Aiding Trade

Case Studies in Agricultural Value Chain Development in Cambodia

By

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A thesis submitted for the degree of Doctor of Philosophy of the Australian National University.

RESOURCE MANAGEMENT IN ASIA PACIFIC PROGRAM
CRAWFORD SCHOOL OF ECONOMICS AND GOVERNMENT
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CANBERRA, MARCH 2010
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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From inception to completion, this thesis benefitted greatly from the support of my supervisory chair, Dr. Andrew Walker. Throughout the process Andrew Walker provided a high level of professional academic mentoring, which accompanied by his intelligence, wit and tireless efforts at reading countless drafts helped me immensely.

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long distance and in Canberra. Your tireless encouragement and unfailing belief that I would finish this thesis even when I did not believe it myself is a true testament to your outstanding character and strength. Thank you my dear. This thesis is dedicated to you.
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

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<th>Full Form</th>
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<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
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<tr>
<td>ANT</td>
<td>Actor Network Theory</td>
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<td>AQIP</td>
<td>Agricultural Quality Improvement Project</td>
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<tr>
<td>AusAID</td>
<td>Australian Agency for International Development</td>
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<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
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<td>CAAEP</td>
<td>Cambodia-Australia Agricultural Extension Project</td>
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<td>CADF</td>
<td>Cambodian Agri-business Development Project</td>
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<td>CARDI</td>
<td>Cambodian Agricultural Research and Development Institute</td>
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<td>CAVAC</td>
<td>Cambodian Agricultural Value</td>
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<td>CCRD</td>
<td>Community Co-operative for Rural Development</td>
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<td>CEDAC</td>
<td>Centre d’Etude et de Développement Agricole Cambodgien</td>
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<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
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<td>CIAT</td>
<td>International Centre for Tropical Agriculture</td>
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<td>CIAP</td>
<td>Cambodia-IRRI-Australia Project</td>
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<td>CIDA</td>
<td>Canadian International Development Agency</td>
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<tr>
<td>CPP</td>
<td>Cambodian People’s Party</td>
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<td>DAC</td>
<td>Development Assistance Committee</td>
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<tr>
<td>DFID</td>
<td>Department for International Development</td>
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<td>EU</td>
<td>European Union</td>
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<tr>
<td>FFV</td>
<td>Fresh Fruit and Vegetables</td>
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<td>FFVMA</td>
<td>Fresh Fruit and Vegetable Marketing Advisor</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GNI</td>
<td>Gross National Income</td>
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<td>GTZ</td>
<td>Deutsche Gesellschaft für Technische Zusammenarbeit</td>
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<tr>
<td>HURREDO</td>
<td>Human Resource and Rural Economic Development Organisation</td>
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<td>HYV</td>
<td>High Yielding Variety</td>
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<td>ICS</td>
<td>Internal Control System</td>
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<td>IDE</td>
<td>International Development Enterprises</td>
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<td>IFPRI</td>
<td>International Food Policy Research Institute</td>
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<td>Acronym</td>
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<tr>
<td>IFC</td>
<td>International Finance Corporation</td>
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<td>International Non-Governmental Organisation</td>
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<td>Integrated Pest Management</td>
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<td>IRRI</td>
<td>International Rice Research Institute</td>
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<td>GCC</td>
<td>Global Commodity Chains</td>
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<td>LDC</td>
<td>Least Developed Country</td>
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<td>Local Non-Governmental Organisation</td>
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<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
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<td>M4P</td>
<td>Making Markets Work Better For the Poor</td>
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<td>National Organic Program</td>
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<td>NTFP</td>
<td>Non-timber Forest Products</td>
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<td>NZAID</td>
<td>New Zealand’s Agency for International Development</td>
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<td>ODA</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
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<tr>
<td>PDD</td>
<td>Project Design Document</td>
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<tr>
<td>PRK</td>
<td>People’s Republic of Kampuchea</td>
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<td>RGC</td>
<td>Royal Government of Cambodia</td>
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<td>RSG</td>
<td>Registered Seed Growers</td>
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<td>SAP</td>
<td>Structural Adjustment Programme</td>
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<td>Small and Medium Enterprises</td>
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<td>United Nations Development Programme</td>
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<td>UNTAC</td>
<td>United Nations Transitional Authority in Cambodia</td>
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<td>US</td>
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