative and quantitative methods, were designed and sequenced so as to maximise the potential for triangulating perspectives on different processes of social, economic and political change. Thus with regard to sequencing, for example, analysis of the first round of the household survey was used to identify households which had in “objective” terms moved up, moved down or stayed static in wealth. These different groups were then used as the basis for differentiated focus group

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this political transition, and less by events or policies since then—reducing the policy relevance of the study. The team considered using 1997 as a reference period. This is attractive because it is the year in which the first three villages were surveyed, but i) at only seven years in the past is shorter than the 10–15 years preferred by the global team and ii) the most memorable event of 1997 (the political violence between the political parties that had until then been formal partners in a coalition government) is likely to make respondents uncomfortable, suggesting as it does that the survey is designed to see whether life has become better or worse since that violence.

discussions, in order to obtain different perspectives on the factors explaining improvement or decline in wealth.

Basically, the qualitative study was divided into two steps: (i) collection and analysis of commune and village information and (ii) collection of household and individual perspectives through qualitative exercises with households and groups of households.

First, information was collected on the perspectives of local officials and key informants. The commune and village study tackled in particular the broader issues of governance, democracy and social organisation, in addition to documenting economic infrastructure development and resource endowments. Both formal and informal leaders were the main sources of information.

This stage of fieldwork involved meeting with:

- the commune council to find out the impacts on social and economic endowments of current national social, economic and political development policies, rules and regulations since the first national election in 1993. The changes in the capacity, capability and understanding and freedom of these local authorities to interpret the national policies and plans into action and meet the development needs of their communities were pursued in this process. Institutional and political changes and aspects of governance, social organisation and networks that help or hinder the community to become prosperous were explored by the participants with the facilitation of the CDRI researchers.
- a group of around 10 village leaders including village chief, village development committee and development subcommittees, if any. This FGD provided perspectives on the quality, responsibility and accountability of formal institutions and/or formal leaders, and on the ability of various groups to participate in community development processes. Using information on village lists, it was possible to record social and economic endowments and occupational changes, and their effects on mobility, over the previous 10 years. This information was built up into a community timeline that identified key events in recent local history and pinpointed reasons that particular groups had gained or lost in the course of important political, social and economic changes.
- a group of around 10 informal leaders and selected eminent villagers to identify the dynamics of poverty, and who had gained or lost from development. They discussed how key events and processes over the last 10 years had affected different people's freedom of speech, decision making, ability to select representatives and access to productive assets, information and markets.

The participants in these exercises were also encouraged to construct a Ladder of Life for the village. Using prepared cards with the names of the households that were sampled in the panel survey, the researchers explored the direction and scale of change in household wealth and well-being, asking the participants to place the households on the Ladder of Life, both in current (2004) terms and in terms of their position 10 years earlier. This was used to prompt discussion about common or household-specific factors of mobility. The identification of households that had moved up, moved down and stayed stagnant over the years was then used as the basis for selection of groups of households to participate in subsequent participatory Ladder of Life exercises.

The bulk of the qualitative research then involved discussions to obtain household perspectives through individual and group exercises. Combining the two or three FGDs

described above provides macro and meso views on the factors impacting positively and negatively on mobility, which then help validate the household interview findings.

The qualitative study of households was divided into two approaches: household interview and household participatory assessment. Essentially qualitative sections (relying mainly on answers to open-ended questions, combined with some scoring and ranking of non-measurable information) were added to the quantitative interview form and asked of all 890 households (with different sets of qualitative questions asked in the two rounds). The questionnaire contained a checklist of open-ended questions adapted from the global MOPS questions to allow participatory assessment of their dynamics and to capture the household profile over the past 10 years.

Based on both objective and subjective assessments from the household interviews (output of CDRI panel data) and the village level FGD and Ladder of Life, households were categorised (e.g. those who had moved out of poverty, those who remained poor and those who stagnated). These sub-samples provided the basis for selecting the members of focus groups, each involving around 10 households and exploring the dynamics of their common situation. The centrepiece of all these FGDs was a group Ladder of Life exercise. The discussion around this drew out issues of power, freedom and the meaning of democracy and freedom that might have been hard to address directly.

Additional FGDs (one male and one female per village) were conducted specifically to address youth perspectives and aspirations.

### ***Additional Methodological Modules***

Two additional components of fieldwork were added (with supplemental contracts) during the course of data collection.

First, a small number of semi-structured interviews were conducted to obtain individual life histories. These were designed to provide more detailed insights into the interaction between national events (e.g. the beginning or end of armed conflict), movement between locations, life history events (marriage, bereavement, births), changes in occupation or livelihood strategy and the development or change of social networks.

Second, CDRI fielded teams to each of the nine sites in late 2005 to obtain detailed price information, because the people analysing the survey-based consumption data were finding that inflation values derived from the national CPI measure were not adequate for village variations in living standards. This exercise involved a combination of a survey of a range of local points of sale (from markets to itinerant traders to local producers who sold direct to others in the village) and, as a cross-check, a small number of interviews with households (both poor and non-poor) on the quality and quantities of goods that they purchased, and from where.

### Appendix C: Moving Out of Poverty Study Household Survey, Round One (Lean Season, September 2004)

Ordinal Number of Questionnaire .....

#### Geographical Identification

Province: .....

District: .....

Commune: .....

Village: .....

#### Interview Record

Interviewee's name: .....

Interviewee ethnicity: Khmer = 1      Other (specify) .....

Interviewer's name: .....

Signature: ..... Date of interview: ..... 2004

Remarks: ..... Time started:..... completed: .....

#### Quality Control Record

Survey team leader's name: ..... Signature: .....

Date: ...../...../2004

Remarks: .....

Questions for which Survey Team Leader ordered call back: .....

#### Supervision by CDRI Researcher

CDRI researcher checking the questionnaire: ..... Date: ...../..... 2004

Questions that were clarified: .....

Questions that needed call back: .....

#### Records on Data Cleaning and Entry

Name of data cleaning person: ..... Signature ..... Date: ...../...../2004

Remarks, questions with problems: .....

### **Data Entry Record**

Name of data enterer: ..... Date: ...../...../2004

Remarks: .....

## **SECTION I. Household Demography and Migration**

### **Note:**

- Circle a number of the answers for many questions. Only when you see “there can be more than one answer” can you circle more than one answer.
- In the spaces, please write:
  - N/A (Not Applicable) where there are no answers.
  - DK for don’t know the answer
  - MV for missing value

1.1. When did your household last start living in this village? .....

1.2. How many members are in your household (both children and adults)? .....

### **Note:**

- “Household” refers to living in the same house and sharing the same food. If they live in the same house but cook and eat separately, they should be considered as different households.
- In order to be counted as a household member the person has to have been present in the household in the last six months (since March 2004). If the person has not been present in the house at all since March 2004, then he/she is not counted as a household member.

Children under 7 years (if there are no children under 7 years old, skip to 1.B.)

No.	(a) Name	(b) Relationship with hh head (codes below)	(c) Sex	(d) Age
		3 Sister-/brother-in-law 4 Son or daughter 6 Grandchild 7 Stepchild 10 Niece/Nephew	1 Male 2 Female	
01				
02				
03				
04				
05				

**Household labour: detailed information about household members aged 7 and above. (Write 0 if there are no answers).**

No	Name (first names only)	Relation- ship with hh head  (codes)	Sex 1=M 2=F	Age	Marital status  (codes below)	Educa- tion (year of schooling )	Econo- mically active?  (codes below)	Household farm work (rice, chamkar, and other farm work)	Other jobs that earn monthly or daily wages or other income (beside household farm work) Codes: 1= farm work within the village, 2= work outside village in Cambodia, 3= work in Thailand, 4=migration to Thai-Cambodian border, 5= small trade, 6= palm juice/sugar production, 7=fishing, 8= collecting other resources from water or fields, 9= collecting resources from forests, 10=government official, 11= other (specify) .....								
									Primary-income-earning			2nd main-income/earning			3rd main-income/earning		
								On average, how many months worked per year?	What job? (codes above)	How much earned per day?	How much earned since March 2004?	What job? (codes above)	How much earned per day?	How much earned since March 2004?	What job? (codes above)	How much earned per day?	How much earned since March 2004?
1.3	1.4	1.5	1.6	1.7	1.8	1.9	1.10	1.11	1.12	1.13	1.14	1.15	1.16	1.17	1.18	1.19	1.20
06																	
07																	
08																	
09																	
10																	
11																	
12																	
13																	
14																	
15																	
16																	
17																	

CODES	Question 1.5	Question 1.8	Question 1.11	Questions 1.15 and 1.19
	1 Household head 2 Husband/wife 3 Sister-/brother-in-law 4 Son or daughter 5 Son-/daughter-in-law 6 Grandchild 7 Stepchild 8 Parent 9 Grandparent 10 Niece/Nephew	1 Married 2 Single 3 Divorced 4 Widow/Widower 5 Deserted	1 Active labour 2 Can do some work 3 Study and work 4 Only study 5 Disabled 6 Too old to work 7 Too young to work 8 Family work/house work	1 Farm work within the village 2 Work outside village in Cambodia 3 Work in Thailand 4 Migration to Thai-Cambodian border 5 Small trade 6 Palm juice/sugar production 7 Fishing 8 Collecting other resources from water or fields 9 Collecting resources from forests 10 Government official 11 Other (specify)

*Moving Out of Poverty?*

1.21. Were there any members of the household 10 years ago who are now no longer part of the household? (*circle appropriate answer*)

1. Yes
2. No (*go to Section II*)

ID Code	Name of household member	Sex	Relationship to the head of household	What was this person's age (in years) 10 years ago?	Why is this person no longer in this household? (Code below)	Where is this person now living? (Code below)	Is this person better off, worse off or about the same since they left this household? (Code below)	Why?
		1 Male 2 Female	1 Household head 2 Husband/wife 3 Sister-/brother-in-law 4 Son or daughter 5 Son-/daughter-in-law 6 Grandchild 7 Stepchild 8 Parent 9 Grandparent 10 Niece/nephew 11 Other:.....	(Write 0 if less than 12 months old)	1 Died (-> skip to next row/section II) 2 Married and formed a separate household 3 Away studying 4 Away working 5 Away for military service 6 Other (specify).....	1 Same village/district/town 2 Different village/district/town 3 Different province 4 Different country 5 Other (specify)...	1 Better off 2 Worse off 3 About the same 4 Don't know	5
	<b>21.1</b>	<b>21.2</b>	<b>21.3</b>	<b>21.4</b>	<b>21.5</b>	<b>21.6</b>	<b>21.7</b>	
19								
20								
21								
22								
23								

**SECTION II: Housing Conditions, Household Amenities and Durable Assets****II.A. Housing Conditions**

	<b>2004</b>	<b>1998</b>	<b>1993</b>
<b>2.1. Housing condition</b> 1. thatch house 2. wooden house roofed with tin sheets 3. wooden house roofed with tiles 4. concrete/brick house 5. other (specify).....			
<b>2.2. Floor area</b> (width..... m x length..... m)			
<b>2.3. Number of floors</b>			
<b>2.4. Number of rooms</b>			
<b>2.5. How much is your house worth</b> (excluding value of land)? (specify m riels/damloeng gold/US\$)			
<b>2.6. What is your household's main source of drinking water?</b> 1. piped in dwelling 2. hand pump/bore hole 3. dug well 4. pond/steam 5. (big) river 6. other (specify).....			_____
<b>2.7. Do you have a toilet?</b> 1 Yes 2 No			
<b>2.8. If yes, is it:</b> 1 in the house 2 outside the house			
<b>2.9. If yes, what type of toilet?</b> 1. Flush toilet 2. Latrine 3. Other			
<b>2.10. What type of fuel does your household use for cooking?</b> 1. firewood collected 2. firewood bought 3. charcoal 4. gas 5. other (specify).....			

Note: Exchange rate: \$1=4000 riels in 2004; \$1=3800 riels in 1998; \$1=2797 riels in 1993

If the answer is old (damloeng), please record actual amount.

## **II.B. Other Non-Land Assets of the Household**

(Convert from gold or US\$ to riels. One *moeun* = 10,000 riels)

	<b>2004</b>		<b>1998</b>	<b>1993</b>
	Number	Value if sold now ( <i>moeun</i> )	Number	Number
2.11 Motorbike				
2.12 Bicycle				
2.13 TV				
2.14 Cassette player				
2.15 Radio				
2.16 Sewing machine				
2.17 Boat (with engine if any)				
2.18 Remorque				
2.19 Generator				
2.20 Water pump				
2.21 Threshing machine				
2.22 Rice mill				
2.23 Oxcart (traditional or modern)				
2.24 House cart				
2.25 Plough and harrow				
2.26 Tractor				
2.27 Hand tractor				
2.28 Vehicle/car				
2.29 Battery				
2.30 Other major asset (specify).....				
2.31 Other major asset (specify).....				
2.32 Total (2.11 to 2.31)				

## **II.C. Animals**

	<b>2004</b>		<b>1998</b>	<b>1993</b>
Animals ( <i>including shared out ones but excluding shared in ones</i> )	Number	Total value if sold now ( <i>moeun riels</i> )	Number	Number
2.33 Cow				
2.34 Buffalo				
2.35 Pig				
2.36 Horse				
2.37 Chicken (of weight that is saleable)				
2.38 Duck (of weight that is saleable)				
2.39 Other (specify).....				
2.40 Other (specify).....				
<b>2.41 Total (2.33 to 2.40)</b>				

**SECTION III: Land Ownership and Land Transactions**

3.1. Do you own the residential land you are living on now? 1. Yes 2. No

3.2. Do you own any residential land elsewhere? 1. Yes 2. No

3.3. Do you own or lease in any agricultural land? 1. Yes 2. No

(Note: When asking about the size of land, convert to hectares. If this particular household does not have lands, please write "0" in (a) and/or (b) and (N/A) in (c) or (d).

Operational land	(a) Number of plots	(b) Total area	(c) Total value	(d) Any paper to certify your ownership? (codes below)
		ha.	(converted to moeun riels)	1 Application receipt 2 Land investigation paper 3 Certificate (or title) 4 No document available in the house 5 Lost application receipt 6 N/A for not applicable
<b>3.2.1. Residential land</b>				
<b>3.3. Cultivable lands</b>				
3.3.1. Wet rice land				
3.3.2. Dry rice land				
3.3.3. Chamkar land				
3.3.4. Area leased out				
3.3.5. Land left idle				
3.3.6. Land for more than 1 crop/year				
3.3.7. Other land (specify).....				
<b>3.4. Total agricultural land owned</b>				
3.5. Area leased in				
3.6. Leased out land				

3.7. If you do not own any agricultural land now, what is the reason?

1. sold it
2. given all to children
3. never had land (e.g. new marriage)
4. lost due to displacement (just moved into this village)
5. lost in dispute
6. grabbed by others
7. other (specify) .....

3.8. Have you sold any land since the last interview in March 2001?

1. Yes (Ask for each plot in turn)
2. No (Go to Question 3.10)

(Ask for each plot in turn)	Plot 1	Plot 2	Plot 3	Plot 4
3.8.1. What types of land have you sold?				
3.8.2. When did you sell it?				
3.8.3. How much did you get? ( <i>moeun riels</i> )	.....	.....	.....	.....
3.8.4. Why did you sell it? ( <i>circle the one main reason</i> )				
1. needed cash for doing other business	1	1	1	1
2. to pay for health care	2	2	2	2
3. needed cash for consumption	3	3	3	3
4. to pay debts	4	4	4	4
5. death of family member (for funeral)	5	5	5	5
6. the land is too small for profitable farming	6	6	6	6
7. to emigrate	7	7	7	7
8. to change occupation	8	8	8	8
9. other (specify) .....	9	9	9	9

Note: Exchange rate

2001 \$1=3934 riels 1 damloeng=\$327.50	2002 \$1=3924 riels 1 damloeng=\$368.25	2001 \$1=3934 riels 1 damloeng=\$327.50	2004 \$1=4004 riels 1 damloeng=\$460.00
---	---	---	---

### 3.9. Land conflicts

3.9.1. Since March 2001, have you had any land conflicts?

1. Yes
2. No (*go to Section IV*)

3.9.2. When did it happen? in .....(*month, year*)

3.9.3. On which land? 1. Residential land  
2. Agricultural land

**SECTION IV: Credit Market**

4.1. Since March 2004, has your household obtained any loan?

1. Yes
2. No

4.2. How many outstanding loans?

Type of loan	Have outstanding loans? 1 Yes 2 No	If yes, total number of loans
4.2.1. Loan in cash to be repaid in cash/gold		
4.2.2. Loans in paddy to be repaid in paddy or rice to be repaid in rice		
4.2.3. Loans in kind such as paddy, rice, fertiliser to be repaid in cash or labour OR Loans in cash to be repaid in paddy or labour (transplanting etc):		

**4.3 Detailed information on outstanding loans since March 2004**

(\$US and gold, or in kind, must be converted into riels)

Loan	(a) Type of loan	(b) Source	(c) For what purpose?	(d) Amount	(e) When did you take out the loan? (month, year)	(f) Total amount to be paid	(g) Interest rate per month (%)
	1 In cash or gold to be repaid in cash/gold 2 In kind such as paddy, rice or fertiliser to be repaid in kind 3 Loans in kind or cash to be repaid in kind, cash or labour	1 relative 2 friend 3 money lender 4 NGO 5 ACLEDA 6 Other (specify)	1 Farming 2 Buying inputs for other business 3 Offset food shortage 4 Treating ill hh member(s) 5 Education 6 Solving hh conflicts 7 Building/re novating house 8 Ceremony 9 Other:..... .....	Specify unit: - moeun riels - tao - tang - basket - sack - working days etc.		Specify unit: - - moeun riels - tao - tang - basket - sack - working days etc.	
4.3.1. Loan 1				.....	.....	.....	.....%
4.3.2. Loan 2				.....	.....	.....	.....%
4.3.3. Loan 3				.....	.....	.....	.....%
4.3.4. Loan 4				.....	.....	.....	.....%

**SECTION V. Household Expenditure**

**5.1. Since March 2004, expenditure on non-food items by all members of household:**

5.1.1	Clothes and foot wear	..... <i>moeun</i> riels
5.1.2	Medical care/health treatment	..... <i>moeun</i> riels
5.1.3	Pay for wedding	..... <i>moeun</i> riels
5.1.4	Ceremony	..... <i>moeun</i> riels
5.1.5	House repairs	..... <i>moeun</i> riels
5.1.6	Visits/tourism	..... <i>moeun</i> riels
5.1.7	Donations to relatives	..... <i>moeun</i> riels
5.1.8	Charging battery	..... <i>moeun</i> riels
5.1.9	Other (besides production and food)	..... <i>moeun</i> riels
5.1.10	Other (besides production and food)	..... <i>moeun</i> riels
<b>5.1.11</b>	<b>Total (5.1.1 to 5.1.10)</b>	..... <b><i>moeun</i> riels</b>

**5.2. On average this year, in one week how much did your household spend on:**

5.2.1	Soaps, shampoo, make-up	..... 000 riels
5.2.2	Education (extra courses, teachers and eating at school)	..... 000 riels
5.2.3	<i>Food besides rice</i>	..... <i>000 riels</i>
5.2.4	Eating outside home	..... 000 riels
5.2.5	Other:.....	..... 000 riels
5.2.6	Other:.....	..... 000 riels
<b>5.2.7</b>	<b>Total (5.2.1 to 5.2.6)</b>	..... <b>000 riels</b>

**SECTION VI: Household Income and Agricultural Production****Crop production and revenues in the last complete season (not the season without harvest yet):**

	<b>Last completed season/harvest</b>				
	(a) Month of harvest	(b) Total harvested area (ha.)	(c) Quantity produced (kg OR note unit)	(d) Unit price (riels/kg OR note other unit)	(e) Total Value (moeun riels)
6.1. Rice (irrigated)	Month.....200...	..... ha	.....kg	.....	..... moeun riels
6.2. Rice (not irrigated)	Month.....200...	..... ha	.....kg	.....	..... moeun riels
6.3. Maize	Month.....200...	..... ha	.....kg	.....	..... moeun riels
6.4. Beans	Month.....200...	..... ha	.....kg	.....	..... moeun riels
6.5. Sesame	Month.....200...	..... ha	.....kg	.....	..... moeun riels
6.6. Cucumbers	Month.....200...	..... ha	.....	.....	..... moeun riels
6.7. Watermelon	Month.....200...	..... ha	.....	.....	..... moeun riels
6.8. Vegetables	Month.....200...	..... ha	.....	.....	..... moeun riels
6.9 Fruit tree	Month.....200...	..... ha	.....	.....	..... moeun riels
6.10 Reed/lotus	Month.....200...	..... ha	.....	.....	..... moeun riels
6.11 Other .....	Month.....200...	..... ha	.....	.....	..... moeun riels

**Since March 2004, what has been your income from all members of the household?**

(Always remember to ask him/her to recall since March 2004)	Household income since March 2004 (Convert to moeun riels)
<b>Income from selling paddy, livestock, raised fish and fruits</b>  6.12. Total income from selling paddy, maize, beans, watermelon, vegetables, fruits .....moeun riels .....moeun riels 6.13. Pig: .....moeun riels 6.14. Cow/buffalo:.....moeun riels 6.15. Poultry .....moeun riels 6.16. Fish culture:.....moeun riels	
<b>Off-Farm Income (Gross Income)</b>  6.17. Palm juice/sugar production: .....moeun riels 6.18. Small business/petty trade.....moeun riels 6.19. Income from migration to Thailand .....moeun riels 6.20. Income from migration to Thai-Cambodian border.....moeun riels 6.21. Income from migration to other area inside Cambodia.....moeun riels 6.22. Other (specify).....moeun riels	
<b>Collecting from Common Property Resources</b>  6.23. Fishing: .....moeun riels 6.24. Hunting:.....moeun riels 6.25. Collecting vegetables/roots/fruits: .....moeun riels 6.26. Other (specify) .....moeun riels	
<b>Other Income</b>  6.27. Land/house rental:.....moeun riels 6.28. Equipment/animal rentals.....moeun riels 6.29. Interest from lending money .....moeun riels 6.30. Remittances.....moeun riels 6.31. Other (specify) .....moeun riels	

6.32. How sufficient is the yearly supply of rice from your land for the consumption of your family? (*Select only one answer*)

1. more than sufficient and have surplus to sell
2. just adequate
3. good for 7-10 months; have to buy some
4. good for 3-6 months; have to buy a lot
5. good for less than 3 months; have to buy
6. entirely dependent on buying rice

6.33. Is there a threat to the food security of your household? 1= yes 2= no 3=no idea

6.34. If yes, why?.....

**SECTION VII: Production Expenditures**

(If the household does not produce rice, go to Part VII.B.)

VII.A. Expenditure on rice production in the last complete production season (Please tell us the period of last crop: Month..... Year ..... to Month..... Year .....

	In cash	In kind
7.1 Organic fertiliser	.....moeun riels	.....moeun riels
7.2 Chemical fertilisers	.....moeun riels	.....moeun riels
7.3 Pesticides	.....moeun riels	.....moeun riels
7.4 Water fees or pumping cost (not the capital cost)	.....moeun riels	.....moeun riels
7.5 Soil preparation	.....moeun riels	.....moeun riels
7.6 Hired labour for transplanting	.....moeun riels	.....moeun riels
7.7 Hired labour for harvesting	.....moeun riels	.....moeun riels
7.8 Threshing	.....moeun riels	.....moeun riels
7.9 Repair and maintenance of farm equipment	.....moeun riels	.....moeun riels
7.10 Transportation of inputs and produce	.....moeun riels	.....moeun riels
7.11 Rental of land	.....moeun riels	.....moeun riels
7.12 Rental of equipment/animals	.....moeun riels	.....moeun riels
7.13 Other (specify)	.....moeun riels	.....moeun riels
7.14 Total (7.1 to 7.13)	.....moeun riels	.....moeun riels

VII. B. Total expenditure on other crop production (fruits or vegetables) in the last complete season (If this household does not cultivate other crops, please record N/A and skip to VIII.)

	In cash	In kind
7.15 Organic fertiliser	.....moeun riels	.....moeun riels
7.16 Chemical fertilisers	.....moeun riels	.....moeun riels
7.17 Pesticides	.....moeun riels	.....moeun riels
7.18 Water fees or pumping cost (not the capital cost)	.....moeun riels	.....moeun riels
7.19 Soil preparation	.....moeun riels	.....moeun riels
7.20 Hired labour for transplanting	.....moeun riels	.....moeun riels
7.21 Hired labour for harvesting	.....moeun riels	.....moeun riels
7.22 Threshing	.....moeun riels	.....moeun riels
7.23 Repair and maintenance of farm equipment	.....moeun riels	.....moeun riels
7.24 Transportation of inputs and produce	.....moeun riels	.....moeun riels
7.25 Rental of land (if applicable)	.....moeun riels	.....moeun riels
7.26 Rental of equipment/animals	.....moeun riels	.....moeun riels
7.27 Other (specify)	.....moeun riels	.....moeun riels
7.28 Total (7.15 to 7.27)	.....moeun riels	.....moeun riels

**SECTION VIII: Access to Common Property Resources (CPR)**

8.1. Do you have access to CPR located within/outside your area?

1. Yes
2. No (*Go to Section IX*)

8.2 If yes, what types of CPR do you have access to? (*multiple answers permitted*)

1. Forest
2. Flooded forest
3. Big river/lake
4. Flooded rice field
5. Small river
6. Sea

For items to which the household has access, how has the availability of these CPR changed over the last 10 years?

	<b>2004 vs 1998</b>	<b>1998 vs 1993</b>
	<i>(Please record using the appropriate code from the list below)</i>	
<b>CODE</b>	1 Slightly increased 2 Moderately increased 3 Dramatically increased 4 The same 5 Slightly decreased 6 Moderately decreased 7 Dramatically decreased	
8.3. firewood		
8.4. timber		
8.5. fish		
8.6. bamboo/canes		
8.7. animal grazing		
8.8. fruits/tubers/vegetables		
8.9. wild animals		
8.10. birds		
8.11. snails, crabs and oysters		
8.12. crickets and other insects		
8.13. frogs		
8.14. mice		
8.15. resins		
8.16. materials for mats		
8.17. Other .....		

**SECTION IX: Shocks/Crises and Coping Strategies****Since March 2004, have you faced any of the following crises?**

		Circle one answer		If yes, how much was spent?
		1 = No	2 = Yes	
9.1	loss of household member (number) .....	1	2	..... moeun riels
9.2	household member became very sick/was badly injured	1	2	..... moeun riels
9.3	fire	1	2	..... moeun riels
9.4	crop failure	1	2	..... moeun riels
9.5	crop damage due to flooding	1	2	..... moeun riels
9.6	other damage due to flooding	1	2	..... moeun riels
9.7	animal deaths/theft	1	2	..... moeun riels
9.8	theft or being cheated	1	2	..... moeun riels
9.9	household member lost waged employment	1	2	..... moeun riels
9.10	business shut	1	2	..... moeun riels
9.11	other (specify) .....	1	2	..... moeun riels

9.12. How did your family cope with the incident(s) above? (multiple answers permitted )

		Circle one appropriate answer		If yes, how much was spent?	Remarks
		1 = No	2 = Yes		
1.	spent savings	1	2	In moeun riels	
2.	reduced consumption	1	2		
3.	borrowed money (including gold)	1	2		
4.	sold cattle	1	2		
5.	sold transport, farm or household equipment	1	2		
6.	rented out land	1	2		
7.	sold residential land/house	1	2		
8.	sold agricultural land	1	2		
9.	got help from relatives/friends	1	2		
10.	got help from NGOs	1	2		
11.	household member(s) migrated to look for jobs	1	2		
12.	placed children in labour service	1	2		
13.	other (specify) .....	1	2		

**SECTION X: Detailed Information about Household Food Consumption**

How many people have eaten in the household in the past week (7days)?

7.3. Members aged 15 and above .....

7.4. Members aged 14 and below.....

What was the total value of food, beverages, tobacco etc. consumed in your household during the past week?

Food Items <i>consumed by those who have eaten in the household in the past 7 days</i>		Total quantity	Purchased (riels)	Own produce OR collected OR given	
				Quantity	riels
10.3.	Rice (all varieties)	.....kg	..... riels		..... riels
10.4.	Other cereals and preparations (bread, maize, other grains, rice/wheat flour, noodles, biscuits etc.)		..... riels		..... riels
10.5.	Fish (fresh fish, shrimp, crabs, fermented, salted and dried fish, canned fish etc.)		..... riels		..... riels
10.6.	Meat (pork, beef, buffalo, mutton, dried meat, innards—liver, spleen—and other meat)	.....kg	..... riels		..... riels
10.7.	Poultry (chicken, duck, and other fresh bird meat)	.....kg	..... riels		..... riels
10.8.	Eggs (duck egg, chicken egg, quail egg, fermented/salted egg etc.)		..... riels		..... riels
10.9.	Dairy products (condensed milk, powdered milk, fresh milk, ice cream, cheese etc.)		..... riels		..... riels
10.10.	Oil and fats (vegetable oil, pork fat, rice bran oil, butter, margarine, coconut/frying oil etc.)	.....kg	..... riels		..... riels
10.11.	Fresh vegetables (morning glory, cabbage, eggplant, cucumbers, tomatoes, green gourds, beans, onions, shallots, chilli etc.)	.....kg	..... riels		..... riels
10.12.	Tubers (cassava, sweet potatoes, potatoes, traov, jampada etc.)		..... riels		..... riels
Food Items <i>consumed by those who have eaten in the household in the past 7 days</i>		Total quantity	Purchased (riels)	Own produce OR collected OR given	
10.13.	Pulses and legumes (green gram, dhal, cowpeas, bean sprouts, other seeds etc.)		..... riels		..... riels
10.14.	Prepared and preserved vegetables (cucumber pickles, other pickles, tomato paste etc.)		..... riels		..... riels

10.15. Fruit (bananas, oranges, mangoes, pineapples, lemons, watermelon, papaya, durian, grapes, canned & dried fruits etc.)	..... kg	..... riels		..... riels
10.16. Other fruits and seeds (coconut, cashew nuts, lotus seeds, peanuts, gourd seeds, other nuts)		..... riels		..... riels
10.17. Sugar, salt (sugar, jaggery, sugar products including candy, salt etc.)		..... riels		..... riels
10.18. Spices & seasonings (fish sauce, soy sauce, vinegar, garlic, ginger, coriander, red pepper, monosodium glutamate etc.)	..... kg	..... riels		..... riels
10.19 Tea, coffee, cocoa	..... kg	..... riels		..... riels
10.20 Non-alcoholic beverages (drinking water, sugar cane juice, syrup with ice, bottled soft drink, fruit juice etc.)		..... riels		..... riels
10.21 Alcoholic beverages (rice wine, other wine, beer, whisky, palm juice etc.)		..... riels		..... riels
10.22 Tobacco products (cigarettes, mild tobacco, strong tobacco, etc.)	..... kg	..... riels		..... riels
10.23 Other food products (fried insects, peanut preparation, flavoured ice, ice, other food products)	..... kg	..... riels		..... riels
10.24 Other:.....				
<b>10.25. Total (Use the calculator to calculate the total and see if it is reasonable):</b>		<b>..... riels</b>		<b>..... riels</b>

## SECTION XI: Social Capital

### XI A. Groups and Networks

Now I would like to talk to you about the groups or associations, networks and organisations to which you or any member of your household belongs. These could be formally organised groups or just groups of people who get together regularly to do an activity or talk about things.

To how many groups or associations do you or any member of your family belong that	2004	1998	1993
11.1 relate to your main economic activity (for example, farming, fishing, trade, manufacturing etc)?			
11.2. deal with finance, credit or savings?			
11.3. deal with health or education issues?			
11.4. are political groups or associations?			
11.5. are religious groups or associations?			
11.6. Other? (please specify) .....			
TOTAL			

11.7. Of all the groups and associations to which you or members of your household belonged to in 2004, 1998 and 1993, which one was the most important to your household?

2004	1998	1993
Name of group .....	Name of group .....	Name of group .....
Type of group (circle one answer) 1. Production or trade 2. Finance, credit or saving 3. Health or education 4. Political 5. Religious 6. Other:.....	Type of group (circle one answer) 1. Production or trade 2. Finance, credit or saving 3. Health or education 4. Political 5. Religious 6. Other:.....	Type of group (circle one answer) 1. Production or trade 2. Finance, credit or saving 3. Health or education 4. Political 5. Religious 6. Other:.....

11.8. Thinking about the members of this group, they are/were:

	CODES	2004	1998	1993
A. Gender	1 mostly male 2 mostly female 3 mixed			
B. Religion	1 mostly Buddhist 2 mostly Muslim 3 mostly Catholic			

	4 <i>mostly other</i> 5 <i>mixed</i>			
C. Ethnic or linguistic background	1 <i>mostly Khmer</i> 2 <i>mostly Cham</i> 3 <i>mostly Chinese</i> 4 <i>mostly Vietnamese</i> 5 <i>mostly other (specify.....)</i> 6 <i>mixed</i>			
D. Age	1 <i>mostly youth</i> 2 <i>mostly adult</i> 3 <i>mostly elderly</i> 4 <i>mixed</i>			

11.9. Thinking about the characteristics of members of this group, they were/are:

	CODE	2004	1998	1993
A. Occupation	1 Mostly similar 2 Mixed 3 No idea			
B. Educational background or level	1. Mostly similar 2. Mixed 3. No idea			

11.10. Does this group work with or interact with groups outside the village?

2004	1998	1993
1. No 2. Yes, occasionally 3. Yes, frequently 4. NO IDEA	1. No 2. Yes, occasionally 3. Yes, frequently 4. NO IDEA	1. No 2. Yes, occasionally 3. Yes, frequently 4. NO IDEA

11.11. If you suddenly needed a small amount of money (enough to pay for expenses for your household for one week), how many people beyond your immediate household could you turn to who would be willing and able to provide this money?

2004	1998	1993
1. No one ( <i>Skip to question 11.13</i> ) 2. One or two people 3. Three or four people 4. Five or more people 5. Don't know 6. N/A	1. No one ( <i>Skip to question 11.13</i> ) 2. One or two people 3. Three or four people 4. Five or more people 5. Don't know 6. N/A	1. No one ( <i>Skip to question 11.13</i> ) 2. One or two people 3. Three or four people 4. Five or more people 5. Don't know 6. N/A

11.12. Are most of these people of similar, higher or lower economic status?

2004	1998	1993
Similar .....1 Higher.....2 Lower.....3	Similar .....1 Higher.....2 Lower.....3	Similar .....1 Higher.....2 Lower.....3

11.13. Compared to 10 years ago, are there now more, fewer or about the same number of people to whom you could turn for assistance?

2004 VS 1998	1998 VS 1993
More ..... 1	More ..... 1
Fewer..... 2	Fewer ..... 2
About the same ..... 3	About the same..... 3
No idea ..... 4	No idea ..... 4

### XI B. Trust and Solidarity

In every community, some people get along with others and trust each other, while other people do not. Now I would like to talk to you about trust and solidarity in your community.

11.14. Generally speaking, would you say that most people can be trusted, or that you can't be too careful in dealing with people?

- People can be trusted ..... 1  
 You can't be too careful ..... 2  
 No idea ..... 3

11.15. Do think that over the last 10 years, the level of trust in this village/neighbourhood has gotten better, worse or stayed about the same?

2004 vs 1998	1998 vs 1993
Got better ..... 1	Got better ..... 1
Got worse ..... 2	Got worse ..... 2
Stayed about the same ..... 3	Stayed about the same ..... 3
No idea ..... 4	No idea ..... 4

11.16. In general, do you agree or disagree with the following statements? (*record appropriate code below*)

	2004	1998	1993
A. Most people in this village are willing to help if you need it.			
B. In this village, one has to be alert or someone is likely to take advantage of you			
<b>CODES</b>	1 Agree strongly 2 Agree somewhat 3 Neither agree nor disagree 4 Disagree somewhat 5 Disagree strongly 6 Don't know 7 Dare not answer		

11.17. How much do/did you trust:

	2004	1998	1993
<b>A. Local government officials</b>			
1- Village chief			
2- Commune councils			
3- District officials			
1.1 Police			

1.2 Agricultural extension staff 1.3 Health officers 1.4 Administrative staff 1.5 Others (please specify):..... 4- Other (please specify):.....			
<b>B. Provincial government officials</b> 1. Governor 2. Police/MP 3. Agricultural extension staff 4. Health officers 5. Teachers/education officials 6. Administrative staff 7. Others (please specify):.....			
<b>C. Central government officials</b> 1 Governor 2 Police/MP 3 Agricultural extension staff 4 Health officers 5 Teachers/education officials 6 Administrative staff 7 Military 8 Others (please specify):.....			
<b>CODES</b>	1 To a very great extent 2 To a great extent 3 Neither great nor small extent 4 To a small extent 5 To a very small extent 6 Afraid to answer ( <i>record the interviewer's observation</i> ) 7 Don't know ( <i>record the interviewer's observation</i> )		

For code 6, please ask for more information:.....

For code 7, please ask for more information:.....

### ***XI C. Collective Action and Cooperation***

11.18. In the past year, did you or anyone in your household participate in any communal activities, in which people came together to work for the benefit of the village/neighbourhood?

Yes .....1

No .....2 (If no, skip to question 11.20)

11.19. How many times in the past 12 months? Number of times:.....

11.20. If there was a problem getting enough water in this village/neighbourhood, how likely is it that people would cooperate to try to solve the problem?

2004	1998	1993
1 Very likely	1 Very likely	1 Very likely
2 Somewhat likely	2 Somewhat likely	2 Somewhat likely
3 Neither likely nor unlikely	3 Neither likely nor unlikely	3 Neither likely nor unlikely
4 Somewhat unlikely	4 Somewhat unlikely	4 Somewhat unlikely
5 Very unlikely	5 Very unlikely	5 Very unlikely
6 No idea	6. No idea	6. No idea

11.21. Suppose something unfortunate happened to someone in the village/neighbourhood, such as a serious illness, or his house burning down. How likely is it that some people in the community would get together to help this person?

2004	1998	1993
1 Very likely	1 Very likely	1 Very likely
2 Somewhat likely	2 Somewhat likely	2 Somewhat likely
3 Neither likely nor unlikely	3 Neither likely nor unlikely	3 Neither likely nor unlikely
4 Somewhat unlikely	4 Somewhat unlikely	4 Somewhat unlikely
5 Very unlikely	5 Very unlikely	5 Very unlikely
6 No idea	6. No idea	6. No idea

### ***XI D. Social Cohesion***

11.22. There are often differences in characteristics between people living in the same village/neighbourhood—for example, differences in wealth, income, social status, ethnic or linguistic background. There can also be differences in religious or political beliefs, or differences due to age or sex. To what extent do any such differences characterise your village/neighbourhood? Use a five point scale where 1 means to a very great extent and 5 means to a very small extent.

2004	1998	1993
1 To a very great extent	1 To a very great extent	1 To a very great extent
2 To a great extent	2 To a great extent	2 To a great extent
3 Neither great nor small extent	3 Neither great nor small extent	3 Neither great nor small extent
4 To a small extent	4 To a small extent	4 To a small extent
5 To a very small extent	5 To a very small extent	5 To a very small extent
6. No idea	6. No idea	6. No idea

11.23. Do any of these differences ever lead to violence?

Yes ..... 1

No ..... 2

11.23. Have you ever felt discriminated against when you try to buy something, enter a place, use a service or in any other circumstance?

Yes ..... 1

No ..... 2 (If no, skip to Section XII)

11.25. How often?

2004	1998	1993
1. At least once a week 2. At least once a month 3. Few times per year 4. Don't know	1. At least once a week 2. At least once a month 3. Few times per year 4. Don't know	1. At least once a week 2. At least once a month 3. Few times per year 4. Don't know

## SECTION XII: Power, Governance and Access to Information

### XIIA. Power and Governance

12.1. What does the word "power" mean to you?.....

12.2. How much control do you feel you have in making personal decisions that affect your everyday activities?

2004	1998	1993
1. No control 2. Control over very few decisions 3. Control over some decisions 4. Control over most decisions 5. Control over all decisions 6. NO IDEA	1. No control 2. Control over very few decisions 3. Control over some decisions 4. Control over most decisions 5. Control over all decisions 6. NO IDEA	1. No control 2. Control over very few decisions 3. Control over some decisions 4. Control over most decisions 5. Control over all decisions 6. NO IDEA

Can you give me an example of a decision that affects your everyday activities, over which you do not have control?

.....  
.....

12.3. Compared to the past, do you feel that you have now more, less or about the same amount of control in making personal decisions that affect your everyday activities?

2004 compared to 1998	1998 compared to 1993
1. More 2. Less 3. About the same 4. No idea	1. More 2. Less 3. About the same 4. No idea

Can you give me an example of a decision that affects your everyday activities, over which you do have more/less control now than in 1993? .....

12.4. To what extent do local government and local leaders take into account concerns voiced by you and people like you when they make decisions that affect you?

2004	1998	1993
1. A lot 2. A little 3. Not at all 4. Don't know	1. A lot 2. A little 3. Not at all 4. Don't know	1. A lot 2. A little 3. Not at all 4. Don't know

Can you give me a recent example of a local decision where your views were or were not listened to? .....

12.5. Compared to the past, does the government now pay more, less or about the same attention to what people like you think when it decides what to do?

2004 compared to 1998	2004 compared to 1993
1. More 2. Less 3. About the same 4. Don't know	1. More 2. Less 3. About the same 4. Don't know

Can you give me an example of how local government pays more/less attention to your views now than in 1993? .....

12.6. In the past 10 years, have you benefited from any of the following programs or policies? (*ask as an open question first, give them time to answer, then run through the list*)

	Participation? (1=Yes 2=No)	Benefited? (1 = yes, 2 = no)	Do you know who provided this? (1 = yes, 2 = no)	If yes, specify...
1. Food-for-work construction				
2. Well/improved water supply				
3. Latrine				
4. Road				
5. Irrigation				
6. School				
7. Credit scheme				
8. Savings scheme				
9. Vaccination/other health extension				
10. Free or subsidised access to health care in health centre/hospital				
11. Agricultural extension advice or assistance				
12. Veterinary services advice or assistance				

13. Rice distribution				
14. Distribution of other goods (specify what).....				
15. Other (specify).....				
16. Other (specify).....				

12.7. In the past 10 years, have you done any of the following?

	Circle the appropriate answer		If yes, for what purpose? (Record appropriate code)
	Yes	No	1 Personal matter 2 Public issue 3 Other (specify)
1. Attended a village or commune council meeting, public hearing or discussion	1	2	
2. Met with a local politician, called him/her or sent a letter	1	2	
3. Met with a national politician, called him/her or sent a letter	1	2	
4. Participated in a protest or demonstration	1	2	
5. Participated in an information or election campaign	1	2	
6. Alerted newspaper, radio or TV to a local problem	1	2	
7. Notified police or court about a local problem	1	2	

12.8. Over the past 10 years, do you think that your ability to contact your local government and influence their actions has increased, decreased or stayed about the same?

2004 vs 1998	1998 vs 1993
1. Increased 2. Decreased 3. Stayed about the same 4. No idea 5. Afraid to answer	1. Increased 2. Decreased 3. Stayed about the same 4. No idea 5. Afraid to answer

12.9. Generally speaking, would you say that this country is run by a few big interests looking out for themselves, or that it is run for the benefit of all the people?

2004	1998	1993
1. Run by a few big interests 2. Run for all the people 3. No idea* 4. Afraid to answer*	1. Run by a few big interests 2. Run for all the people 3. No idea* 4. Afraid to answer*	1. Run by a few big interests 2. Run for all the people 3. No idea* 4. Afraid to answer*

\*Researcher's observation:.....

12.10. Generally speaking, would you say that your local government is run by a few big interests looking out for themselves, or that it is run for the benefit of all the people?

2004	1998	1993
1. Run by a few big interests 2. Run for all the people 3. No idea* 4. Afraid to answer**	1. Run by a few big interests 2. Run for all the people 3. No idea* 4. Afraid to answer*	1. Run by a few big interests 2. Run for all the people 3. No idea* 4. Afraid to answer*

\* Observation of the interviewer:.....

	1993	1998	2003
12.11. Did you vote in the national elections? (1=yes, 2= no or 3=N/A )			
12.12. Did you find it easy to get out and vote? (1=easy, 2=difficult, 3= with frustration, 4=just normal or so-so, 5=no idea)			
12.13. Why?..... 1993:..... 1998:..... 2004 :.....			
12.14. Did you perceive that election to be fair and free (1= yes or 2=no)			

12.15. Did you vote in the commune election in 2002?

1=yes

2= no

12.16. Did you find it easy to get out and vote?

1=easy

2= difficult

3= with frustration

4=just normal or so-so

5=no idea.

12.17. Why?.....

12.18. In general, how satisfied are you with the way democracy works in Cambodia?

How has your level of satisfaction changed over the last ten years? How did you feel about the government in 1993 and 1998?

2004	1998	1993
1. Very satisfied 2. Somewhat satisfied 3. Neither satisfied nor dissatisfied 4. Somewhat dissatisfied 5. Very dissatisfied 6. No idea 7. Afraid to answer	1. Very satisfied 2. Somewhat satisfied 3. Neither satisfied nor dissatisfied 4. Somewhat dissatisfied 5. Very dissatisfied 6. No idea 7. Afraid to answer	1. Very satisfied 2. Somewhat satisfied 3. Neither satisfied nor dissatisfied 4. Somewhat dissatisfied 5. Very dissatisfied 6. No idea 7. Afraid to answer

Any observation?

.....

12.19. In general, how satisfied are you with the extent to which your local government works democratically?

2004	1998	1993
1. Very satisfied 2. Somewhat satisfied 3. Neither satisfied nor dissatisfied 4. Somewhat dissatisfied 5. Very dissatisfied 6. No idea 7. Afraid to answer	1. Very satisfied 2. Somewhat satisfied 3. Neither satisfied nor dissatisfied 4. Somewhat dissatisfied 5. Very dissatisfied 6. No idea 7. Afraid to answer	1. Very satisfied 2. Somewhat satisfied 3. Neither satisfied nor dissatisfied 4. Somewhat dissatisfied 5. Very dissatisfied 6. No idea 7. Afraid to answer

Why?

.....

12.20. How widespread do you think bribe taking and corruption are in this country?

How many public officials are engaged in it?

2004	1998	1993
1. ALMOST NO PUBLIC OFFICIALS ARE ENGAGED IN IT 2. A few public officials are engaged in it 3. Most public officials are engaged in it 4. Almost all public officials are engaged in it 5. No idea 6. Afraid to answer	1. ALMOST NO PUBLIC OFFICIALS ARE ENGAGED IN IT 2. A few public officials are engaged in it 3. Most public officials are engaged in it 4. Almost all public officials are engaged in it 5. No idea 6. Afraid to answer	1. ALMOST NO PUBLIC OFFICIALS ARE ENGAGED IN IT 2. A few public officials are engaged in it 3. Most public officials are engaged in it 4. Almost all public officials are engaged in it 5. No idea 6. Afraid to answer

Any observation?.....

12.21. I am going to name several types of organisations and officials. For each one, could you tell me how much confidence you have that they will act for the greater public interest rather than their own self-interest. *(Please record one appropriate code below)*

	2004	1998	1993
<b>CODES</b>	1. confidence	A great deal of	
	2. confidence	Some confidence	
	3. confidence	Not very much	
	4. confidence	No confidence at all	
1. Village leaders			
2. Commune councils			
3. District leaders/officials			
4. Provincial government officials			
2. National government officials			
3. Local politicians			
4. Traditional village leaders			
5. Doctors and nurses in the health clinic			
6. Teachers and school officials			
7. Police			
8. Judges and the staff of courts			
9. The staff of NGOs			
10. Soldiers/Military			

Any observation:.....

12.22. In general, compared to the past, do local government officials now act more for the greater public interest or more for their own self-interest or has it stayed about the same?

2004 compared to 1998	1998 compared to 1993
1. MORE FOR THE GREATER PUBLIC INTEREST	1. MORE FOR THE GREATER PUBLIC INTEREST
2. More for their own self-interest	2. More for their own self-interest
3. About the same	3. About the same
4. No idea	4. No idea
5. Don't know	5. Don't know
6. Cannot say	6. Cannot say

Can you give me an example of how you think local government officials act more/less *(delete as appropriate)* in the public interest than they did in the past?

.....

**XII B. Access to Information**

12.23. What are your three main sources of information about what the national government is doing?

		Record appropriate codes below
1.	Agricultural extension	
2.	Workfare	
3.	Education	
4.	Family planning	
5.	Other:.....	

**Code for source of information:**

1. Relatives, friends and neighbours
2. Community bulletin board
3. Local market
4. Community or local newspaper
5. National newspaper
6. Radio
7. Television
8. Groups or associations
9. Business or work associates
10. Political associates
11. Community leaders
12. An agent of the government
13. NGOs
14. Internet

12.24. How easy or difficult is it to obtain information about the activities of the national government?

- Very easy ..... 1  
 Somewhat easy ..... 2  
 Neither easy nor difficult ..... 3  
 Somewhat difficult..... 4  
 Very difficult ..... 5

12.25. In general, compared to 10 years ago, has access to information about the national government got better, got worse or stayed about the same?

2004 vs 1998	1998 vs 1993
1. Got better	1. Got better
2. Got worse	2. Got worse
3. Stayed about the same	3. Stayed about the same
4. Don't know	4. Don't know

12.26. What are your three main sources of information about what your local government is doing in this village/neighbourhood?

	Most important (1)	Moderately important (2)	Important (2)
Record appropriate code below			

Relatives, friends and neighbours ..... 1

Community bulletin board .....	2
Local market .....	3
Community or local newspaper .....	4
National newspaper .....	5
Radio .....	6
Television .....	7
Groups or associations .....	8
Business or work associates .....	9
Political associates .....	10
Community leaders .....	11
An agent of the government .....	12
NGOs .....	13
Internet .....	14
Other:.....	15

12.27. How easy or difficult is it to obtain information about the activities of your local government: commune council and district officials?

2004	1998	1993
1. Very easy	1. Very easy	1. Very easy
2. Somewhat easy	2. Somewhat easy	2. Somewhat easy
3. Neither easy nor difficult	3. Neither easy nor difficult	3. Neither easy nor difficult
4. Somewhat difficult	4. Somewhat difficult	4. Somewhat difficult
5. Very difficult	5. Very difficult	5. Very difficult

12.28. In general, compared to 10 years ago, has access to information about the activities of your local government got better, got worse or stayed about the same?

Got better .....	1
Got worse .....	2
Stayed about the same .....	3
No idea.....	4
Cannot say.....	5

12.29. What are your three main sources of market information (such as available jobs, wages, prices of goods or crops, interest rates etc.)?

	Most important (1)	Moderately important (2)	Important (2)
Record appropriate code below			

Relatives, friends and neighbours .....	1
Community bulletin board .....	2
Local market .....	3
Community or local newspaper .....	4
National newspaper .....	5
Radio .....	6
Television .....	7
Groups or associations .....	8
Business or work associates .....	9
Political associates .....	10
Community leaders .....	11
An agent of the government .....	12
NGOs .....	13

Internet ..... 14  
 Other: ..... 15

12.30. How easy or difficult is it to obtain information about jobs, wages, prices, interest rates etc.?

2004	1998	1993
1. Very easy	1. Very easy	1. Very easy
2. Somewhat easy	2. Somewhat easy	2. Somewhat easy
3. Neither easy nor difficult	3. Neither easy nor difficult	3. Neither easy nor difficult
4. Somewhat difficult	4. Somewhat difficult	4. Somewhat difficult
5. Very difficult	5. Very difficult	5. Very difficult

12.31. In general, compared to 10 years ago, has access to information about these issues got better, got worse or stayed about the same?

2004 VS 1998	1998 VS 1993
1. Got better	1. Got better
2. Got worse	2. Got worse
3. Stayed about the same	3. Stayed about the same
4. No idea	4. No idea

12.32. In the past month, how many times have you made or received a phone call?

Number of phone calls .....

12.33. How many times in the last month have you or anyone in your household read a newspaper or had one read to you?

Number of times .....

12.34. How long does it take you to reach the nearest working post office?

Less than 15 minutes ..... 1  
 15 to 30 minutes ..... 2  
 31 to 60 minutes ..... 3  
 More than 1 hour..... 4

## **Appendix D: Moving Out of Poverty Study Household Survey, Round Two**

**Ordinal Number of Questionnaire .....**

### **Geographical Identification**

Province: ..... District: .....  
Commune: ..... Village:.....

### **Interview Record**

Interviewee's name: .....  
Interviewee's ethnicity: Khmer=1 Other (specify) .....  
Interviewer's name: ..... Date of interview: ..... 2005  
Signature: ..... Time started: .....  
Remarks: ..... Time completed: .....  
.....

### **Quality Control Record**

Survey team leader's name: ..... Signature: ..... Date: ...../...../2005  
Remarks: .....  
Questions for which Survey Team Leader ordered call back: .....

### **Supervision by CDRI Researcher**

CDRI researcher checking the questionnaire: ..... Date: ...../...../ 2005  
Questions that were clarified: .....  
Questions that needed call back: .....

### **Records on Data Cleaning and Entry**

Name of data cleaning person: ..... Signature ..... Date: ...../...../ 2005  
Remarks, questions with problems: .....

**Data Entry Record**

Name of data enterer: .....Date: ...../...../2005

Remarks: .....

**SECTION I. Household Demography and Migration****Note:**

- Circle a number of the answers for many questions. Only when you see “there can be more than one answer” can you circle more than one answer.

- In the spaces, please write:

- N/A (Not Applicable) where there are no answers.
- DK for don't know the answer
- MV for missing value

“Household” refers to living in the same house and sharing the same food. If they live in the same house but cook and eat separately, they should be considered as different households. In order to be counted as a household member, the person has to have been present in the household in the last six months (since September/October 2004). If the person has not been present in the house at all since September/October 2004, then he/she is not counted as a household member.

1.1. Was your household interviewed:

in 1996?	in 2001?	in September/October 2004?
1 = Yes 2 = No 3= not sure	1 = Yes 2 =No 3= not sure	1 = Yes 2 = No 3= not sure

1.2. How many members are in your household (both children and adults)? .....

Number of members aged below 7 years: Male:..... Female:.....

**Household labour: detailed information about household members aged 7 and above. (Write in N/A if there are no answers.)**

No.	Given name	Sex: 1= male 2= female	Age  (years)	Information on off-farm jobs that earned monthly or daily wages or other income since Sept/Oct. 2004											
				For questions: (1.7, 1.10, 1.13, 1.16.) 1= farm work within the village, 2= work outside village in Cambodia, 3= work in Thailand, 4=migration to Thai-Cambodian border, 5= small trade, 6= palm juice/sugar production, 7=fishing, 8= collecting resources from water or fields, 9= collecting resources from forests, 10=government official, 11= other work in the village, 12=transportation service, 13=small-scale processing, 14=Village volunteer, 15=moneylender, 16=other (please specify).....											
				1st job			2nd job			3rd job			4th job		
				What job? (codes above)	How much earned per day?	How much earned since Sept/Oct. 2004?	What job? (codes above)	How much earned per day?	How much earned since Sept/Oct. 2004?	What job? (codes above)	How much earned per day?	How much earned since Sept/Oct. 2004?	What job? (codes above)	How much earned per day?	How much earned since Sept/Oct. 2004?
1.3	1.4	1.5	1.6	1.7	1.8	1.9	1.10	1.11	1.12				1.13	1.14	1.15
01															
02															
03															
04															
05															
06															
07															
08															
09															
10															
11															
12															
13															

**SECTION II: Credit Market**

3.1. Since the last interview in September/October 2004, has your household obtained a loan?

3. Yes

4. No

3.2. How many outstanding loans?

Type of loan	Have outstanding loans?	If yes, total number of loans (if no answer, write N/A)
	3 Yes 4 No	
3.2.1. Loan in cash to be repaid in cash/gold		
3.2.2. Loan in paddy to be repaid in paddy or rice to be repaid in rice		
3.2.3. Loan in kind such as paddy, rice, fertiliser to be repaid in cash or labour OR Loan in cash to be repaid in paddy or labour (transplanting etc.):		

**3.3. Detailed information on outstanding loans since last interview in September/October 2004 (US\$ and gold, or in kind, must be converted into riels)**

Loan	(a) Type of loan	(b) Source	(c) For what purpose?	(d) Amount	(e) When did you take out the loan?	(f) Total amount to be paid	(g) Interest rate per month
	6 In cash or gold to be repaid in cash/gold 7 In kind such as paddy, rice or fertiliser to be repaid in kind 8 Loans in kind or cash to be repaid in kind, cash or labour	8 relative 9 friend 10 money lender 11 NGO (EMT) 12 ACLEDA 6 village credit/self-help group 7 middlemen 8 other	11 farming 12 buying inputs for other business 13 offset food shortage 14 curing ill hh member(s) 15 education 16 solving hh conflicts 17 building/renovating house 18 celebrating ceremony 19 financing migration in search of work outside the village 20 for repaying loan 21 buying animals for raising 22 buying land 23 other	(moeun riels)	(month, year)	(moeun riels)	(%)
3.3.1. Loan 1				.....	.....	.....	.....%
3.3.2. Loan 2				.....	.....	.....	.....%
3.3.3. Loan 3				.....	.....	.....	.....%
3.3.4. Loan 4				.....	.....	.....	.....%

**SECTION III: Household Expenditure**

**3.1. Since September/October 2004, expenditure on non-food items by all members of household:**

3.1.1	clothing and footwear	.....000 riels
3.1.2	medical care/health treatment	.....moeun riels
3.1.3	others' wedding	.....moeun riels
3.1.4	ceremony	.....moeun riels
3.1.5	house repairs	.....moeun riels
3.1.6	visits/tourism	.....moeun riels
3.1.7	donations to relatives	.....moeun riels
3.1.8	other recreation	.....moeun riels
3.1.9	repairing equipment/tools	.....moeun riels
3.1.10	phone card/telephone	.....moeun riels
3.1.11	water /house rental	.....moeun riels
3.1.12.	cooking (gas/charcoal/stove)	.....moeun riels
3.1.13	other	.....moeun riels
3.1.14	<b>Total (3.1.1 to 3.1.13)</b>	.....moeun riels

**3.2. On average this year, in one week how much has your household spent on:**

3.2.1	soaps, shampoo, make-up	.....moeun riels
3.2.2	education (extra courses, teachers and eating at school)	.....moeun riels
3.2.3.	purchasing food beside rice	.....moeun riels
3.2.4	eating outside home	.....moeun riels
3.2.5	charging battery	.....moeun riels
3.2.6	other:.....	.....moeun riels
3.2.7	<b>Total (from 3.2.1 to 3.2.6)</b>	.....moeun riels

**SECTION IV: Household Income and Agricultural Production****Crop production and revenues since September/October 2004:**

(Note: do not include crops not yet harvested)

	(a) Month of harvest	(b) Total harvested area (ha)	(c) Quantity produced (kg OR note unit)	(d) Unit price (Riels/kg OR note other unit)	(e) Total Value (moeun riels)	(f) Total Production Expenditure (moeun riels)
4.1. Maize	Month.....200...	..... ha	.....kg	.....	..... moeun riels	..... moeun riels
4.2. Beans	Month.....200...	..... ha	.....kg	.....	..... moeun riels	..... moeun riels
4.3. Sesame	Month.....200...	..... ha	.....kg	.....	..... moeun riels	..... moeun riels
4.4. Cucumbers	Month.....200...	..... ha	.....	.....	..... moeun riels	..... moeun riels
4.5. Watermelon	Month.....200...	..... ha	.....	.....	..... moeun riels	..... moeun riels
4.6. Vegetables	Month.....200...	..... ha	.....	.....	..... moeun riels	..... moeun riels
4.7. Fruit trees	Month.....200...	..... ha	.....	.....	..... moeun riels	..... moeun riels
4.8. reeds/lotus	Month.....200...	..... ha	.....	.....	..... moeun riels	..... moeun riels
4.9 Sugar cane	Month.....200...	..... ha	.....	.....	..... moeun riels	..... moeun riels
4..10. Other	Month.....200...	..... ha	.....	.....	..... moeun riels	..... moeun riels

**Since September/October 2004, what has been your income from all members of the household?**

(Always remember to ask him/her to recall since September/October 2004)	Household income since September/October 2004 (Convert to <i>moeun riels</i> )
<b>Income from selling paddy, livestock, raised fish and fruits</b>  4.11. Total income from selling paddy, maize, beans, watermelon, vegetables, fruits ..... <i>moeun riels</i> ..... <i>moeun riels</i> 4.12. Pig: ..... <i>moeun riels</i> 4.13. Cow/buffalo:..... <i>moeun riels</i> 4.14. Poultry ..... <i>moeun riels</i> 4.15. Fish culture:..... <i>moeun riels</i>	
<b>Off-Farm Income (Gross Income)</b>  4.16. Palm juice/sugar production: ..... <i>moeun riels</i> 4.17. Small business/petty trade..... <i>moeun riels</i> 4.18. From migration to Thailand ..... <i>moeun riels</i> 4.19. From migration to Thai-Cambodian border.... <i>moeun riels</i> 4.20. From migration to other area inside Cambodia..... <i>moeun riels</i> 4.21. Other ..... <i>moeun riels</i>	
<b>Collecting Common Property Resources</b>  4.22. Fishing: ..... <i>moeun riels</i> 4.23. Hunting:..... <i>moeun riels</i> 4.24. Collecting vegetables/roots/fruits: ..... <i>moeun riels</i> 4.25. Other ..... <i>moeun riels</i>	
<b>Other Income</b>  4.26. Land/house rental:..... <i>moeun riels</i> 4.27. Equipment/animal rentals..... <i>moeun riels</i> 4.28. Interest from lending money ..... <i>moeun riels</i> 4.29. Remittances..... <i>moeun riels</i> 5.30. Selling land: ..... <i>moeun riels</i> 4.31. Other: ..... <i>moeun riels</i>	
<b>4.32. Total (4.11 to 4.31)</b>	<b>.....<i>moeun riels</i></b>

4.33. According to your observation, how important are your incomes from the different sources you have mentioned? (*Please choose appropriate coding*)

	Scale of importance: 1=very important, 2=moderately important, 3=not so important, 4=not important at all or not relevant or not related, 5=don't know		
Source	2004/05	1998	1993
I. Farming			
II. Off-farm			
III. CPR			
IV. Other			

Any explanation?.....

**SECTION V: Production Expenditures**

Note:

- If the household does not produce rice, please record N/A and then go to Part VI.
- If there was no expenditure on any item, please record N/A.
- If there was expenditure but the respondent's could not recall, fill in DK.

**V. Rice production in wet season 2004 and dry season 2005**

	(a) Wet Season Rice in 2004	Dry season rice in 2005
5.1. Date of harvest	Month.....200	Month....2000
5.2. Cultivated area	ha.....	ha.....
5.3. Total yield harvested	.....kg	.....kg
5.4. Farm gate price	..... riels/kg	..... riels/kg
5.5. Gross income	.....moeun riels	.....moeun riels
<b>Expenditure (purchased and rented/hired)</b>		
5.6 Organic fertiliser	.....moeun riels	.....moeun riels
5.7 Chemical fertilisers	.....moeun riels	.....moeun riels
5.8. Pesticides	.....moeun riels	.....moeun riels
5.9. Irrigation	.....moeun riels	.....moeun riels
5.10. Land preparation	.....moeun riels	.....moeun riels
5.11. Hired labour for transplanting	.....moeun riels	.....moeun riels
5.12. Hired labour for harvesting	.....moeun riels	.....moeun riels
5.13. Threshing	.....moeun riels	.....moeun riels
5.14. Transportation of inputs and produce	.....moeun riels	.....moeun riels
5.15. Rental of land	.....moeun riels	.....moeun riels
5.16. Seeds	.....moeun riels	.....moeun riels
5.17. Other	.....moeun riels	.....moeun riels
5.18. Total (5.6 to 5.17)	.....moeun riels	.....moeun riels

**SECTION VI: Shocks/Crises Affecting Household and Coping Strategies****6.1. Since March 2004, have you faced any of the following crises?**

		Circle one answer		If yes, how much was spent?
		1 = No	2 = Yes	
6.1	loss of household member (number) .....	1	2	..... moeun riels
6.2	household member became very sick/was badly injured	1	2	..... moeun riels
6.3	fire	1	2	..... moeun riels
6.4	crop failure	1	2	..... moeun riels
6.5	crop damage due to flooding	1	2	..... moeun riels
6.6	other damage due to flooding	1	2	..... moeun riels
6.7	animal deaths/theft	1	2	..... moeun riels
6.8	theft or being cheated	1	2	..... moeun riels
6.9	household member lost waged employment	1	2	..... moeun riels
6.10	business shut	1	2	..... moeun riels
6.11	land conflict	1	2	..... moeun riels
6.12	other (specify) .....	1	2	..... moeun riels

(if all answers are number 2, then go to VII)

1.13. How did your family cope with the incident(s) above? From which source? (multiple answers permitted)	Circle one appropriate answer		If yes, how much was spent?
	1= No	2= Yes	in moeun riels
14. spent savings	1	2	
15. reduced consumption	1	2	
16. borrowed money (including gold)	1	2	
17. sold cattle	1	2	
18. sold transport, farm or household equipment	1	2	
19. rented out land	1	2	
20. sold residential land/house	1	2	
21. sold agricultural land	1	2	
22. got help from relatives/friends	1	2	
23. got help from NGOs	1	2	
24. household member(s) migrated to look for jobs	1	2	
25. placed children in labour service	1	2	
26. other (specify) .....	1	2	

## SECTION VII: Detailed Information about Household Food Consumption

How many people have eaten in this household in the past week (7days)?

7.1. Members aged 15 and above .....

7.2. Members aged 14 and below.....

What was the total value of food, beverages, tobacco etc. consumed in your household during the past week?

**(Record only item consumed by household members who stayed and ate from the same pot in the last 7 days. Please record N/A for any item if no purchase or own produce or given by others, or DK if the respondent can not recall.)**

Food Items consumed by those who have eaten in the household in the past 7 days	Purchased (riels)	Own produced OR collected OR given (riels)
7.5. 7.3 a. Amount of rice consumed (ask for one day's consumption and then multiply by 7)	riels	riels
7.6. b. Rice (all varieties)	..... riels	..... riels
7.7. Other cereals and preparations (bread, maize, other grains, rice/wheat flour, noodles, biscuits etc.)	..... riels	..... riels
7.8. Fish (fresh fish, shrimp, crabs, fermented, salted and dried fish, canned fish etc.)	..... riels	..... riels
7.9. Meat (pork, beef, buffalo, mutton, dried meat, innards—liver, spleen—and other meat)	..... riels	..... riels
7.10. Poultry (chicken, duck, and other fresh bird meat)	..... riels	..... riels
7.11. Eggs (duck egg, chicken egg, quail egg, fermented/salted egg etc.)	..... riels	..... riels
7.12. Dairy products (condensed milk, powdered milk, fresh milk, ice cream, cheese, other dairy products, etc.)	..... riels	..... riels
7.13. Oil and fats (vegetable oil, pork fat, rice bran oil, butter, margarine, coconut/frying oil, etc.)	..... riels	..... riels
7.14. Fresh vegetables (trakun, cabbage, eggplant, cucumber, tomato, green gourd, beans, onion, shallot, chilli, etc.)	..... riels	..... riels
7.15. Tubers (cassava, sweet potato, potato, traov, jampada etc.)	..... riels	..... riels

7.16. Pulses and legumes (green gram, dhal, cowpeas, bean sprouts, other seeds etc.)	..... riels	..... riels
7.17. Prepared and preserved vegetables (cucumber pickles, other pickles, tomato paste etc.)	..... riels	..... riels
7.18. Fruit (bananas, oranges, mangoes, pineapples, lemons, watermelon, papaya, durian, grapes, canned & dried fruits etc.)	..... riels	..... riels
7.19. Other fruits and seeds (coconuts, cashew nuts, lotus seeds, peanuts, gourd seeds, other nuts)	..... riels	..... riels
7.20. Sugar, salt (sugar, jaggery, sugar products including candy, salt etc.)	..... riels	..... riels
7.21. Spices & seasonings (fish sauce, soy sauce, vinegar, garlic, ginger, coriander, red pepper, monosodium glutamate etc.)	..... riels	..... riels
7.22. Tea, coffee, cocoa	..... riels	..... riels
7.23. Non-alcoholic beverages (drinking water, sugar cane juice, syrup with ice, bottled soft drinks, fruit juice etc.)	..... riels	..... riels
7.24. Alcoholic beverages (rice wine, other wine, beer, whisky, palm juice etc.)	..... riels	..... riels
7.25. Tobacco products (cigarettes, mild tobacco, strong tobacco etc.)	..... riels	..... riels
7.26. Other food products (fried insects, peanut preparation, flavoured ice, ice, other food products)	..... riels	..... riels
7.27. Other:.....		
7.28. Total (Use the calculator to calculate the total and see if it is reasonable):	..... riels	..... riels

### Section VIII: Freedom, Crime and Violence

#### 8.0 Respondents for question 8 onward

a. Sex: 1= male 2= female

b. Age: ..... years

c. Education: .....

1= none, 2=less than completed primary, 3=completed primary, 4=less than completed secondary, 5=completed secondary, 6=post-primary vocational, 7=university or other post-secondary education

#### A. Freedom

	2004/5	1998	1993
	1. Yes 2. No 3. Don't know 4. Interviewee appears unwilling to say		
8.1 Do you think that in this country people feel free to say what they want, even if it is a criticism of the government?			
8.2 Do you think that in this country the newspapers, radio and TV report the news freely?			
8.3 Can you talk openly about any problems that you see in this village/neighbourhood?			
8.4 If you wanted to form a group or association with others in your community, could you do so without prior government approval?			
8.5 Do you feel free to openly express your religious beliefs?			
8.6 Do you think that all people in this village/neighbourhood are treated fairly by the law?			

8.7 Are there many government or local authority rules and regulations required to set up a business? If a person has the resources, how difficult or easy is it to set up a business in this village/neighbourhood?

- Very easy ..... 1  
 Somewhat easy ..... 2  
 Neither easy nor difficult ..... 3  
 Somewhat difficult..... 4  
 Very difficult..... 5

Interviewers' observation:.....

8.8 Compared to before, is it easier or harder to set up a business now?

2004/5 compared to 1993:

- More difficult now ..... 1  
 Less difficult now ..... 2  
 About equally difficult ..... 3

2004/5 compared to 1998

- More difficult now ..... 1  
 Less difficult now ..... 2  
 About equally difficult ..... 3

## **B. Crime and Violence**

8.9 In your opinion, is/was this village/neighbourhood generally peaceful or marked by violence?

A. Currently (2004/5)

☐

B. 1993

☐

C. 1998

☐

1. Very peaceful
2. Moderately peaceful
3. Neither peaceful nor violent
4. Moderately violent
5. Very violent
6. Don't know
7. Not applicable (e.g. too young to remember, didn't live here then)
8. Interviewee appears reluctant to say

Comments:.....

8.10. Do you think that in this village/ neighbourhood, there is much violence against girls and women within households?

A. Currently

☐

B. 2004/5 vs 1998

☐

C. 2004/5 vs 1993

☐

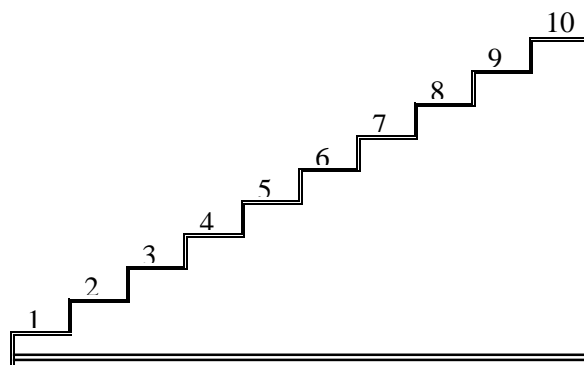
1. very much
2. much
3. a little
4. not at all
5. Don't know
6. Not applicable (e.g. too young to remember, didn't live here then)
7. Interviewee appears reluctant to say

Interviewer's observation ? .....

## Section IX: Perceptions of Well-being and Aspirations

### 9A. Well-Being

Figure 1. 10-Step Ladder



Here is a picture of a 10-step ladder. Imagine that at the bottom, on the first step, stand the poorest people, and on the highest step, the tenth, stand the rich.

9.1 On which step of this ladder are you located today?

9.2 On which step were you located in 1998?

9.3 What about in 1993—on which step were you located then?

9.4. Where on the ladder would you locate a household which has an income per person equal to the (*village poverty line*)?

9.5. (*If there was a positive change*) What are the two most important factors that helped you move up? (Record in term of level of significance)

A

B

<p><b>EMPLOYMENT/WAGES</b></p> <ol style="list-style-type: none"> <li>1. Steady job/increase in wages</li> <li>2. Got a job/ better job/more work opportunities</li> <li>3. Got a government job</li> <li>4. Women went out to work</li> </ol> <p><b>SELF-EMPLOYMENT, HOUSEHOLD PRODUCTION</b></p> <ol style="list-style-type: none"> <li>5. New business/ better business</li> <li>6. Increased crop production because of improved agricultural technology/irrigation/high-yielding variety of seeds</li> <li>7. Crop diversification</li> <li>8. New sources/multiple sources of income</li> <li>9. Migration</li> <li>10. Obtained legal title</li> </ol> <p><b>CHANGING FAMILY CIRCUMSTANCES</b></p> <ol style="list-style-type: none"> <li>11. Children completed school/got jobs</li> <li>12. Children got married/ left home</li> <li>13. Marriage</li> <li>14. Divorce/separation</li> <li>15. Inheritance</li> <li>16. High education/received degree</li> <li>17. Moved to new place to live</li> </ol>	<p><b>IMPROVED BACKGROUND SITUATION</b></p> <ol style="list-style-type: none"> <li>18. Improved national economy</li> <li>19. Improved security (less crime and robbery)</li> <li>20. Increased community prosperity</li> <li>21. Improved access to markets (roads etc.)</li> <li>22. Improved access to government services</li> <li>23. Better national government</li> <li>24. Better local government</li> <li>25. Less corruption</li> </ol> <p><b>SUPPORT FROM OTHERS</b></p> <ol style="list-style-type: none"> <li>26. Local family and community support</li> <li>27. More government assistance</li> <li>28. Government contacts</li> <li>29. More NGO assistance</li> <li>30. Community associations/joined group</li> <li>31. Received more remittances</li> <li>32. Obtained loan/credit</li> </ol> <p><b>LONG-TERM FACTORS</b></p> <ol style="list-style-type: none"> <li>33. Fewer children</li> <li>34. Better health</li> <li>35. Housing improvement</li> <li>36. Lottery/ luck</li> <li>37. Hard work</li> <li>38. Illegal activities (theft, selling drugs etc.)</li> <li>39. Other (please specify)</li> </ol>
--	--

9.6. (If there was a negative change) What are the two most important factors that contributed to this change?

A

<p><b>EMPLOYMENT/WAGES</b></p> <ol style="list-style-type: none"> <li>1. Job loss/unemployment</li> <li>2. Inconsistent work opportunities</li> </ol> <p><b>SELF-EMPLOYMENT, HOUSEHOLD PRODUCTION</b></p> <ol style="list-style-type: none"> <li>3. Low agricultural yield and bad harvest</li> <li>4. Death of animal (cattle/buffaloes)</li> <li>5. Increased restriction on business, increased taxes</li> <li>6. Vulnerability to market price fluctuations (low output prices/high input prices)</li> <li>7. Lost legal title to property</li> <li>8. Too much debt</li> </ol> <p><b>CHANGING FAMILY CIRCUMSTANCES</b></p> <ol style="list-style-type: none"> <li>9. Problems with children</li> <li>10. Family size (more children or dependents)</li> <li>11. Marriage</li> <li>12. Divorce/separation</li> <li>13. Health problems/ accident/death in the family/high health expenditures</li> <li>14. Ageing</li> <li>15. Lost house and had to move</li> <li>16. Gambling/alcohol addiction</li> </ol>	<p><b>WORSENER BACKGROUND SITUATION</b></p> <ol style="list-style-type: none"> <li>17. Economy got worse</li> <li>18. Rising insecurity (crime, robbery, extortion threats)</li> <li>19. High inflation /increase in price of basic necessities</li> <li>20. Worse national government</li> <li>21. Worse local government</li> <li>22. More corruption</li> <li>23. Natural disaster</li> </ol> <p><b>LOSS OF SUPPORT</b></p> <ol style="list-style-type: none"> <li>24. Received less remittances</li> <li>25. Less government assistance</li> <li>26. Less NGO assistance</li> <li>27. Received less remittances</li> <li>28. Failure to obtain credit</li> </ol> <p><b>LONG-TERM/GENERAL FACTORS</b></p> <ol style="list-style-type: none"> <li>29. Bad luck</li> <li>30. Failure to achieve goal (educational, entrepreneurial)</li> <li>31. Other</li> </ol>
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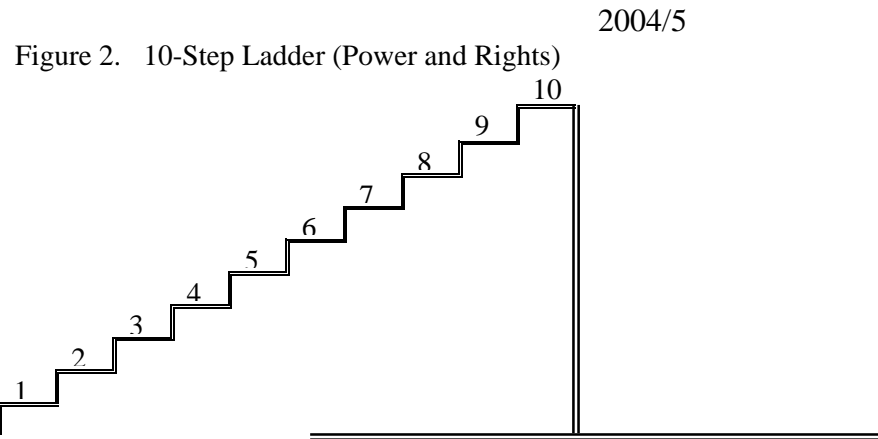
9.7 (If there was no change and if the answers to Question 9.1 and 9.2 are less than or equal to 5) What are the two most important reasons why there has been no change in your situation?

A

B

<p><b>EMPLOYMENT/WAGES</b></p> <ol style="list-style-type: none"> <li>1. Unemployment/lack of work opportunities</li> <li>2. Inconsistent work opportunities</li> <li>3. Wages did not increase (especially in relation to inflation rates)</li> </ol> <p><b>SELF-EMPLOYMENT, HOUSEHOLD PRODUCTION</b></p> <ol style="list-style-type: none"> <li>4. Lack of education</li> <li>5. Poor access to market and inputs</li> </ol> <p><b>CHANGING FAMILY CIRCUMSTANCES</b></p> <ol style="list-style-type: none"> <li>6. Family size (more children/dependents)</li> <li>7. Health problems/accident/death in the family/high health expenses</li> <li>8. Death of earning member</li> <li>9. Severe debt</li> <li>10. Ageing</li> <li>11. Gambling/alcohol addiction</li> </ol>	<p><b>BACKGROUND SITUATION</b></p> <ol style="list-style-type: none"> <li>12. Increasing insecurity (crime, robbery, extortion threats)</li> <li>13. Lack of government services</li> <li>14. Gender discrimination/social barrier on sending women to work</li> <li>15. Corruption/inability to pay brides</li> </ol> <p><b>LACK OF SUPPORT</b></p> <ol style="list-style-type: none"> <li>16. Lack of government assistance</li> <li>17. Lack of government contact</li> <li>18. Lack of NGO assistance</li> <li>19. Other</li> </ol>
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And now imagine, please, another 10-step ladder, where at the bottom, on the first step, stand people who are completely powerless and without rights, and on the highest step, the tenth, stand those who have a lot of power and rights.



9.8 On which step of this ladder are you today?

9.9 On which step were you located in 1998?

9.10 What about in 1993—on which step were you located then?

10.11 *(If there was a positive change)* What are the two most important factors that contributed to this change?

A

B

<p><b><i>EMPLOYMENT/WAGES</i></b></p> <ol style="list-style-type: none"> <li>1. Steady job/increase in wages</li> <li>2. Got a job/ better job/more work opportunities</li> <li>3. Got a government job</li> <li>4. Women went out to work</li> </ol> <p><b><i>SELF-EMPLOYMENT, HOUSEHOLD PRODUCTION</i></b></p> <ol style="list-style-type: none"> <li>5. New business/better business</li> <li>6. Increased crop production because of improved agricultural technology/irrigation/high-yielding variety of seeds</li> <li>7. Crop diversification</li> <li>8. New sources/multiple sources of income</li> <li>9. Migration</li> <li>10. Obtained legal title</li> </ol> <p><b><i>CHANGING FAMILY CIRCUMSTANCES</i></b></p> <ol style="list-style-type: none"> <li>11. Children completed school/got jobs</li> <li>12. Children got married/ left home</li> <li>13. Marriage</li> <li>14. Divorce/separation</li> <li>15. Inheritance</li> <li>16. High education/received degree</li> <li>17. Moved to new place to live</li> </ol>	<p><b><i>IMPROVED BACKGROUND SITUATION</i></b></p> <ol style="list-style-type: none"> <li>18. Improved national economy</li> <li>19. Improved security (less crime and robbery)</li> <li>20. Increased community prosperity</li> <li>21. Improved access to markets (roads, etc.)</li> <li>22. Improved access to government service</li> <li>23. Better national government</li> <li>24. Better local government</li> <li>25. Less corruption</li> </ol> <p><b><i>SUPPORT FROM OTHERS</i></b></p> <ol style="list-style-type: none"> <li>26. Local family and community support</li> <li>27. More government assistance</li> <li>28. Government contacts</li> <li>29. More NGO assistance</li> <li>30. Community associations/joined group</li> <li>31. Improved access to government services (water, power etc)</li> <li>32. Received more remittances</li> <li>33. Obtained loan/credit</li> </ol> <p><b><i>LONG-TERM FACTORS</i></b></p> <ol style="list-style-type: none"> <li>34. Fewer children</li> <li>35. Better health</li> <li>36. Housing improvement</li> <li>37. Lottery/ luck</li> <li>38. Hard work</li> <li>39. Illegal activities (theft, selling drugs etc.)</li> <li>40. Other (please specify)</li> </ol>
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10.12 *If there was a negative change*) What are the two most important factors that contributed to this change? (*Choose the appropriate code*)

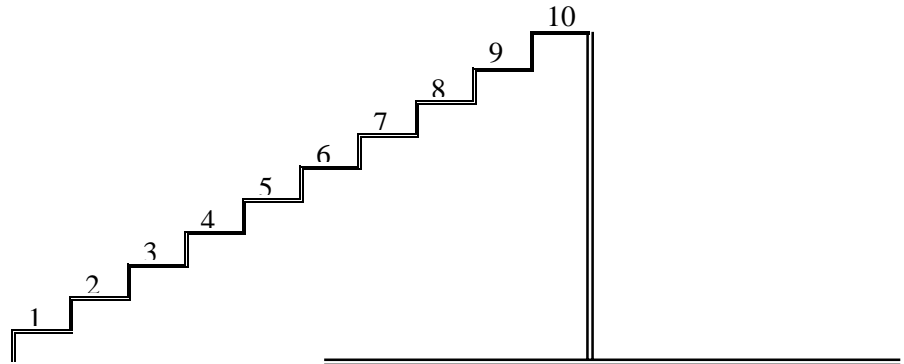
A

B

<p><b>EMPLOYMENT/WAGES</b></p> <ol style="list-style-type: none"> <li>1. Job loss/unemployment</li> <li>2. Inconsistent work opportunities</li> </ol> <p><b>SELF-EMPLOYMENT, HOUSEHOLD PRODUCTION</b></p> <ol style="list-style-type: none"> <li>3. Low agricultural yield and bad harvest</li> <li>4. Death of animal (cattle/buffaloes)</li> <li>5. Lost a business</li> <li>6. Changing government rules and regulations</li> <li>7. Increased restriction on business, increased taxes</li> <li>8. Vulnerability to market price fluctuations (low output prices/high input prices)</li> <li>9. Lost legal title to property</li> <li>10. Too much debt</li> </ol> <p><b>CHANGING FAMILY CIRCUMSTANCES</b></p> <ol style="list-style-type: none"> <li>11. Death of a wage earner/economically active adult</li> <li>12. Problems with children</li> <li>13. Family size (more children or dependents)</li> <li>14. Marriage</li> <li>15. Divorce/separation</li> <li>16. Health problems/ accident/death in the family/high health expenditures</li> <li>17. Ageing</li> <li>18. Lost house and had to move</li> <li>19. Gambling/alcohol addiction</li> <li>20. Discrimination within the household (by gender, disability)</li> </ol>	<p><b>WORSENER BACKGROUND SITUATION</b></p> <ol style="list-style-type: none"> <li>21. Economy got worse</li> <li>22. Rising insecurity (crime, robbery, extortion threats)</li> <li>23. High inflation /increase in price of basic necessities</li> <li>24. Worse national government</li> <li>25. Worse local government</li> <li>26. More corruption</li> <li>27. Natural disaster</li> </ol> <p><b>LOSS OF SUPPORT</b></p> <ol style="list-style-type: none"> <li>28. Received less remittances</li> <li>29. Less government assistance</li> <li>30. Less NGO assistance</li> <li>31. Received less remittances</li> <li>32. Failure to obtain credit</li> </ol> <p><b>LONG-TERM/GENERAL FACTORS</b></p> <ol style="list-style-type: none"> <li>33. Bad luck</li> <li>34. Failure to achieve goal (educational, entrepreneurial)</li> <li>35. Lost respect within the community</li> <li>36. Other</li> </ol>
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Now imagine, please, another 10 step ladder, where at the bottom, on the first step, stand people who are sad, and on the highest step, the tenth, stand those who are the happiest.

Figure 3. 10-Step Ladder (Happiness)



9.13 On which step of this ladder are you today?

9.14 On which step were you located in 1998?

9.15 What about in 1993—on which step were you located then?

9.16 If you are now happier, what were the two most important factors that contributed to this changes? (*Please record the answer according to the level of importance* )

A  B

<p><b>EMPLOYMENT/WAGES</b></p> <ol style="list-style-type: none"> <li>1. Steady job/increase in wages</li> <li>2. Got a job/ better job/more work opportunities</li> <li>3. Got a government job</li> <li>4. Women went out to work</li> </ol> <p><b>SELF-EMPLOYMENT, HOUSEHOLD PRODUCTION</b></p> <ol style="list-style-type: none"> <li>5. New business/ better business</li> <li>6. Increased crop production because of improved agricultural technology/irrigation/high-yielding variety of seeds</li> <li>7. Crop diversification</li> <li>8. New sources/multiple sources of income</li> <li>9. Migration</li> <li>10. Obtained legal title</li> </ol> <p><b>FAMILY CIRCUMSTANCES</b></p> <ol style="list-style-type: none"> <li>11. More household income</li> <li>12. Marriage</li> <li>13. Having children</li> <li>14. Children completed school/got jobs</li> <li>15. Children got married/ left home</li> <li>16. Birth of grandchildren</li> <li>17. Divorce/separation</li> <li>18. Inheritance</li> <li>19. High education/received degree</li> <li>20. Moved to new place to live</li> <li>21. Good social relationships</li> </ol>	<p><b>IMPROVED BACKGROUND SITUATION</b></p> <ol style="list-style-type: none"> <li>22. Improved national economy</li> <li>23. Decrease in crime and insecurity</li> <li>24. Improved rights/representation in decision-making</li> <li>25. Increased community prosperity</li> <li>26. Improved access to markets (roads etc.)</li> <li>27. Improved access to government services (health etc.)</li> <li>28. Better national government</li> <li>29. Better local government</li> <li>30. Less corruption</li> </ol> <p><b>SUPPORT FROM OTHERS</b></p> <ol style="list-style-type: none"> <li>31. Local family and community support</li> <li>32. More government assistance</li> <li>33. Government contacts</li> <li>34. More NGO assistance</li> <li>35. Community associations/joined group</li> <li>36. Improved access to government services (water, power etc)</li> <li>37. Received more remittances</li> <li>38. Obtained loan/credit</li> </ol> <p><b>LONG-TERM FACTORS</b></p> <ol style="list-style-type: none"> <li>39. Religion</li> <li>40. Fewer children</li> <li>41. Better health</li> <li>42. Housing improvement</li> <li>43. Lottery/luck</li> <li>44. Hard work</li> <li>45. Illegal activities (theft, selling drugs etc.)</li> <li>46. Other (please specify)</li> </ol>
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9.17 If you are now less happy, what were the two most important factors that contributed to this?

A  B

<p><b>EMPLOYMENT/WAGES</b></p> <ol style="list-style-type: none"> <li>1. Job loss/unemployment</li> <li>2. Inconsistent work opportunities</li> </ol> <p><b>SELF-EMPLOYMENT, HOUSEHOLD PRODUCTION</b></p> <ol style="list-style-type: none"> <li>3. Low agricultural yield and bad harvest</li> <li>4. Death of animal (cattle/buffaloes)</li> <li>5. Lost a business</li> <li>6. Changing government rules and regulations</li> <li>7. Increased restriction on business, increased taxes</li> <li>8. Vulnerability to market price fluctuations (low output prices/high input prices)</li> <li>9. Lost legal title to property</li> <li>10. Too much debt</li> </ol> <p><b>CHANGING FAMILY CIRCUMSTANCES</b></p> <ol style="list-style-type: none"> <li>11. Less household income</li> <li>12. Death of a wage earner/economically active adult</li> <li>13. Problems with children (e.g. cannot find jobs)</li> <li>14. More family responsibilities (e.g. more unexpected children, taking care of elderly relatives)</li> <li>15. Family disputes</li> <li>16. Weakening social ties</li> <li>17. Move to a new house/neighbourhood</li> <li>18. Family size (more children or dependents)</li> <li>19. Marriage</li> <li>20. Divorce/separation</li> <li>21. Health problems/ accident/death in the family/high health expenditures</li> <li>22. Ageing</li> <li>23. Lost house and had to move</li> <li>24. Gambling/alcohol addiction</li> <li>25. Discrimination within the household (by gender, disability...)</li> </ol>	<p><b>WORSENER BACKGROUND SITUATION</b></p> <ol style="list-style-type: none"> <li>26. Economy got worse</li> <li>27. Rising insecurity (crime, robbery, extortion threats)</li> <li>28. High inflation /increase in price of basic necessities</li> <li>29. Worse national government</li> <li>30. Worse local government</li> <li>31. More corruption</li> <li>32. Natural disaster</li> <li>33. Problems in the community</li> </ol> <p><b>LOSS OF SUPPORT</b></p> <ol style="list-style-type: none"> <li>34. Received less remittances</li> <li>35. Less government assistance</li> <li>36. Less NGO assistance</li> <li>37. Received less remittances</li> <li>38. Failure to obtain credit</li> </ol> <p><b>LONG-TERM/GENERAL FACTORS</b></p> <ol style="list-style-type: none"> <li>39. Bad luck</li> <li>40. Failure to achieve goal (educational, entrepreneurial)</li> <li>41. Other</li> </ol>
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### 9.B. Aspirations

9.18. Respondents for question 8 onward

a. Sex: 1= male 2= female

b. Age: ..... years

c. Education: .....

1= none, 2=less than completed primary, 3=completed primary, 4=less than completed secondary, 5=completed secondary, 6=post-primary vocational, 7=university or other post-secondary education

9.19 To what extent are/were you satisfied with the financial situation of your household...?

A. at the present time in 2004/5

B. in 1998

C. in 1993

☐  
☐  
☐

1. Fully satisfied  
2. Somewhat satisfied  
3. Neither satisfied nor unsatisfied  
4. Somewhat unsatisfied  
5. Very unsatisfied

9.20 Do you think that 10 years from now your household will live better, worse or about the same as today?

better ..... 1

worse ..... 2

about the same ..... 3

9.21 Do you think that the next generation will live better, worse or about the same as you?

better ..... 1

worse ..... 2

about the same ..... 3

9.22 (Ask only if the household has children) What level of schooling would you like your children to achieve?

I. BOY

☐

II. GIRL

☐

none ..... 1

less than completed primary ..... 2

completed primary ..... 3

less than completed secondary ..... 4

completed secondary ..... 5

post-primary vocational ..... 6

university or other post-secondary ..... 7

9.23 (Ask only if the household has children) What level of schooling do you think most of your children will achieve?

none ..... 1

less than completed primary ..... 2

completed primary ..... 3

less than completed secondary ..... 4

completed secondary ..... 5

post-primary vocational ..... 6

university or other post-secondary ..... 7

I. boy 2. girl

☐
☐

***Now I would like to speak to one of your household members between the ages of 15 and 25.***

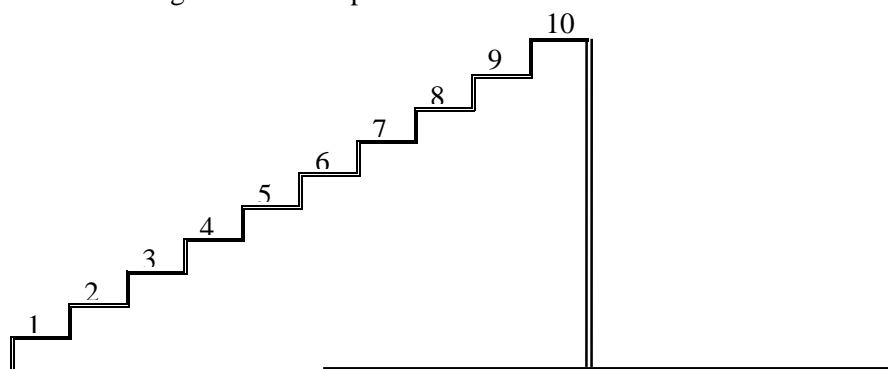
**[Check the household roster and read the names of household members between ages 15 and 25. If there is no such household member:**

- *mark this box*
- *Thank the respondents for their cooperation and end the interview now]*

9.24 If yes ID number of interviewed household member between ages 15 and 25 (from household roster)

Here is a picture of the 10-step ladder I asked you about earlier. Recall that at the bottom, on the first step, stand the poorest people, and on the highest step, the tenth, stand the rich.

Figure 4. 10-Step Ladder



9.25 On what step do you think that your children will be when they are 30 years old?

9.26 I would like to talk to you about how you imagine your future. Do you expect to have a job or own a business when you are 30 years old?

- |                             |   |
|-----------------------------|---|
| yes, a job .....            | 1 |
| yes, a business .....       | 2 |
| yes, one or the other ..... | 3 |
| no .....                    | 4 |

9.27 What occupation do you want to have when you are 30 years old?

- |                 |   |
|-----------------|---|
| farmer .....    | 1 |
| fisherman ..... | 2 |
| trader .....    | 3 |
| artisan .....   | 4 |
| teacher .....   | 5 |
| doctor .....    | 6 |
| lawyer .....    | 7 |

other private-sector occupation.....8  
 clerk .....9  
 civil servant.....10  
 other public-sector occupation .....11

9.28. How sure are you that at age 30 you will have this occupation?

completely sure .....1  
 fairly sure .....2  
 neither sure nor unsure.....3  
 not very sure.....4  
 not at all sure.....5

9.29. Now I will mention different reasons that might result in your not being able at age 30 to work in the occupation that you want. Which are the two most important reasons that might interfere?

cannot get the necessary education .....1  
 family circumstances and responsibilities .....2  
 financial problems.....3  
 health problems .....4  
 overall shortage of jobs .....5  
 bad luck .....6  
 other reason .....7  
 nothing will interfere.....8

A

B

*Thank the respondents for their cooperation and end the interview.*

### Appendix E: Checklist of Questions for FGD Exercise (Community Timeline)

Community timeline	FGD with a group of mixed households (10 selected households)	Key questions with timeline: 1994, 1998 and now
<p>Aiming at understanding valuable contextual information to understand community-wide experiences with mobility. The outputs should identify the two most important events or factors that have impacted community prosperity, and why:</p> <ul style="list-style-type: none"> <li>i) positively</li> <li>ii) negatively, or</li> <li>iii) by causing stagnation.</li> </ul> <p>Provide rich details about the timing of these events and why they affected the overall prosperity of the community.</p> <p>If more than one timeline is completed, compare them for any important differences in perspectives and reasons for the differences.</p>	<ul style="list-style-type: none"> <li>- <i>To find out the impacts of current national social, economic and political development policies, rules and regulations since the first national election in 1993 on social and economic endowments for the community mobility.</i></li> <li>- <i>The issues of the institutional and political changes such as governance, social organisation and networks that help or hinder the community to become prosperity will be also observed and analysed by the participants.</i></li> <li>- <i>To identify the dynamics of poverty and who (households, men, women and youths) have gained or lost from the current development and important events. Have those important social and economic events positively and negatively affected village household mobility?</i></li> <li>- <i>To understand freedom of speech, decision making, selecting their representatives and access to productive assets, information and markets among different groups of people over the last 10 years.</i></li> </ul>	<ul style="list-style-type: none"> <li>- What important economic and social development events have had positive and negative impacts on income generation in this community? Why?</li> <li>- Who (which groups, households, men and women) have gained the most benefits, lost or have not received any impacts at all from these events? Why? What were the two most important positive and negative events? Why?</li> <li>- What are the development priorities of this village? Who (which groups, households, men and women) have participated in identifying development priorities? How much control do you feel that people in this community have in making decisions that affect development activities? Any changes, so far? Have people's views and concerns been listened to? If so, by whom and has it helped to improve people's livelihoods?</li> <li>- Compared to 1994 or 1998, do you think that your community has become more prosperous, stayed the same or worse become off? Any comments on the reasons for these changes?</li> <li>- What sources of information do people have access to in this community? What are the three most important types of information (e.g. economic opportunities and marketing) that people want to access? Any changes in access to information (who accesses what information and channels)? Do these changes help improve overall livelihoods?</li> <li>- What do inequality, freedom, power, democracy, governance and safety mean to you? Any changes in practices? If so, do they help to improve your income or well-being? Were they good or bad for development in your area? Why? Which one is the most important? Why?</li> <li>- Are there any associations or social groups (economic, social, political or religious) in this village? If so, who are the participants? How do they become members? What benefits do they get from membership? Have these organisations been useful to improve people's incomes or livelihoods in this village?</li> <li>- What are the hopes of this commune? How can these hopes be achieved? What can the government do to help this commune?</li> </ul>

## Appendix F: Checklist of Question for FGDs with Households that Stayed the Same or Moved Out of or Fell Back into Poverty

This instrument is for FGDs with three groups of households (moved out of poverty, stayed the same and fell back into poverty). Before conducting these exercises, the community timeline with a group of mixed households in each village should be conducted in order to understand the important economic and social developments that have positive and negative impacts on income generation and mobility in the community. In order to have comprehensive information, the research team should use the checklist (3) and then check whether (2) and (1) are all met.

Intended Outputs (1)	Objective of Cambodia's MOPS (2)	Checklist of questions (3)
<p><b>Understanding household mobility:</b></p> <ul style="list-style-type: none"> <li>• Changes in equality? Why?</li> <li>• Identifying factors that affect movement at specific steps/categories of the Ladder of Life. <ul style="list-style-type: none"> <li>- Do the factors at the step have multiple dimensions?</li> <li>- Are there certain combinations, interactions or sequencings of these factors?</li> </ul> </li> <li>• What category is most common in this community? In the past 10 to 15 years, has the number of households in this category grown, stayed the same or declined?</li> <li>• From which category is it most difficult to move up? Why?</li> <li>• What factors keep households from falling into poverty?</li> <li>• What category is considered middle class? Is it easy or difficult to reach this step?</li> <li>• What is the relationship between the step on the Ladder of Life where households are no longer considered poor and the official poverty line?</li> </ul> <p><b>Note: Attempts will be made to conduct separate FGDs on power, freedom, inequality, security and democracy. However, the Cambodia MOPS team would like to incorporate these issues as part of this exercise.</b></p>	<p><i>Households moved out of poverty</i></p> <ul style="list-style-type: none"> <li>• Identifying the factors explaining improvement in wealth status (based on poverty line?)</li> <li>• Exploring the dynamics of common situation of up ward mobility (<i>selecting only households that have moved out of poverty and stayed out of poverty as of 2004</i>).</li> <li>• Seeking changes in relation to new economic opportunities and household wealth accumulation: <ul style="list-style-type: none"> <li>- Family structure</li> <li>- Level of livelihood diversification, including technology, migration, entrepreneurship etc</li> <li>- Social capital such as group networks and membership of both formal and informal business associations etc.</li> <li>- Community attachment and/or spirit (participation in and contribution to the collective actions or community development etc.)</li> <li>- Level of freedom, power and/or bargaining power, inequality and the level of democracy</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Constructing the Ladder of Life in 2004, 1998 and 1993 (using <i>appropriate</i> poverty line?). <ul style="list-style-type: none"> <li>- What does poverty mean to you compared with the defined poverty line?</li> <li>- Based on the agreed poverty line, how many wellbeing categories should the village households be classified into as of now? Then place the sampled households on the Ladder of life)</li> <li>- Where were you in 1998 and 1993? From which category is it most easy or difficult to move up? Why?</li> </ul> </li> </ul> <p>What are the important factors that helped you move upwards? (<i>The summary of community/village profile many facilitate the discussion.</i>)</p> <ul style="list-style-type: none"> <li>• <b>Internal factors:</b> Changes in family structure, entrepreneurships, livelihood diversification and/or sources of income, freedom, social networks, decision making and/or bargaining power, ability accessibility to credit and other supported services, being able to increase production, access to markets and information etc.</li> <li>• <b>External factors:</b> Impacts of current government policies, interventions and rural development activities such as rural credit, roads, irrigation, school and health care centre, new job opportunities such as availability of CPRs, migration, other business centres and other supported services of this particular group. How to benefit from those factors? Please identity three most important factors that help you out of poverty? Why?</li> <li>• How many households in this community have been able to move above the agreed poverty line (<i>percentage estimation</i>)? Any common or different ways that those households used to escape from poverty?</li> <li>• Any households that will never fall in to poverty? <ul style="list-style-type: none"> <li>- If so, how many (of you) and/or households in this village?</li> </ul> </li> </ul>

<p>Expected output:</p> <ul style="list-style-type: none"> <li>the main livelihoods and sources of income for people in the community, and trends in these sources over the past 10 years;</li> <li>key production or marketing hurdles facing the principal local livelihoods, and reasons for these hurdles;</li> <li>the role of any economic organisations;</li> <li>the influence of government economic policies, rules and regulations on access to local economic opportunities;</li> <li>the definitions, understandings and dimensions of freedom <ul style="list-style-type: none"> <li>Who or what groups have the most and least freedom in the community? Why?</li> <li>Do women or men have more freedom? Why?</li> <li>Is freedom related to economic mobility? What is economic freedom?</li> <li>Is there a relationship between the ability to experience freedom and poverty?</li> </ul> </li> <li>The definitions, understandings and dimensions of power <ul style="list-style-type: none"> <li>Is it good to be powerful? why?</li> <li>Who or what groups in the community have the most and least power?</li> <li>How do people acquire power? Lose power?</li> <li>Is there a relationship between power and moving out of poverty?</li> </ul> </li> <li>How does someone become a politician? How did their politician rise to prominence? <ul style="list-style-type: none"> <li>Has the local politician helped the community?</li> <li>Are there local elections? Are they open and fair? How do people get information</li> </ul> </li> </ul>	<p>level of democracy</p> <ul style="list-style-type: none"> <li>Access to education, health care, information and marketing</li> </ul> <p>*****</p> <p><b><u>Households With Stagnant Wealth</u></b></p> <ul style="list-style-type: none"> <li>Identifying the factors explaining stagnation in wealth status (based on poverty line?)</li> <li>Exploring the dynamics of common situation of stagnation (<i>problem of selecting households (stayed out of or below poverty but stagnated as of 2004?</i></li> </ul>	<p>Why?</p> <ul style="list-style-type: none"> <li>If no one can stay out of poverty forever, why?</li> <li>Are the differences between each category wider, the same or smaller? Why? Does it matter to your group or this community?</li> <li>Any changes in the definitions and practices of social networks and cohesion, trust, power, freedom and inequality, democracy and good governance in this community since 1993? Have these changes been helpful for households at your level to move upward? If so, how? According to your observation, who have benefited, lost and not gained or lost from these changes?</li> <li>What is the future prospect of the households at your level?</li> </ul> <p>*****</p> <ul style="list-style-type: none"> <li>Constructing the Ladder of Life with the reference periods of 2004, 1998 and 1993 (using <i>appropriate</i> poverty line?). <ul style="list-style-type: none"> <li>What does poverty mean to you compared with the defined poverty line?</li> <li>Based on the agreed poverty line into how many wellbeing categories should the village households be classified as of now? Then place the sampled households on the Ladder of Life.</li> <li>Where were you in 1998 and 1993? From which category is it most easy or difficult to move up? Why?</li> </ul> </li> <li>What are the important factors that make this particular group stayed the same? (<i>The summaries of community/village profiles many facilitate the discussion.</i>)</li> </ul> <p>e) <b>Internal factors:</b> Changes in family structure, entrepreneurships, livelihood diversification and/or sources of income, freedom, social networks, decision making and/or bargaining power, ability, accessibility of credit and other supported services, being able to increase production, access to markets and information etc.</p> <p>f) <b>External factors:</b> Impacts of current government policies, interventions and rural development activities such as rural credit, roads, irrigation, school and health care centre, new job opportunities such as availability of CPRs, migration, other business centres and other supported services for the households at your level. How to benefit from those factors? Please identity three most important factors that have caused downward mobility? Why?</p> <p>g) According to your observations, how many people have retained</p>
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<p>about the local candidates? Do they campaign on important issues?</p> <ul style="list-style-type: none"> <li>• The definitions, understandings and dimensions of inequality <ul style="list-style-type: none"> <li>- How is political power distributed in the community?</li> <li>- How is economic power distributed in the community?</li> <li>- Is there a link between political and economic power?</li> </ul> </li> <li>• <b>The definitions, understandings and dimensions of democracy</b> <ul style="list-style-type: none"> <li>- <b>Changes in democracy over last 10 or 15 years, and impacts on community?</b></li> <li>- <b>Is there a link between democracy and community prosperity?</b></li> <li>- <b>Perceptions of local government's budget. How should local government spending be redirected to improve the local economy? Do local people monitor government spending?</b></li> </ul> </li> </ul>	<p><b>need advice).</b></p> <ul style="list-style-type: none"> <li>• Seeking changes in relation to the ability to benefit from new economic opportunities and household wealth accumulation in relation to stagnation of wealth: <ul style="list-style-type: none"> <li>- Family structure</li> <li>- Level of livelihood diversification including the technology, migration, entrepreneurship etc</li> <li>- Social capital such as group networks and membership of both formal and informal business associations etc.</li> <li>- Community attachment and/or spirit (participation in and contribution to collective actions or community development etc.)</li> <li>- Level of freedom, power and/or bargaining power, inequality and the level of democracy</li> <li>- Access to education, health care, information and marketing</li> </ul> </li> </ul>	<p>the same status (<i>percentage estimation</i>) since 1993? Any common or different constraints that have hindered your upward mobility? Any ideas on how to remove these constraints?</p> <p>h) Any households that have moved out of and stayed out of poverty?</p> <ul style="list-style-type: none"> <li>- If so, how many households in this village? Why?</li> <li>- If no one can stay out of poverty forever, why?</li> <li>- Why are they different from the households in your group?</li> </ul> <p>e) Is the difference between categories wider, the same or smaller? Does it matter to the households in your group or community? Why?</p> <p>f) Any changes in the definitions and practices of social networks and cohesion, trust, power, freedom, inequality, democracy and good governance in this community since 1993? Have these changes been very useful for the households at your level? If so, how? According to your observations, who have benefited, lost and not gained or lost from these changes?</p> <p>g) What is the future prospect of the households at your level? Any thing that can help you move upward?</p>
	<p><b><u>Households Falling into Poverty</u></b></p> <ul style="list-style-type: none"> <li>• Identifying the factors explaining downward mobility in wealth status (based on poverty line?)</li> <li>• Exploring the dynamics of common situation of downward mobility (<i>selecting only households that have fallen into poverty and stayed in poverty as of 2004</i>).</li> <li>• Seeking the changes in relation to the</li> </ul>	<ul style="list-style-type: none"> <li>• Constructing the Ladder of Life in 2004, 1998 and 1993 (using <i>appropriate</i> poverty line?). <ul style="list-style-type: none"> <li>- What does poverty mean to you compared with the defined poverty line?</li> <li>- Based on the agreed poverty line, how many categories (mobility groups) of households are there in this village as of now? Then, place the sampled households on the ladder.</li> <li>- Where were you in 1998 and 1993? From which category is it most easy or difficult to move up? Why?</li> </ul> </li> <li>• What are the important factors that make this particular group fall into poverty? (<i>The summaries of the community/village profiles many facilitate the discussion.</i>)</li> </ul> <p>e) <b>Internal factors:</b> Changes in family structure, entrepreneurship skills, livelihood diversification and/or sources of incomes,</p>

	<p>ability to benefit from new economic opportunities:</p> <ul style="list-style-type: none"> <li>- Family structure</li> <li>- Level of livelihood diversification including technology, migration, entrepreneurship etc</li> <li>- Social capital such as group networks and membership of both formal and informal business associations etc.</li> <li>- Community attachment and/or spirit (participation in and contribution to collective actions or community development etc.)</li> <li>- Level of freedom, power and/or bargaining power, inequality and the level of democracy</li> <li>- Access to education, health care, information and marketing</li> </ul>	<p>freedom, social networks, decision making and/or bargaining power, ability, accessibility to credit and other supported service, being able to increase production, access to markets and information etc.</p> <p>f) <b>External factors:</b> Impacts of current government policies, interventions and rural development activities such as rural credit, roads, irrigation, school and health care centre, new job opportunities such as availability of CPRs, migration, other business centres and other supported services for the households in your level? How to benefit from those factors? Please identify the three most important factors that help you to move out of poverty. How to remove constraints?</p> <p>g) According to your observations, how many people have fallen into poverty (<i>percentage estimation</i>) since 1993? Any common or different features of downward mobility? How to remove these constraints?</p> <p>h) According to your observation, any households that will never fall in to poverty?</p> <ul style="list-style-type: none"> <li>- If so, how many households in this village? Why?</li> <li>- If no one can stay out of poverty forever, why?</li> <li>- How are they different from you?</li> </ul> <p>e) Is the difference between categories wider, the same or smaller? Does it matter to your group or community? Why?</p> <p>f) Any changes in the definitions and practices of social networks and cohesion, trust, freedom, power, democracy and good governance in this community since 1993? Have these changes been very useful for the households at your level? If so, how? According to your observations, who have benefited, lost and not gained or lost from these changes?</p> <p>g) What is the future prospect of the households at your level? Any thing that can help you move upward?</p>
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## Appendix G: Checklist for Focus Group Discussion on Aspirations and Problems of Youth

Youth aspirations	FGD with youth groups	Key questions
<p>Purposes:</p> <ul style="list-style-type: none"> <li>- To explore youth aspirations for earning a living</li> <li>- To explore youth understanding of how people escape poverty</li> <li>- To explore leading problems facing youth, their families, their community and the country, and steps they are taking to prepare for their future</li> </ul>	<ul style="list-style-type: none"> <li>- Understanding social and economic issues within households.</li> <li>- Exploring the problems and the understanding of youth on the problems facing them, their families, their village and the country.</li> <li>- Exploring the definition of poverty and the factors helping or hindering livelihood mobility from youth's perspective.</li> <li>- Understanding of youth of freedom, inequality, power, governance, democracy, safety.</li> <li>- Hopes and expectations of youth for earning a living.</li> </ul>	<ul style="list-style-type: none"> <li>- Do you help your family? What do you do? To what extent?</li> <li>- What are the major problems you face every day? What do you think can help solve those problems? Besides your parents, whom do you consult with or ask for help to solve those problems?</li> <li>- What are the major problems that people in your village are facing? What do you think can help solve those problems?</li> <li>- What do you think are the major problems of our country? What do you think can help solve those problems?</li> <li>- Do you think you are poor? Why? What does poverty mean? being poor? What do you think about poverty in your village? What do people in your village do to get a better life? future? Do you think your village will be more/the same/less prosperous in the future? Why? What are the things that you think are needed for people to get a better life?</li> <li>- Please select one of the five statements:               <ol style="list-style-type: none"> <li>1. It is very easy for poor people in your village to move out of poverty.</li> <li>2. It is somewhat easy for poor people in your village to move out of poverty.</li> <li>3. It is neither easy nor difficult for poor people in your village to move out of poverty.</li> <li>4. It is somewhat difficult for poor people in your village to move out of poverty.</li> <li>5. It is very difficulty for poor people in your village to move out of poverty.</li> </ol> </li> <li>- Why?</li> <li>- What do inequality, freedom, power, democracy, governance and safety mean to you? Do you think people in your village have them? What will happen if we have them? What will happen if we don't have them? Will they be better in the future? How?</li> <li>- [Do you think people can form a group/association if they wish? How?</li> <li>- Do you think people in your village can say what they want, express their problems? Why?</li> </ul>

		<ul style="list-style-type: none"> <li>- How safe is your village? Can you walk out after dark? Any difference between men and women?</li> <li>- What do you think about domestic violence in your village?</li> <li>- Can everyone in your village set up a business if they have the resources? Is there any discrimination?</li> <li>- Can you vote for whomever you wish? Can you join any political campaign? When you vote, do you expect something? If so, after voting do you get it? Does this vote help people get a better life?</li> <li>- Have you ever thought about development in your village? If so, whom do you share your ideas with? Do you think if you share those ideas with the elders, will they take them into account? Why? Why not? How can you voice your concerns?]</li> <li>- What do you think you will do in the future, say in five years? 10 years? Why?</li> <li>- What do you want to be in the future? in five years? 10 years? Why? Do you have a plan to achieve it? How? Do you think you can achieve it? Why?</li> </ul>
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## **Appendix H: Individual Household Level Quantitative Data Collection**

### ***Semi-Structured Household Interview***

#### ***Preparation***

- *Choose an individual aged 30–60 years [The target should be two males, two females in each village]*
- *Note name, household number, sex, education, marriage and whether still living with parents or not*
- *Prepare by reading through photocopy of the earlier structured household questionnaire*
- *Have ready large flip chart paper, A3 time chart and marker pens to record timelines*
- *Each interview to be conducted by one interviewer and one note-taker*
- *Notes to be taken as close as possible to verbatim; record original metaphors and idioms; record any interviewer or note-taker observations or clarifications in some manner (e.g. in square brackets) that makes it possible to distinguish them clearly from what the interviewee says*

#### ***Introduction***

*Suggested introduction and question for the interview:*

- We are doing a study to try to understand from people's life stories how they actually moved out of poverty, and for others, what came in the way that prevented them from moving out of poverty. We are doing the study using different methods to explore these issues. Today, we're interested in learning your life story.

#### ***Verification of Individual Status and Trajectory of Life History***

- Talking with people in the village, we've heard that your household has gotten ahead (*or remained well-off/remained stuck in poverty/fallen down*) over the past 10 years. When we talked to you last time, the answers you gave seemed to confirm this.
- Do you agree with these findings? Do you think you are better off, the same or worse off than 10 years ago? Why?

#### ***Consolidation and Trend Line on Overall Well-Being***

Refer to the time chart (in A3 format)

- Finally, I'd like to draw a line that represents change in your overall standard of living over the last 10 years. In looking across the different factors and the five timelines we have just drawn,
  - What are the relationships across these different lines? What linkages do you see?

- Were there periods of upward movement in your economic and overall well-being?
- If yes, for how long did you remain at your improved status?
- What factors were the most important to your economic and overall well-being during these times? Why?
- What were the high points, the low points, the turning points? Why?
- Over the past 10 years, were there any periods of stagnation or decline? Why?
- What factors were the greatest obstacles to improving your status during this time? Why?
- Was there a particular point where you felt more secure of having passed the danger point of falling into poverty?

At the end of the overall trend conversation, ask the individuals to rate themselves in relation to other people in the village at the level

1993: (poorest=1) 1 2 3 4 5 6 7 8 9 10 (richest=10)

2005: (poorest=1) 1 2 3 4 5 6 7 8 9 10 (richest=10)

Within the 10 year period, probe for changes by different themes as follows.

### 1. Migration History

- We'd like to find out about different areas of your life and your experiences, and when they took place. I'd like to do this by recording key happenings in your life on a couple of different timelines. The first timeline will simply deal with the different places you have lived in your life. Let's start with where you were born. Where was that?
- What were your family circumstances when you were a child? What did your parents do?
- What was your house like growing up?
- How would you describe your family life when you were a child?
  - rich, average, poor...
  - happy, disturbed ...
  - Where else have you lived?
  - Where have you lived since 1993? Can you tell me about each time you moved?

*[For each move]*

- For each move, can you remember why you moved there?

*[Some obvious things to pick up: the civil war, the KR period, the fall of the KR and movements within Cambodia or into Thailand, K5 duty or avoiding it during the PRK, then more freedom of movement since 1993.]*

*Returnee? If yes, migration path back from Thailand: did they end up at the place they were first sent or did they move several times?*

*Movements due to marriage or illness or death of parent or other relative; conflict displacement; movement—seasonal or longer—for job or livelihood opportunity, including but not only garments or cross-border.]*

- Did life get better or worse once you got there? Were there any surprises? Did anyone help – or make things difficult?
  - Do you plan to stay here or do you hope to move? Why?
- Now I want you to think about the impact each of these moves had on your well-being . Imagine a line that has five steps going up and five more steps going down (*draw this on the side of the timeline*) with 0 in 1993. The top step above the timeline would represent that your life got a lot better; one step above the timeline would represent a very small improvement; and the bottom below the timeline would show that your life got a great deal worse.

*[For every move mentioned on the timeline:]*

  - For each of these moves, please place a star (*or dot or pebble*) somewhere above or below the timeline to show the impact it had on your well-being .

## **2. Occupational History**

- Tell me about your working life. When did you start working? What did you do? Did this change over time? If so, how, and why? Can you remember how much you earned? When did you stop doing this work?

*[Get an account of their working life—including unpaid family work and any periods when they weren't working—from then until the present. The follow-up questions below will need to be refined for individuals who may be a farmer, in a family business, working from home, a business owner etc. There may well be periods of overlap, when they started a new activity but also continued the old one.]*

*[For every change in work:]*

- What did you do?
  - Why did you change to this job/occupation?
  - Can you remember how you got the work? Did you need skills or materials or money to start the job? If so, how did you obtain these? Who did you learn or borrow from?
  - About how much did you earn? Did you earn more as you got more experienced on the job?
  - Did you like that job? Did you like the person you worked for, or the people you worked with? Why?
  - Did your life get better or worse because of this job? Why?
  - Did you learn new experiences, knowledge and skills that help you get better work later in your life? Can you explain?
  - Why did you leave this work?
- Do you belong to any economic organisations—for example, a union or association or a cooperative or a business group? If so, what is your role in this organisation? How has it helped you?
  - What's your main occupation or source(s) of income now? What was your main occupation/main source(s) of income 10 years ago?

- Now I want you to think about the impact each change in occupation had on your wealth/standard of living. Imagine a line that has five steps going up and five more steps going down.

*[Draw this on the side of the timeline]*

- The top step, above the timeline, represents that you experienced a very large improvement in your life; and the bottom step below the timeline would represent a very large decline. For each change in occupation, please place a star (*or dot or pebble*) above or below the timeline to show what impact it had on your economic well-being .

### 3. Economic History

- Now, I'd like to explore changes in your standard of living and that of your household, in terms of the things you owned and the money you had saved or could get hold of.
- If you think back over your life, what is the first big thing that you purchased or was perhaps given to you? How did this make a difference in your life?
- What are the other important purchases or assets that you or another member of your household have bought or invested in during the past 10 years of your life? This might be land or a house—or it could simply be setting aside savings for your children's weddings or inheritance.

*[For each major asset in the past 10 years]*

- Can you remember when you obtained this?
- Did you buy it, or make it yourself, or did someone give it to you?
- Why did you purchase it?
- Has it made a difference to your life? How?
- How were you able to afford to buy this? What or who made it possible to purchase it?
- If you think back, would you say that you've been able gradually to acquire more goods and wealth over your life—or that there have been ups and downs?
- Why? What—events, people—caused this to happen? What has been the timing of the changes?
- When you think back on your working life and what you have accumulated, can you think of any government policies or programmes that have helped or got in the way? What about NGOs or aid agencies?
- Would you mind discussing a bit about your savings and borrowings?
  - Do you save money? Why/why not? How do you save money—in what form?
  - Do you purchase or invest in anything (livestock, land, a business partnership) in the hope that it will grow in value? If yes, what?
  - What kind of loans have you taken? Or perhaps other members of the household?

*[For each important loan in recent years]*

- What was the loan used for?
- When and where did you get the credit? Was it easy or difficult to get the loan? Can you remember what you needed to qualify for the loan?
- What about repaying the loan? Has that been easy or difficult?

- Would having easier access to credit be important to you? What kind of credit might make a difference in your life?
- Do you feel prepared financially if something bad should happen to the family? How would you cope? What would help you cope better?

- Now I want you to think about the impact that these changes—buying assets, having savings or not saving—had on your standard of living. Imagine a line that has five steps going up and five more steps going down

*[Draw this on the side of the timeline]*

- The top step above the timeline would represent that you experienced a very large improvement in what you owned or the money available to you; and the bottom step below the timeline would represent a very large decline in your standard of living. Please place a star (*or dot or pebble*) above or below the timeline to show what impact each of these changes in your wealth or assets had on your economic well-being .

#### **4. Social and Cultural History**

- Now we're going to switch to a very different topic. If you think back over your life, what have been the most important relationships in your life? Why? How have they made a difference?
- Let's focus on your family and relatives. What relationships in your family life have been most important? Why? What kind of help have you gotten along the way? How did this make a difference in your life?
- What family events over the last 10–15 years may have helped or hindered you? [*e.g. births, deaths, marriage, divorce, illness*] How did each of these affect you? Is there any link between these events/relationships and your standard of living?
- Do you think that the respect within your family has increased or decreased over the years? What has led to this?
- Now I'd like to ask about relationships outside your home. What have been the most important relationships with your friends and neighbours and others in the community? Why? How have they made a difference?
- What have been the most important relationships with the people you work with? Have any of these relationships been very important? How?
- If you think back over your life, what have been the things that have brought the most meaning to your life?
- Do you feel confident in yourself? Has your confidence grown over the years? How and why?
- Do you think of yourself as belonging to a certain community or group of people? Is belonging to this group important to you? Do you think this group helps or hinders your access to economic opportunities? How? Has the importance of this group to you changed over time?

- Now I want you to think about the impact on your well-being of each relationship, involvement in a group or other experiences noted on this timeline. Imagine a line that has five steps going up and five more steps going down.

*[Draw this on the side of the timeline]*

- The top step above the timeline would represent that you experienced a very large improvement in your life; the bottom-most step would represent that your life got much worse. Please place a star (*or dot or pebble*) above or below the timeline to show what impact each had on your well-being .

### **5. Education**

- The final timeline I'd like to draw is simply about your learning and education. What have been the most important learning and educational opportunities in your life? This might be formal schooling or training you received, or it might be something such as an informal apprenticeship or guidance from someone.
- *[For each learning or educational experience:]*
- How did this affect your standard of living? Do you think it has helped you to improve your life? If yes, how? If no, why not?

What would make it easier for you to get ahead?

## **Appendix I: Calculation of Village Poverty Lines and Poverty Rates**

### **Summary**

Defining poverty in absolute terms is crucially important for measuring changes in household well-being over time and space. Poverty lines therefore have to be scientifically constructed to classify the surveyed households. The MOPS survey was intended to collect detailed information on consumption and expenditure in a way comparable to the national Cambodia Socio-Economic Survey (CSES) so that poverty estimates from the MOPS villages are comparable to the national ones. In addition, changes in poverty rates between 2001 and 2004/05 could be robustly measured.

The poverty line is a combination of the food poverty line and a non-food allowance. Food poverty is set at a value that can buy a bundle providing 2100 calories per person per day. The non-food poverty line is found from the non-food expenditure of households whose food consumption is on or just around the food poverty line. The CSES 2004 collected both quantities and values of each item of food consumed by households. From there, the poverty line was calculated for Phnom Penh (2351 riels per capita per day), other urban areas (1952 riels) and rural areas (1753 riels). The MOPS surveys did not collect quantities of each consumption item, except for rice.<sup>17</sup> However, they collected the prices of each category of food in the same way as the national survey did. Hence, the MOPS compared the total value of per capita consumption for each household per day against the national poverty line in rural areas in order to determine whether each household was poor or not. This resulted in the poverty rate in 2004, which was 45.8 percent in the nine-village sample of 1010 households.

The MOPS surveys entail precise poverty rates for each village because the study examines village problems. Therefore, the sample in each village has to be large enough to represent the village. For this reason, 120 households were selected from each village in most cases, compared with 20 households in the CSES 2004, which aimed primarily to provide national estimates. Since the nine villages studied are diverse in geo-socio-economic conditions, the purchasing power of money in each village may vary significantly, pointing to the need for different poverty lines. Applying the same poverty line of 1753 riels in the nine villages would be too crude and not reflect the true absolute poverty rate. Hence, an effort was made to calculate the poverty line for each village based on the purchasing power of money. A price survey was therefore developed and conducted in October 2005 in the villages and nearby markets in order to calculate a spatial price index that could be used to adjust the overall rural poverty line for each village.

There was also a need to calculate poverty rates for 2001, when the same survey was conducted. The approach adopted is that the village poverty lines in 2004 were projected backwards using the inflation rate or consumer price index. The ideal way would be to apply the inflation rate between 2001 and 2004/05 in each village. However, prices of goods and services were not collected in 2001 in a way that allows for a robust calculation of a consumer price index for each village. In Cambodia as a whole, CPI was available only in Phnom Penh and a few provincial towns. Unfortunately, these provincial CPIs are not appropriate for rural villages because they are calculated based on the weight of the Phnom Penh consumption bundles, which are far different from the rural ones. For instance, food accounted for 45 percent of total consumption in Phnom Penh, compared with 65 percent in rural areas, according to the CSES 2004. Food prices have increased substantially in the past three years but have not inflated the urban CPI by the same rate. To reflect the true price inflation faced by rural people, the rural CPI was calculated using prices collected in Phnom Penh and consumption weights from the MOPS survey. The rural CPI from 2001 to 2004/05 was then found to be 18.59 percent. The 2001 village poverty lines were derived by deflating the 2004

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<sup>17</sup> There are 23 categories of food. To ask for the quantity of each item consumed would be very time consuming.

poverty lines by the price deflator of 118.59. The 2001 poverty rate for each village was then calculated (Table 3).

### **Identification of Price Variations across Villages**

In Cambodia, where many parts are relatively disintegrated, the purchasing power of money may vary significantly from one rural area to another. Prices of goods and services in different areas may vary substantially due to both accessibility and availability. Where this is the case, there should be different poverty lines for different villages. To confirm or contradict this hypothesis, a price survey was developed and conducted successfully in October 2005 in the nine villages and larger markets nearest to the village.<sup>18</sup> The collection of price data will provide a good base for a more robust analysis of temporal price changes in the future, when the whole MOPS is repeated. It is anticipated that CDRI will institutionalise panel data collection and study of poverty dynamics over time.

Exactly 106 food and non-food items, representing all categories of consumer goods and services, were selected from the 227 items employed in the Phnom Penh price survey of the National Institute of Statistics. Items that do not exist or are not significant in the rural villages were left out. With a questionnaire, prices of these items were collected in the nine villages during the same days in order to neutralise the temporal effect. During the training, the importance of finding identical products was emphasised, and the enumerators were requested to look for the commonly understood identical products to the extent possible. Otherwise, the attributes of the products had to be recorded so that price differences due to product differentiation could be dealt with. Still, this turned out to be a problem for a few products. Enumerators were called to debrief and qualify the major price differences so that appropriate adjustments could be made.

It was known from past household surveys that some villages did not have marketplaces. Villagers simply bought things from mobile traders coming into the village or from small stores scattered around the villages, or from a distant market. In each village, 10 households were pre-selected randomly from quintile 2 to represent poor households and 10 households from quintile 4 to represent the better off households. Interviews were conducted to recall whether those households had purchased the listed goods within the past year and, if so, from where, how often, in what quantity and whether the purchase was on credit.

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<sup>18</sup> Since 2001 the household survey has captured two contrasting periods to address seasonality issues. The first round fell in the lean period (wet season), which was October in 2001 and September in 2004, and the second in the surplus period in March 2001 and 2005. Thus it was important to carry out this task in the first week of October although on an *ad hoc* basis. This revealed the price differences across the villages at the same time in the lean period, although it was a year after the survey took place. It is expected that this exercise will be repeated in March 2006 to address the surplus period (dry season) with the same approach.

**Table 1: Price Differences across Villages (% of average price across all nine villages)**

	All villages	Andoung Trach	Kra-sang	Khsach Chi Ros	Prek Kmeng	Ba Baong	Kanh-chor	Dang Kdar	Trapeang Prei	Kompong Tnaot
Total (Food and Non-Food)	100	99	96	95	100	96	99	101	102	104
FOOD	100	101	92	103	102	85	106	101	97	105
Rice	100	98	86	138	89	83	107	104	131	92
Other cereals	100	84	193	35	146	75	80	86	39	71
Meat and poultry	100	89	101	74	81	56	134	55	51	119
Fish	100	104	98	73	101	96	105	127	93	137
Eggs	100	118	85	75	128	132	141	131	135	128
Milk	100	93	75	90	101	99	104	99	104	132
Oil and fats	100	90	48	158	92	123	110	99	70	122
Vegetables	100	103	53	139	134	90	119	113	90	80
Fruits	100	118	64	88	130	80	107	46	57	113
Sugar, salt, spices	100	108	74	90	89	57	61	61	51	63
Tea	100	146	102	95	128	97	128	111	111	146
Ice	100	94	81	56	85	71	56	64	64	169
Food away from home	100	101	71	71	101	121	118	101	101	235
Beverages	100	201	81	90	201	158	161	230	171	141
Tobacco	100	106	97	93	108	106	101	101	97	119
NON-FOOD	100	95	105	81	96	117	84	102	112	103
Clothing and footwear	100	96	132	105	98	91	61	92	72	125
Sewing accessories	100	159	226	31	292	209	156	242	328	360
Housing and utilities	100	113	116	54	113	117	45	55	89	141
Fuel	100	76	109	34	153	133	55	202	78	176
House furnishings	100	74	126	61	116	121	113	121	149	98
Materials for hh operation	100	56	117	42	57	88	38	75	126	55
Medical supplies	100	128	89	107	83	148	91	101	97	66
Transportation	100	85	106	85	99	104	103	120	134	80
Recreation	100	37	129	35	65	37	26	41	86	43
Education	100	91	80	68	86	134	94	42	95	168
Personal care products	100	65	115	68	80	104	68	114	212	106

Source: village price survey, 6–8 October 2005

The price data were then verified and entered into Excel spreadsheets. CDRI research assistant s{singular or plural?} responsible for the project and WB poverty specialists calculated the price index across the villages. The prices of the items were first weighted by their share, average of the nine villages, in the consumption baskets indicated by the household survey. This was to transform their huge variations due to the differences in units for which the prices were asked.<sup>19</sup> The prices were then weighted by the consumption bundle in each village before a spatial price index was derived from the nine-village average index of 100. The results are presented in Table 1.

<sup>19</sup> For some goods, the unit commonly expressed for price surveys is a large quantity. So the cross-area price differences can be so large that they result in distorting biases. For instance, the price of timber is commonly expressed and surveyed in cubic metres. The differential from one village to another was 500,000 riels and would thus mislead regarding the other prices if it were not transformed/weighted according to its consumption weight in total expenditure.

With the spatial price index, the national poverty line for rural areas was adjusted to produce village poverty lines, as presented in Table 2. The national rural poverty line of 1753 riels per capita per day is considered as the average poverty line of the nine villages and is indexed as 100. As Table 2 column 2 shows, Kompong Tnaot, the coastal village, was the most expensive, reflecting the higher prices of seafood. The cheapest village was Khsach Chi Ros, the remote village in the Tonle Sap plains. The variation was within a range of 10 percentage points. This results in the village poverty lines in column (3). Total household consumption of food and non-food items was then compared with the poverty lines, and the percentage of households living below the poverty lines is presented in column (4).

**Table 2: Spatial Price Index and Village Poverty Line in 2004/05**

Village	Spatial price index*	Village poverty line (riels/person/day)	Village poverty rate (% households below poverty line)
(1)	(2)	(3)	(4)
Tonle Sap			
Andoung Trach	99.2	1738	57.6
Krasang	96.5	1691	26.7
Khsach Chi Ros	95.4	1672	73.3
Mekong Plains			
Prek Kmeng	100.2	1756	26.7
Ba Baong	96.0	1683	32.3
Plateau			
Kanhchor	98.5	1727	46.7
Dang Kdar	101.1	1773	67.2
Trapeang Prei	101.6	1781	61.6
Coastal			
Kompong Tnaot	104.3	1828	30.8
All villages	100.0	1753	45.8

\* Spatial price index is the result of the village price survey conducted by CDRI, 6–9 October 2005

### Temporal Price Differences

The core of the MOPS is the panel data, which will provide trends in consumption-based poverty rates and other money-metric indicators. It is essential to compare changes over time in real terms. Therefore, knowledge of price changes between 2001 and 2004 was indispensable.

Unfortunately, before the village price survey in October 2005, prices were not collected in the studied villages in a way sufficient for the purpose of comparing real changes over time and space. The household survey in 2001 did not collect prices of food and non-food items consumed by the villagers. Only the values of food items that are grouped by category of CPI were obtained, which was to follow the CSES 1999. The 2004 surveys repeated the same questions and approach to be comparable with 2001. This method was also the same as that of the national household survey in 2004 (recall method), allowing for comparability.

In the absence of consumer price indices for the nine villages, Phnom Penh prices were used to approximate price changes in the villages. In doing this, it was crucially assumed that prices in Phnom Penh on average rose by the same extent as in rural areas. A consumer price index for the nine villages was constructed using the consumption weight identified by the household survey in the nine villages. This consumption weight was calculated from the consumption bundles reported in the households in quintiles 2 and 3 for the whole sample of the nine villages. This proxy consumer price index was found to be 118.59. Using this price deflator, the village poverty lines and the resulting poverty rates in 2001 were calculated and are presented in Table 3.

**Table 3: Poverty Lines and Poverty Rates in 2001 and 2004 Using Price Deflator**

Village	Poverty Lines		Poverty Rates		Deflator calculated from Phnom Penh prices and rural weights 2001–04
	2001	2004	2001	2004	
Tonle Sap Plain					
Andoung Trach	1466	1738	70.6	57.6	118.59
Krasang	1426	1691	40.0	26.7	118.59
Khsach Chi Ros	1410	1672	54.2	73.3	118.59
Mekong Plain	-				
Prek Kmeng	1481	1756	17.5	26.7	118.59
Ba Baong	1419	1683	37.8	32.3	118.59
Plateau					
Kanhchor	1457	1727	50.0	46.7	118.59
Dang Kdar	1495	1773	72.0	67.2	118.59
Trapeang Prei	1502	1781	91.2	61.6	118.59
Coastal	-				
Kompong Tnaot	1542	1828	14.2	30.8	118.59
All villages	1478	1753	46.9	45.8	118.59



# Moving Out of Poverty?

**CDRI** Cambodia's Leading Independent  
Development Policy Research Institute

📍 56 Street 315, Tuol Kork, Phnom Penh, Cambodia

✉ PO Box 622, Phnom Penh, Cambodia

☎ (855-23) 881-384/881-701/881-916/883-603

📠 (855-23) 880-734

E-mail: [cdri@camnet.com.kh](mailto:cdri@camnet.com.kh)

Website: <http://www.cdri.org.kh>



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