

Interdependence report – cambodia (kampuchea)

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Cambodia is a small Southeast Asian country that borders on the Gulf of Thailand and is situated between Laos, Vietnam and Thailand. It has a population of 12 and a half million people, and has just come through a time of great hardship that has lasted since 1975. The people responsible for this country's turbulent past are the Khmer Rouge forces that invaded Phnom Penh in the 70's. Over 1 million people died during their rule, through enforced hardship and execution. This country has seen war, human massacres, and dictatorship.

Economically, Cambodia is a country discovering itself in tourism terms, with a 34% increase in tourism for the 2000-2001 period. Cambodia has a wealth of history and culture predating the Khmer Rouge tyranny and many travelers see it as an unadulterated, tourist-free experience. Cambodia's industries are in garments, rice milling, fishing, wood and wood products (although some of these are illegal operations), rubber, cement, gem mining (another generally illegal industry), and textiles. The unemployment rate is 2.8%. 80% of all employed people are working in the agriculture sector, which consists of rice, rubber, corn and other vegetables. Exports in 2000 were \$942 million and these consisted of timber, garments, rubber, rice, and fish. The majority of these exports went to neighbouring countries, and 10% went to the USA.

Cambodia's population of 12,491,501 and has a growth rate of 2.25% per annum. This rate takes into account, the following things: It's birth rate per 1000 head of population - 33.16, and the deaths per 1000 head of population - 10.65.

The migratory rate of 0 people per 1000 is also worth mentioning. The infant mortality rate is 65. 41 per thousand live births.

Life expectancy in Cambodia is 56. 82 years, compared with Australia's approximate 75 years, this is very low. Literacy rates for the total population are 35% (This takes into account persons over 15 years who can read and write). For all the population, women's literacy rate drops to 22%, while men are on 42%.

All the above statistics explicitly take into consideration, death linked to or as a result of AIDS, this lowers life expectancy, higher infant mortality rate and higher death rates. Lower population, growth rates and changes in population distribution by age and sex are also affected. Deaths per year as a result of AIDS are 14, 000 and the prevalence rate is 4. 04%.

SECTION B

Agriculture-

11% of Cambodia's total land usage is in permanent pastures. This clearly illustrates that farming animals in Cambodia is not a huge industry. Officially, there are 0% permanent crop pastures, but it is estimated that this figure has risen to 4% over the last two years. 5% of all land used is for narcotics/drug manufacturing, with Cambodia being a huge international producer of heroin, opium, amphetamines and cannabis.

After massive political upheaval, which brought an end to the Khmer Rouge regime in the mid-1990's, Cambodia finally looked started to restore some semblance of normality to the country's economy. The primary industries <https://assignbuster.com/interdependence-report-cambodia-kampuchea/>

were one of the first areas the new government decided to develop, unfortunately with political infighting and civil violence all plans for industry development were put on hold. It was only after 1999, the first full year of peace in 30 years that the government implemented strategies to make agriculture a more prominent and lucrative industry. They launched a plan to reduce rural poverty to 31% by 2005, but still retain an economic growth rate of 6 to 7 percent a year.

This plan hopefully will reconstruct rural infrastructures by drawing up public investment plans, setting up rural development banks and small-scale financial institutions. Local authorities and councils also needed to be perfected and this happened in communal elections in February of this year, in this way, a lot of the corrupt government officials were voted out of office. Much of the international aid that comes to Cambodia is put into the improvement of rural services such as roads, power supply, education and healthcare.

The current types of agriculture that exist in Cambodia today are rice (growth and milling), rubber, corn, and miscellaneous vegetables. Livestock and poultry also make up a portion of the industry, there are also fisheries and forestry. Statistics are organised as: Crops 18%, livestock and poultry 7%, Fisheries 16%, forestry and logging 4% (All these statistics are from the 2000 GDP and are approximate to the nearest full number).

As a result of the government's development process, technology in agriculture had risen dramatically over the past 2 years. Tractors, diggers, ploughs and other large machinery

are fast becoming commonplace on farms, and there are often share policies initiated between farmers to gain finance on equipment and pay it off together while both using it. Biotechnology is a very small area, and genetic research is virtually nonexistent, but as a result of government funding, and initiatives between industry and local government, new farming methods of irrigation and fertilisation are being developed.

Land tenure in Cambodia is a process being reviewed currently. A lot of the land is owned by local government and the state (almost 45%) but a policy put in place to encourage foreign investors, has spun off and created a profitable and legitimate loophole for local farmers. The government allows rent of land for up to 90 years at a very low price, and seeds, fertilizers, mechanised agriculture equipment and other farm-related things are all exempt from taxes or have low duties. Farmers who export more than 80% of their produce are also exempt from all duties.

Industry-

In Cambodia industrial expansion, has been quite important and could well be called a 'corner-stone' of their economic performance. It is a country relatively rich in natural resources, resources that have more or less remained untapped because decades of war and non-industry related development (infact the term 'anti-industry' is fitting) have inhibited it. The government now regards areas of industry such as garments and textiles as 'two major pillars in the national economy'.

Development of these industries creates 50, 000 jobs a year for the rural labour force alone, and helps gain foreign exchange for the national

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treasury. Garment enterprises now employ 150, 000 workers nationwide but this figure is disputed, as many factories and manufacturing plants do not officially exist for tax-evasion purposes, so the figure is in all actuality higher. Huge openings in the markets of the American, Canada and European Union have provided Cambodia with major export partners, and given them quality standards for their products to reach.

Mineral and gem mining is a big business, with police and the government coming down hard on the estimated 50% of illegal operations currently operating along the border of Thailand in the North Batdambang and South Eastern Siem Reap regions. This mining is usually strip mining, which means they take the top layer of soil, trees, rocks, natural vegetation and habitats and mine for whatever particular mineral they are looking for. This is a huge disturbance (Infact it destroys it) to anyenvironment, and in when a company does this environmental legislation states that all soil and rocks must be replaced, and trees replanted, so that some the environment and can regrow and resemble something of it's previous appearance and function.

Illegal companies do not do this reparation work and turn unique and biologically diverse area into a desolate crater, full of miningpollutionand waste. The minerals being mined for are gemstones, iron ore, manganese, and phosphates. Mining provides employment to something like 230, 000 people, and also helps to develop rural industries like retail andfoodprocessing, because of the masses of people that have to be situated at the mines. There are processing plants at some of the mines but a good majority of all mined material is sent to processing plants in Thailand and PDR Laos.

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Timber and forestry is perhaps the most lucrative and at the same time destructive industry. As with the mining, a good proportion of the logging that occurs is illegal and the government is slowly eradicating all of these operations, this eradication began in 1999. With forests and woodlands making up 66% of all land use, it is hardly surprising that this area of industry has become huge. The government is now putting in place rules and regulations to try and curb the amount of trees being cut down and processed every day, in the hope of retaining large amounts of its rainforests and natural wildlife habitats. Logging companies that had concessions to forests have recently agreed reluctantly to reduce their productions from an already reduced 50% capacity to 25% while violations are addressed. All the above industries need major reform and right now have huge pollution and waste outputs, that flow straight into the sea.

Fisheries are a vital industry in Cambodia, providing the principal source of protein for the population and providing significant employment. Fishing activities are divided into large-scale operations involving exclusive concessions on fishing areas in the Tonle Sap (a large inland lake) and floodplains, licensed medium-scale activities, or small-scale family fishing. A rapid increase in medium and small-scale fishing and mismanagement of fishing areas in recent years is leading to overexploitation of some species but others are still plentiful. An estimated 67,000 people are employed in the fisheries industry, this takes into account: fisher people, deck-hands, and all boat related staff, processing staff at processing and packaging plants and executives and business people.

Before the pollution from other industries gets to the sea, it goes through mangroves that line the coast. As a result of massive pollution being put through the mangroves, they are all slowly dying. The mangroves are a nursery for fish, that eventually will not exist, and so neither will the fish, thus destroying a very important industry.

Other Emerging Industries-

In recent years the services sector and tourism were hit hard by the political disturbances of 1997 and 1998, but over the past 5 years consumer confidence has returned and made headway for new spheres of development. In 1999 tourist arrivals to the country rose by 41%, and then by another 34% in the year 2000. Tourism is a major industry, generating \$63 million in 1999. The government in conjunction with airlines has created direct flights to Siem Reap from destinations such as Bangkok, Ho Chi Minh City and there are plans for flights from Singapore, all this has contributed greatly to tourism in regional areas of Cambodia and has huge marketability as multi-country package tours become very popular to westerners.

The service sector, accounting for 36% of total GDP in 2000, seems 'poised to enter a sustained period of expansion after several years of stagnation' according to economic analysts from the ADB organisation. United Nations involvement, and becoming a member of the WHO, has certainly affected the public's attitudes towards restaurants and hotels. The aforementioned organisations set up protocols and regulations for the government to implement, and trained inspectors and officials to make sure proprietors and

companies abide by them. This has seen a 49% growth in services and more consumers than ever.

Cambodia's main export partners are as follows: Vietnam 18%, Thailand 15%, US 10%, Singapore 8% and China 5%. It's import partners are much the same with the addition of Japan. The trade balance is reasonable with imports at \$1.3 billion and exports at \$942 million.

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Section C

Economic development for any country is a long and hard journey that has problems with trade, neighbouring countries, religious aspects etc. Possibly the most important thing to consider, as a spin-off of development is the impact it has on the environment. This impact on the environment can be things like forestry, mining, pollution, species of animals becoming endangered, and declination of bio-diversity etc. Cambodia has a lot of these problems and they are being addressed, but it is the illegal (and legal) logging that carries the title for most urgent industry to fix, as it is destroying

the forests and killing animals. This is saying the least about what the implications of this destruction may be.

Slowly the government is naming national parks and declaring them forbidden to forestry companies. What is happening when companies chop trees down is that they are destroying habitats of wildlife, preventing things from ever growing again because of their wastes, and as a result reducing the total bio-diversity of the country. In these rain forests and woodlands, many endangered animals that are extinct in Thailand, Vietnam and PDR Laos, live and coexist.

Species such as Asiatic elephants, tigers, leopards, Asiatic rhino's, gibbons and crocodiles are all slowly losing their homes as the number of suitable habitats grows less and less. When deforestation occurs upstream, massive damage as a result of floods occurs downstream. This flooding affects everything, from agriculture (farms being underwater and losing crops, livestock, equipment), to towns and villages being underwater. Funnily enough, the inverse of this situation is that fisheries and their production improve greatly with the more severe floods.

Most of the environmental consequences have been discussed in previous sections, so in summing up, Cambodia is a country of rich history and huge potential tourism, it's social ideals still have a fair way to improve, but in Cambodia you can see a country that against all odds has come out of political oppression and started to find it's identity and become a developed country.