

Aiding Trade

Case Studies in Agricultural Value Chain Development in Cambodia

By

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Declaration

I, *Maylee Thavat*, declare that this thesis, submitted in fulfilment of the requirements for the award of Doctor of Philosophy, in Environment and Resource Management in Asia Pacific Program, Crawford School, College of Asia and the Pacific, the Australian National University, is wholly my own work unless otherwise referenced or acknowledged. This thesis has not been submitted for qualifications at any other academic institutions.

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Abstract

This thesis presents an inquiry into agricultural development. More specifically it addresses the question: how do development agencies construct and reconstruct new and existing agricultural commodity chains to assist the rural poor to trade their way out of poverty? Growing unevenness in the development process has led to calls for development to become more pro-poor. An increasingly popular tool employed in such efforts is agricultural commodity chain development, more recently and perhaps more salubriously called value chain development. The key idea here is to assist poor rural agriculturalists (the majority of the world's poor) to upgrade their livelihoods through appropriately configured commodity chains. Although conceptions vary about what sort of commodity chain is best engaged or how to engage it, the primary tenet of this approach is that given appropriate assistance the poor may trade their way out of poverty. As such this thesis is as much about examining the aid agencies enrolled to instigate commodity chain development, as it is an investigation into agricultural commodity chains themselves. The four case studies of this thesis: rice seed, organic rice, fresh vegetables and chilli sauce provide examples of the different ways that aid processes may interact with trade processes with varying outcomes.

At the core of my thesis lies a philosophical discussion about the role of gifts and commodities relations in cross-cultural development interactions. Gifts and commodities are often set out as two distinct and incommensurate forms of exchange. I argue that they are not. In efforts to aid trade it is evident that various material and knowledge flows necessarily combine a range of gift and commodity relations that are difficult to separate. Even those development projects with the most

explicit market focus often find it hard to maintain the false dichotomy between aid and the private sector, gift and commodity relations. This is because neither gifts nor commodities are absolute states of being; rather they are just one manifestation of value in what Appadurai (1986) terms the ‘social life of things’. In this view, a commodity is only just one possible phase in the social life of a thing, as it travels within different regimes of exchange demanded by society. Things may enter and exit the sphere of commodities and likewise gifts may do the same. What may appear as a commodity in one instance can appear as a gift in another. This is especially the case in developing countries such as Cambodia where this thesis is set and where a larger proportion of the society may be considered ‘non-market’ and agriculture is specifically predisposed towards patron-client relations. However, current conceptions of how best to assist private sector development advocate strict separation between aid and the private sector. That is to say that private sector development ‘best practice’ approaches maintain a false dichotomy between gifts and commodities, which in reality is difficult if not impossible to maintain. This often leads to failure and confusion of development projects, if not decidedly anti-poor development. Thus the primary argument of this thesis is that we need to look at the entirety of social relations involved in commodity chain construction, not just market transactions or lack thereof. This means that we need to understand gift relations, not just commodity relations in agricultural commodity chain interventions if such efforts are ever to be pro-poor.

Transliteration, Names and Currency

A standardised system for rendering Khmer into Roman script is yet to be developed. At the present time scholars of Cambodian studies do not follow any one particular system. Everyone simply translates Khmer sounds into what they believe is the most appropriate spelling. This is not the most desirable situation and, as such, transcription is kept to a minimum. Where used, Khmer words are written in lowercase italics, except for names of people and places. I follow conventional spelling of place names and geographical features. For reasons of confidentiality, I do not identify individuals as working with specific NGOs, projects, bilateral or multilateral donors. I use the term ‘consultant’ to refer to foreigners working on any type of project in Cambodia, irrespective of the duration of their work or institutional affiliation. All references to monetary values are in US dollars. Throughout the time of my fieldwork, US\$1 was approximately equivalent to 4000 *riel*, the Khmer currency.

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Acronyms

ADB	Asian Development Bank
ANT	Actor Network Theory
AQIP	Agricultural Quality Improvement Project
AusAID	Australian Agency for International Development
ASEAN	Association of Southeast Asian Nations
CAAEP	Cambodia-Australia Agricultural Extension Project
CADF	Cambodian Agri-business Development Project
CARDI	Cambodian Agricultural Research and Development Institute
CAVAC	Cambodian Agricultural Value
CCRD	Community Co-operative for Rural Development
CEDAC	Centre d'Etude et de Développement Agricole Cambodgien
CEO	Chief Executive Officer
CIAT	International Centre for Tropical Agriculture
CIAP	Cambodia-IRRI-Australia Project
CIDA	Canadian International Development Agency
CPP	Cambodian People's Party
DAC	Development Assistance Committee
DFID	Department for International Development
EU	European Union
FFV	Fresh Fruit and Vegetables
FFVMA	Fresh Fruit and Vegetable Marketing Advisor
GDP	Gross Domestic Product
GNI	Gross National Income
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
HURREDO	Human Resource and Rural Economic Development Organisation
HYV	High Yielding Variety
ICS	Internal Control System
IDE	International Development Enterprises
IFPRI	International Food Policy Research Institute

IFC	International Finance Corporation
INGO	International Non-Governmental Organisation
IPM	Integrated Pest Management
IRRI	International Rice Research Institute
GCC	Global Commodity Chains
LDC	Least Developed Country
LIC	Low Income Country
LNGO	Local Non-Governmental Organisation
M&E	Monitoring and Evaluation
M4P	Making Markets Work Better For the Poor
MAFF	Ministry of Agriculture, Forestry and Fisheries
MOWRAM	Ministry of Water Resources and Meteorology
MOC	Ministry of Commerce
NGO	Non-Governmental Organisation
NOP	National Organic Program
NTFP	Non-timber Forest Products
NZAID	New Zealand's Agency for International Development
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
PDD	Project Design Document
PRK	People's Republic of Kampuchea
RGC	Royal Government of Cambodia
RSG	Registered Seed Growers
SAP	Structural Adjustment Programme
SME	Small and Medium Enterprises
UNDP	United Nations Development Programme
UNTAC	United Nations Transitional Authority in Cambodia
US	United States
USDA	United States Department of Agriculture
WFP	World Food Program
WTO	World Trade Organisation