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Editor's Note

This is the inaugural issue of the Journal of Greater Mekong Subregion (GMS) Development Studies. It is published under the auspices of the Phnom Penh Plan (PPP) for Development Management, a recent capacity-building initiative of GMS countries supported by the Asian Development Bank and the New Zealand Agency for International Development. Enhancing skills and knowledge of middle and senior GMS civil servants is at the heart of the PPP. The journal seeks to complement this effort by promoting a better understanding of GMS development issues. It is a multi-disciplinary publication that focuses on the socioeconomic development of the GMS, especially on aspects concerning subregional cooperation.

We hope that the journal will help bridge the gap between research and policy making, and that it will play a catalytic role by publishing quality work by authors, especially those within the GMS. It seeks to target a broad audience of planners, policy makers, researchers, and keen observers of the GMS development milieu. The journal will be published twice each year. Articles and book reviews on subjects of GMS interest will be most welcome, as will letters to the editor on the contents of previous issues of the journal, or on subjects concerning GMS development. Suggestions to improve the journal's structure, its format, or the quality of its contents, will be gratefully accepted.

We have five articles for the first issue. A broad spectrum of development issues is examined. The first paper addresses the crucial question of building capacity in the GMS. It reports on a 2003 training needs assessment in the GMS undertaken jointly by the Mekong Institute, the GMS Tertiary Education Consortium, and ADB. The authors, Mills, Askwith, Abrillo, and Howe, also outline a possible capacity-building strategy for the GMS, based on their findings.

Francisco Roman's contribution on building competitiveness through cross-border cooperation explores the competitiveness of Cambodia's inland fisheries industry vis-à-vis Thailand. While the article does not reach firm conclusions, it analyzes the role and performance of ingredients

enhancing competitiveness, and suggests potentially positive outcomes for Cambodia's nascent, but growing, inland fisheries industry.

Kyoko Kusakabe offers another perspective of the fish border trade between Cambodia and Thailand. She examines gender-differentiated perceptions of the international border and the fish border trade. She then offers sociologically interesting perspectives of gender relationships, border politics and administration, and authorities governing the cross-border trade.

The key development challenge that HIV/AIDS poses in the GMS is well recognized. Lim, Cameron, Laohasiriwong, and Apinundecha evaluate the relationship between migration and HIV/AIDS in northeastern Thailand, and suggest that economic interventions centered on increasing rural incomes could reduce migration and thus infection of at-risk populations. They conclude that the impact of rural industrialization on HIV/AIDS is unclear in the short term, but believe that it might reduce immigration and HIV infection in the medium and long-term.

Tess del Rosario reviews Robert Klitgaard's critically acclaimed *Tropical Gangsters*, whose sharp insights on governance in Equatorial Guinea are contrasted with Thomas Dichter's *Despite Good Intentions: Why Development Assistance Has Failed*. The lessons from Equatorial Guinea, and the broader conclusions on development by Dichter, should provide considerable stimuli for reflection among the GMS development community.

As with all endeavors, the journal takes a small, first step to capture the richness and diversity that the socioeconomic development of the GMS provides to the critical researcher. There is an ascending sense of GMS scholarship that the journal will attempt to reflect in its pages. It makes a modest beginning with these contributions.

Arjun Thapan
Editor-in-Chief

TRAINING NEEDS ANALYSIS FOR DEVELOPMENT IN THE GREATER MEKONG SUBREGION

GEOFF J. MILLS, JOHN E. ASKWITH,
HARRY ABRILLO AND JEFF HOWE

Human resource limitations, particularly skill and knowledge gaps, have been identified by Greater Mekong Subregion (GMS) countries as well as by bilateral and multilateral agencies as a major obstacle to growth and economic development in the subregion. In late 2003, the Mekong Institute in Khon Kaen, Thailand, the Asian Development Bank (ADB) Phnom Penh Plan Program, and the Greater Mekong Subregion Tertiary Education Consortium (GMSTEC) jointly carried out a Training Needs Analysis (TNA) study to obtain a better understanding of the priority training needs of people working in the public, nongovernment, and business sectors of the six GMS countries. The analyzed results from 140 interviews and 760 detailed questionnaires completed by senior to middle-level officials in the GMS are presented as prioritized training needs. The questionnaire data was statistically verified and integrated with respondents' perceptions — obtained during interviews — of difficulties in implementing effective capacity-building programs, and barriers preventing integration of newly acquired knowledge and skills into the workplace. The paper suggests a possible capacity-building strategy for GMS organizations, donor agencies, and training providers.

I. RATIONALE FOR A REGIONAL TRAINING NEEDS ANALYSIS STUDY

Socioeconomic development of GMS countries — Cambodia, the People's Republic of China (PRC, Yunnan Province), the Lao People's Democratic Republic (Lao PDR), Myanmar, Thailand, and Viet Nam — is essential if poverty is to be reduced and the quality of life of GMS people improved.

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Bilateral and multilateral donors are assisting GMS countries in efforts aimed at poverty reduction, economic growth, and social development with a multitude of programs and projects. Considerable progress is being made, particularly in terms of infrastructure development, but socioeconomic development in individual countries is uneven (see Table 1).

Capacity building has been taking place in each of the GMS countries for many years. Many of the current senior public sector managers, particularly in Lao PDR, Viet Nam, and Cambodia, received their higher education in the former Soviet Union and other eastern European countries. These personnel have two major disadvantages in today's more market-oriented economies: the training they received is now less relevant, and they frequently do not have English language skills. Some are slow to recognize the need for change in their countries, or how to implement change programs, the result being that their countries are developing more slowly than those countries in which they were trained. Their rigid approach makes it difficult for younger staff to put into effect some of the training they are receiving today.

Younger officials and private sector personnel, particularly those with English skills, can participate in short-term training courses at home and abroad. Longer-term post-graduate training opportunities are more limited, but the countries themselves have identified the need for more people with the knowledge, skills, and attitudes toward work that such post-graduate study in western countries provides. Some GMS countries (e.g. Thailand and Viet Nam) are budgeting for increased numbers of their nationals to have tertiary education in western countries under scholarship programs that require the recipients to work for their government for a defined period upon their return home.

Over the past 2 to 3 years there has been a rapid increase in the number of in-country institutions (national academies and universities) in all GMS countries offering study opportunities for MBA-type qualifications. There has also been an upsurge in private universities in Cambodia, Lao PDR and Thailand. Participants study in the evening and on weekends. Fees are expensive and the quality of the programs is highly variable, but some institutions are linking up with overseas institutions to enhance the quality of their programs.

Foreign donors, through multilateral, regional, and bilateral activities, are building capacity across a wide range of disciplines. The emphasis in recent years, particularly for bilateral assistance, has been on short-term training — largely because of the cost of post-graduate study abroad. Many donors, however, are now questioning the usefulness of this approach.

Table 1: Selected Socioeconomic Indicators in GMS Countries

Indicators	Cambodia	Lao PDR	Myanmar	Thailand	Viet Nam	PRC
Population, 2002 (million)	13.5	5.5	52.1	63.4	79.7	1284.5
Population annual growth rate (%)	2.6	2.8	2.0	0.8	1.3	0.6
Per capita gross national income (US\$)	270	300	–	2020	390	890
Annual inflation rate, 2002 (%)	3.3	13.0	43.5	0.7	(0.4)	(0.8)
GDP growth rate, 2002 (%)	5.5	5.9	–	5.2	7.0	8.0
Proportion of population below US\$1 per day (%)	–	26.3	–	2	17.7	16.1
Prevalence of under-weight children under 5 years old (%)	46	40	36	10	33	10
Net enrollment in primary education, total (girls + boys) (%)	95	81	83	85	95	83
Ratio of girls to boys in education						
By level (%)						
Primary	88	86	99	96	94	102
Secondary	57	72	95	95	91	90
Tertiary	38	59	175	82	73	50
Literacy rate for 15-24 year-olds (%)	80	79	91	99	96	98
Infant/ under 5 mortality rates (per 1000 live births)	97/138	87/100	77/109	24/28	30/38	31/39
Maternal mortality ratio (per 100,000 live births)	437	530	–	13	95	56
Proportion of population with sustainable access to improved water source (%)	30	37	72	84	77	75

– = data not available.

Source: ADB. 2004. *Key Indicators*. Manila. Available: www.adb.org

Within the GMS there are at least two institutions with a regional focus: the Asian Institute of Technology (AIT) in Bangkok, and the Mekong Institute in Khon Kaen, Thailand. Since 1959 AIT has provided post-graduate training (Masters and PhDs) with some 13,000 graduates. In addition, since 1977 it has provided specialist short-term training to some 18,000 participants.

The Mekong Institute (MI) was established with bilateral assistance from New Zealand and Thailand, and since 1995 has been offering short-term training courses (1–10 weeks) in subjects related to the market economy to participants from GMS countries. For most courses, participants number 30, 5 from each GMS country. The Institute now has some 1500 alumni.

All GMS countries are in a transitional phase of economic development along a planned economy-market economy continuum, seeking to develop a position in the global economy. New investment and development of trade within a good governance framework are essential requirements for economic growth. Human resource development (HRD) limitations, particularly skill and knowledge gaps, have been identified by GMS countries and bilateral and multilateral agencies as a major obstacle to growth and development.¹ These limitations are many and varied, and although some country-specific “needs” documented from projects and programs are available, there has been no regional approach to assessing GMS training needs. Neither has there been such an approach to collating information in a manner that would be useful to GMS countries, bilateral and multilateral donors, and other agencies working in the subregion.

With these issues in mind, MI saw a need to assess capacity-building requirements in the GMS. Such a study would also help ensure that MI, under its new Charter sharing ownership of the Institute among all six GMS countries, was developing courses and programs to meet GMS capacity-building needs. The ADB Phnom Penh Plan for capacity building and HRD of government agencies in GMS² had a similar need — to identify and confirm capacity-building requirements in the region.

MI and the ADB Phnom Penh Plan combined their resources to work with GMSTEC to jointly carry out a Training Needs Analysis (TNA) study in late 2003 aimed at providing a better understanding of the priority training needs of people living and working in the public, nongovernment, and business sectors of the six GMS countries. Particular emphasis was placed on the need for a regional focus for capacity building. The aim was to identify, from personnel working in GMS countries, knowledge topics and skills that are the highest priority for training in regional capacity-building programs.

¹ Asian Development Bank (ADB). 2002. Proceedings of the 4th ADB Working Group on HRD, 5-6 September 2002. Vientiane: ADB. Quoted in Technical Assistance Report on the GMS Phnom Penh Plan for Development Management. Manila.

² Established following the first GMS Summit in Phnom Penh in November 2002.

Meeting country and regional HRD needs is critical for the success of any capacity-building program aimed at socio-economic development and facilitating changes to alleviate poverty. GMS governments and their agencies play a vital leadership role in promoting change and development. A critical mass of senior to middle-level officials with knowledge of economic, social, and development processes, and appropriate technical and management skills combined with exemplary behavioral skills, is required for change to occur.

II. SCOPE AND METHODOLOGY OF THE STUDY

A. Scope

A contextual framework based on capacity building for poverty reduction was developed. This approach required research of country-specific poverty reduction policies and strategies and other government policies and strategies that lead to poverty reduction through economic growth. This core information was then compared to the TNA findings derived from questionnaires, meetings, and interviews.

To meet the requirements of this framework, the study team surveyed in late 2003 the training needs of senior and middle-level officials working in government ministries and agencies — e.g. state-owned enterprises (SOEs), small and medium business enterprises (SMEs), nongovernment organizations (NGOs), international nongovernment organizations (INGOs), training providers, and donors.

The TNA was not designed to survey specific sector, discipline, or technical training needs, but to survey generic training needs so as to be able to: (i) determine whether officials had basic-to-intermediate building blocks of knowledge and skill elements on which to develop higher levels; (ii) provide those stakeholders who were interested, with a more comprehensive database of existing and needed skills and knowledge; and (iii) identify cohorts of officials who would benefit from high-level national, regional, or international training.

The key outputs of the study were: (i) a database of survey and interview results that could be used by a broad range of stakeholders; (ii) an analysis of this information; and (iii) a suggested strategy to assist stakeholders to develop options for future training that respond to the priority training needs of key agencies in each GMS country.

B. Approach to Obtaining Data

In each GMS country the study team interviewed senior and middle-level personnel working in government ministries and agencies, businesses, NGOs, training organizations, and donor agencies — a total of about 140 interviews in the GMS. In addition, questionnaires (in both the national languages and English) were completed. The statistically-valid sample size of about 760 returned questionnaires was analyzed and the results combined with the interview data in order to get a more complete picture of the priority training needs of each country and the region.

In order to ensure balanced representation, target survey samples were stratified by country and by ministry (or sector). This was done by reviewing national poverty alleviation plans to identify government objectives, and to identify the ministries playing a key role in developing and implementing poverty alleviation policies. The ministries so identified were divided into three groups: (i) planning and coordination; (ii) those with a specific poverty alleviation focus; and, (iii) those implementing policies. All were included in the survey.

The TNA study team encountered a number of difficulties in gathering relevant information. Most of these related to government organizational issues, such as limited access to appropriate individuals within an organization or, in some countries, reluctance of individuals to express opinions or provide information. The survey originally intended to use focus discussion groups to obtain qualitative data, but irrespective of the size and make-up of the focus groups, the data obtained from each group could only be considered as a single opinion; generally, only one or two individuals per group — at the most — provided information. Despite these difficulties the survey results have statistical validity.

One issue that was significant in some cases was respondents' lack of knowledge and exposure to concepts that are probable future training needs for officials in their country. This was reflected by the fact that some respondents compiled a training-needs "wish list," or avoided answering the intent of questions. This was anticipated, and managed, by careful design of data collecting forms and follow-up interviews.

III. RESULTS OF THE TNA STUDY

The TNA study showed each GMS country has different needs and different priorities, but it identified many common needs that can best be met in a regional training environment. Specifically, the study provided key information on: (i) organizational effectiveness; (ii) prioritized training needs; and (iii) training delivery methods, which were then used to develop a possible capacity-building strategy for stakeholders. This information is discussed below.

A. The Organizational Environment

The first part of the individual survey questionnaire asked respondents to indicate their level of agreement or disagreement, on a four-point Likert scale, to certain statements formulated positively on seven key dimensions of their organization's strategy, structure, systems, staff, skills, style, and shared values (McKinsey's "7-S Framework"). The proportions of those who agreed and disagreed with each statement were then determined and summarized for each dimension. The proportion of respondents who disagreed with the statement on a particular aspect of their organization indicated the degree of need for improvement and, consequently, an implied training need. This was done for each of the GMS countries (Table 2).

Table 2: Summary Assessment of the Organizational Environment in GMS Countries

Dimension	Cambodia	Lao PDR	Myanmar	Thailand	Viet Nam	PRC (Yunnan Province)
Strategy	75.7	84.7	90.8	65.8	82.2	76.1
Structure	83.7	90.6	95.0	68.9	86.3	82.3
Systems	67.4	83.3	86.5	56.5	80.8	83.1
Staff	69.4	73.6	77.0	51.5	70.2	54.1
Skills	72.6	78.4	85.1	62.7	78.1	64.5
Style	64.0	77.2	76.2	41.1	69.5	52.5
Shared Values	73.1	87.7	89.8	58.5	77.3	66.9

Note: The above figures represent average percentages of respondents who indicated they "Agree" or "Strongly Agree" with the statements; the balance (from 100%) represent those who indicated they "Disagree" or "Strongly Disagree" with the statements.

In interpreting the above figures, comparison of the absolute percentages across countries is not meaningful. The respondents' exposure or knowledge of government organizations is different in each country. Consequently, their expectations of what an efficient organization is, for example, could be expected to vary widely. Respondents from Thailand, for instance, may be very demanding in terms of expectations of efficiency. Thus a lower proportion would likely agree with positive statements about the efficiency of their organization compared with say, respondents from Lao PDR. Thus, the numbers are only meaningful if interpreted within the context of each GMS country. Implied training needs were derived from assessment of both quantitative and qualitative data within the context of each GMS country.

The summary of organizational assessment provided for each GMS country presents a broad picture of how the respondents view the environment in which they operate. Analysis of the survey information indicates that the environment is not exactly conducive to high performance, and the respondents have identified a need to strengthen internal systems and processes in their institutions. But in order to strengthen the institutions, individuals in them need to participate in capacity building, implying training needs for senior and middle-level officials.

Training for senior officials could include the following topics: (i) strategy development, (ii) organizational design, (iii) managing an organization's culture, (iv) management and leadership styles, and (v) decentralization. Reviewing the bottom-up planning process could also be included. The respondents in the survey did not identify the first two topics above as a priority, probably because they based their need's assessment on existing official systems and documentation, or if these were not available, on their perception of what the roles and functions and the corresponding organization structure should be. However, inasmuch as GMS economies are at different stages of transition from central planning to a market-oriented economy, top management needs new perspectives to be able to formulate strategies and design appropriate organizational structures to hasten the pace of transition.

A number of the implied training needs are more appropriate for middle-level officials. These include: (i) planning processes; (ii) systems development — e.g. management information system, financial system, personnel information system, performance evaluation system, reward system, etc.; (iii) recruitment; and (iv) communication. Management and leadership styles and decentralization may also be included for this level.

B. Training Priority for Knowledge and Skill Topics

The organizational assessment provided some leads on training needs of senior and middle-level personnel to strengthen their capacity to direct and lead an organization and develop internal systems and processes. However, these identified training areas are quite general and broad. The second section of the questionnaire listed some 51 knowledge topics and 53 skill topics, and asked respondents to rate them on a scale of 1-4 in each of three areas: importance to their organization, the current level of knowledge about the topic of people working in their organization, and the training priority that they would give to it for their organization.

The results obtained — of the knowledge and skills topics showing an average or mean rating of either “very important” or “important” in the respondents ratings — were not unexpected. When the study team drew up the list of topics, they included those topics they thought, *a priori*, would be relevant or important to GMS countries. The questionnaires had two objectives: confirming the degree of importance of a topic and identifying relative importance between topics.

The completed questionnaires were analyzed to determine which of the listed knowledge or skill topics were considered priority areas for training in each GMS country and for the subregion. Initially it was thought this could be done by computing the mean ratings for each topic and setting ranges that would define how important it is, the level of knowledge or skill on the topic, or its priority. However, when the results were produced in this format it was clear it did not make sense to use the absolute values of the mean ratings.

As explained in the previous section on organizational assessment, the respondents in each country completed their questionnaires in very different contexts. Their criteria in rating the importance of the topics, their level of knowledge or skills on such topics, and the priority they would assign to them in terms of importance for training, were not comparable across countries because the circumstances among the GMS countries are quite different. One cannot say, for example, that a mean rating of 3.5 on planning skills in Lao PDR indicates they are more skilful in planning than officials in Thailand if the latter’s mean rating is 2.5 for planning skills. In this study, the mean ratings have been used to rank the topics according to relative importance, level of knowledge or skill, and training priority. Thus, regardless of the absolute values of the mean ratings, a list of the top 20 priority topics and a list of the next 20 priority topics for each GMS country was derived from the respondents’ completed questionnaires.

When sorted and ranked according to importance, some topics were consistently in the top 20 for all six GMS countries, while other topics were consistently in the lower rank. This clearly suggests that there are common training needs among the GMS countries despite their different histories, cultures, and stages of socioeconomic development. Of course there are also country-specific training needs.

When the topics were sorted and ranked according to current level of knowledge or skill, the top 20 list for each of the six countries changed quite significantly, with some topics in the lower rank based on importance moving to the top 20 list, based on level of knowledge or skill within the organization. What this suggests is that the organizations may have developed certain skills to a relatively high level, but not necessarily in the areas the respondents perceive as important or very important. It could also be that the topics are new and therefore the organizations have yet to obtain the knowledge or develop the skills. It is also possible that while the topic is not new, it has now become more important in the context of a global economy. What is clear from the ratings given to the current level of knowledge or skills, is that there are knowledge and skills gaps in all countries, based on respondents' perceptions.

When the topics were sorted and ranked according to training priority, the top 20 list was almost identical to that produced when the topics were ranked according to importance. It appears that the respondents in all GMS countries prioritized the topics by perceived importance, i.e. the more important the topic, the higher the training priority, regardless whether they were already knowledgeable or had developed skills in it. These relationships were validated statistically using regression analysis. The mean ratings of the three variables — importance, current level of knowledge or skill, and training priority — were regressed against each other to determine their degree of correlation. Two regressions were done for each GMS country: one for knowledge topics, and a second for skills topics. The strongest correlation for both knowledge and skill topics was between importance of the topic and the training priority assigned to the topic.

C. Developing a List of Priority Topics for Regional Training

Because the strongest correlation was between importance and the training priority of a topic for an organization, the ranking of topics sorted by training priority has been used to identify regional training priorities.

Two lists, ranked by training priority, were prepared for each GMS country: one for knowledge topics and another for skills topics.

1. Common Knowledge Topics

From the top 20 and next 20 priority topics of each GMS country, those topics common to a majority (at least four of the countries) were identified. It is important to appreciate the significance of these common topics. They represent priority topics common to the six GMS countries that have been mutually identified by about 760 senior and middle-level officials of the six countries, without any communication between them on the subject. These topics can be regarded as “universal” training needs. The fact that so many people have identified them should be given some weight. They should comprise the core topics of training courses designed for participants from all GMS countries. Table 3 shows the top 20 priority list for common knowledge topics of the six GMS countries. Topics common to only three or even fewer countries may be considered for country-specific training. Potential training topics gathered during the interviews of staff in various institutions as part of this study are also important, and need to be considered in tandem with topics identified through the survey responses.

High in the priority knowledge topics were leadership and management. This also came out quite clearly during interviews. Other common topics included: (i) governance, (ii) HRD processes, (iii) technology, (iv) development concepts, (v) information systems, and (vi) decentralization. It may be noted that the listed topics vary in breadth and/or specificity. Some are subsets of the others. The next step therefore was to cluster these topics into major categories that can be developed into training courses. The countries with the highest number of knowledge topics not common to the others were PRC (Yunnan Province) and Viet Nam, which suggests that they may have more country-specific needs.

2. Common Skill Topics

Of the top 20 skill topics of the six GMS countries, only 5 were common to all six countries, 4 were common to five countries, and 5 were common to four countries (Table 4). Topics in the top 20 list, but common to only three or fewer countries, were moved down to the next 20 priority list. “Regional Cooperation,” for example, was common to only three of the six country top 20 lists. For those countries where it appeared in the top

Table 3: Common Knowledge Topics for at Least Four GMS Countries

Knowledge Topic (top 20 and second 20 priority list of at least 4 countries)	Number of countries where topic is common	Topic not in the priority lists of these countries
In the Top 20 List		
• Leadership qualities	6	–
• Management style	6	–
• Principles of good governance	6	–
• Transparency, accountability, corruption	6	–
• HRD planning process	6	–
• Staff development management systems	6	–
• Appropriate technology	6	–
• Technology transfer	6	–
• Sustainable development	6	–
• Development theory	6	–
• Policy analysis and implementation	–	–
• Management information system	5	PRC (Yunnan)
• Performance management system	5	PRC (Yunnan), Myanmar
• Performance appraisal	4	PRC (Yunnan), Viet Nam
• Decentralization	4	PRC (Yunnan), Viet Nam
In the Next 20 List ^a		
• Regional cooperation	6	–
• Project management cycle	6	–
• Investment incentives	5	Thailand
• Foreign investment	5	Thailand
• Resource management	5	PRC (Yunnan)
• Workings of government	5	Cambodia
• Sustainability	5	Lao PDR
• Water, land and forest resources	–	–
• Pollution	4	Myanmar
• Team building processes	4	Viet Nam
• Recruitment systems	4	PRC (Yunnan)
• Principles of organization design	4	Cambodia, Thailand
• Total Quality Management	4	Lao PDR, Viet Nam
• Audit requirements	4	PRC (Yunnan), Viet Nam
• Legislation	4	PRC (Yunnan), Viet Nam
• Poverty indicators	4	Cambodia, Viet Nam
• Command vs. market economy	4	Lao PDR, Thailand
• International trade	4	Cambodia, Thailand
• Role of civil society	4	Viet Nam, Lao PDR
• Ethical practices	4	PRC (Yunnan), Cambodia
• Participatory processes	4	Myanmar, PRC (Yunnan)
• Role of business sector	4	Lao PDR, Viet Nam

^a. Developed from lists produced by combining topics from the top 20 priority list of the six GMS countries that were common to fewer than four countries with the topics each country listed in its next 20 priority list.

20 priority list it was moved down to their second 20 list. Because all three other countries had “Regional Cooperation” in their second 20 list, there are a total number of six countries with “Regional Cooperation” as a common topic in the second 20 list. The same approach was also applied to developing the second 20 list for knowledge topics.

Table 4 shows the top 20 priority list and the second 20 priority topics for common skill topics in the six GMS countries.

D. Summary of Prioritized Training Needs

The training needs identified from the questionnaires and interviews were collated with information from other sources: the implied training needs from the organizational assessments, public sector interview findings, national poverty reduction strategy papers, and government official training needs identified by INGO's, business, and NGOs. Data are presented in Tables 5 and 6 in the form of major and distinct topic categories that could be developed into specific programs or training courses. These programs could be either management related or crosscutting issues:

- (i) Management-related topics as presented in Table 5: leadership and strategic management, planning, human resource development, organization development, and project management.
- (ii) Crosscutting topics as shown in Table 6: governance, regional cooperation, private sector development, train-the-trainer, communication, and special skills in English and computing.

Ownership of the TNA by all stakeholders was an important consideration because if there is little or no ownership, or no acceptance that there is a need for change, then the net return from all capacity building efforts and input of resources will be low. Even though all stakeholders come from a wide range of backgrounds and cultures, there was a surprisingly high degree of commonality in the views they expressed. As previously stated, information from the interviews, whether held with one respondent or a group, has been treated as a single response because of the nature of the meetings. It was difficult to identify opposing views, to determine whether a view was personal, represented a “government line,” or reflected any level of deep consideration of the issue.

Table 4: Common Skill Topics in Top 20 and Second 20 Priority Lists of at Least Four GMS Countries

Knowledge Topic (top 20 and second 20 priority list of at least 4 countries)	Number of countries where topic is common	Topic not in the priority lists of these countries
Top 20 topics		
• Visioning and direction setting	6	–
• Strategic planning	6	–
• HRD planning	6	–
• Fluency in English language	6	–
• Facility in the use of computers	6	–
• Training	5	Thailand
• Facilitation skills	5	PRC (Yunnan)
• Transfer of knowledge	5	Cambodia
• Annual operational planning	5	PRC (Yunnan)
• Identifying potential projects	4	Thailand, Lao
• Project monitoring and evaluation	4	Thailand, Viet Nam
• Research	4	Lao PDR, Thailand
• Developing management info. sys.	4	Lao, Myanmar
• Managing relations with stakeholders	4	Thailand, Myanmar
From the next 20 list ^a		
• Developing systems and procedures	6	–
• Project design	6	–
• Problem definition & analysis	6	–
• Financial planning & budgeting	6	–
• Setting performance standards	6	–
• Designing organization structures	5	Myanmar
• Preparing feasibility studies	5	Thailand
• Managing project information	5	PRC (Yunnan)
• Mentoring/ counselling	5	Thailand
• Conducting meetings	5	Cambodia
• Report writing	5	PRC (Yunnan)
• Negotiation/ conflict resolution	5	Viet Nam
• Presentation skills	5	Viet Nam
• National/regional perspective	5	PRC (Yunnan), Thailand
• Securing project funding	5	Thailand
• Promoting regional cooperation	4	PRC (Yunnan), Lao PDR
• Developing job descriptions	4	PRC (Yunnan), Thailand
• Evaluating jobs and classifying positions	4	Cambodia, Myanmar
• Monitoring and evaluating performance	4	Myanmar, Lao PDR
• Delegating	4	Thailand, Lao PDR
• Procurement procedures	4	PRC (Yunnan), Myanmar
• Teamwork	4	Thailand, Lao PDR
• Networking with local/ international institutions	4	PRC (Yunnan), Thailand
• Office management	4	Thailand, Viet Nam

^a. Developed from lists produced by combining topics from the top 20 priority list of the six GMS countries that were common to fewer than four countries with the topics each country listed in its next 20 priority list.

**Table 5: Summary of Priority Training Needs
and Target Groups: Management**

Major Categories	Target Group		Knowledge Topics	Skill Topics
	Senior	Middle		
A. Leadership and Strategic Management	X		Leadership qualities. Management style. Political systems. Development theory. Command vs. market economy. Role of civil society. Poverty indicators. Unemployment issues.	Vision and direction setting. Strategic planning. Organization culture management. Transition management. Policy analysis and implementation.
B. Planning		X	Planning concepts. Management information systems.	Annual operational planning. Forecasting. Financial planning and budgeting. Setting performance standards. Monitoring and evaluating performance. Office management.
C. Human Resource Development		X	Staff development management systems. HRD planning process. Performance management systems. Performance appraisal. Recruitment systems.	HRD Planning. Problem definition & analysis. Mentoring/counselling. Conducting meetings. Report writing. Negotiation / conflict resolution. Presentation skills. Delegating. Team building.
D. Organization Development		X	Principles of organization design.	Designing organisation structures. Developing job descriptions. Evaluating jobs and classifying positions.
E. Project Management		X	Project management cycle. Appropriate technology. Technology transfer.	Identifying potential projects. Preparing feasibility studies. Research. Project design. Managing project information. Project monitoring and evaluation. Securing project funding. Procurement procedures.

Table 6: Summary of Priority Training Needs and Target Groups: Crosscutting Topics

Major Categories	Target Group		Knowledge Topics	Skill Topics
	Senior	Middle		
A. Governance	X	X	Principles of good governance. Transparency, accountability, corruption. Decentralization. Participatory processes. Workings of government. Ethical practices. Audit requirements.	Managing relations with stakeholders.
B. Regional Cooperation	X	X	Pollution. Sustainable development. Water, land and forest resources. Security, peace and order.	National / regional perspective. Negotiation. Networking with local and foreign institutions.
C. Private Sector Development	X	X	International trade. Foreign investment. Investment incentives. International trade. Legislation. Business (all aspects).	Negotiation.
D. Communication		X		Communication. Train-the-trainer.
E. Special Skills		X		English Language. Computer skills.
Sectoral			Ministries (eg: Education, Agriculture, Health and Tourism) in some countries provided lists of "technical training" required.	
Regional			A number of regional activities were identified in interviews as needing capacity building and training.	

IV. INTEGRATING THE TNA FINDINGS INTO A CAPACITY-BUILDING PROGRAM

The TNA study includes results from a wide range of respondents in government, business, NGOs, and bilateral and multilateral donor sectors. Tables 3 and 4 show only priority topics identified by respondents to the questionnaires where the majority of GMS countries (four or more countries) identified them as training needs. Details of the countries that did not consider these topics a priority are also provided in these tables. When these survey findings were integrated with information from interviews and secondary sources as shown in Tables 5 and 6, the extent of the commonality over the GMS can be seen. Tables 5 and 6 can be used as a basis for curriculum development.

Curriculum development and presentation that recognizes country-specific institutional barriers are part of a capacity-building program. While the term capacity building is commonly understood, interpretation of capacity-building processes may vary. The framework used to interpret the results of this TNA was based on the following model:

...building capacity within civil society by strengthening the capacity of primary stakeholders to implement defined activities by improving communication processes and meeting their skill and knowledge gaps so that they, the stakeholders, can participate in the political, technical and socio-economic arenas.³

This model for capacity building provides a more holistic view than the normal capacity-building model, often seen as just providing resources together with a skills and knowledge transfer package. The knowledge/resource approach is based on false premises that: (i) knowledge can lead to change; (ii) issues of power have been dealt with; and (iii) attitudes will change. Interviews in GMS countries identified these issues in various guises, but the predominant need that came from interviews was the broad crosscutting concept of a “need for better communication.” Training packages that are part of a capacity-building program need to take this into account if change is to occur.

The other crosscutting concept identified by a large proportion of respondents was that training to address skill and knowledge gaps must

³ O’Leary, M. and M. Nee 2001, *Learning for Transformation*. Phnom Penh: OXFAM.

be phased-in with development of an enabling framework that allows change to happen.

Interviews that formed part of the TNA highlighted a number of perceived impediments to successful capacity building. The key ones were:

- (i) Many donor programs are implemented within unrealistically short time frames and do not take into account that change in HRD is a time-based process that needs to be approached in a programmed way, especially when attitude change is a goal.
- (ii) Limited English language skills are a barrier to learning.
- (iii) Capacity-enhancement programs that involve reform are often out of step with skill and knowledge enhancement through training.
- (iv) The limited pool of capable national counterparts made available for project implementation means these individuals are often overworked or over-committed, and subsequently do not perform adequately.
- (v) The terms “training” and “education” are often confused, and the time factor which is an implicit part of the education process is often overlooked.
- (vi) Donors often have onerous reporting requirements, which mean that the very people meant to be doing capacity building must spend too much of their time reporting to the donor.
- (vii) Organizational structures in ministries are such that there is little in the way of coordination within a ministry — let alone between ministries, and this often leads to duplication of effort, conflict, and little in the way of change.
- (viii) The slow pace of public sector reforms inhibit those with initiative who could be the drivers to implement change.
- (ix) Training courses are often seen as the start and finish, rather than part of a continuum of learning. Often the value of centralized courses is lost because there are no follow-up activities, or circumstances preclude the application of skills and knowledge.
- (x) “Sensitization” of larger groups of officials to key issues is needed for broader change to occur.
- (xi) An enabling framework for change exists or is developing in some GMS countries, but is almost nonexistent in other GMS countries.

- (xii) Critical social and cultural issues are often overlooked in the challenge to implement change (footnote 3).

Although the study identified a number of apparently successful training and capacity-building programs in the GMS, frequent comments were made to the study team that, despite the significant funding put into capacity building, little if any meaningful change was observed. Some donors and INGOs expressed considerable frustration with some of their experience and the lack of impact of training, but no one agency had a formula for success. Key thoughts from these sources indicate that consideration of any combination of the issues listed above, in conjunction with good curriculum development, may help make capacity building more effective.

Tables 3, 4, 5 and 6 provide details on training priorities, but it was apparent that officials in GMS countries vary in their understanding as to what are the barriers to learning and implementation. The challenge for stakeholders is to close these gaps in communication and understanding. Underpinning issues for curriculum development highlighted during interviews are summarized in the following sections.

A. Skill and Knowledge Topics

There is a need to both educate people (provide underpinning knowledge) and to train them, so that underpinning knowledge or an associated skill can be used. Consideration of Tables 5 and 6 should take this differentiation into account as this has significant implications as to choice of training provider.

Interviews strongly reinforced the fact that knowledge and skills transfer must be part of most training programs, and that a train-the-trainer component is also necessary to enable “echo” training to be effective. It has to be recognized that training alone is not very effective, but needs to be integrated into a capacity-building or reform-orientated program.

B. Recognizing the Interdependence of Sector Development

Of importance was the general lack of recognition that development of a specific sector is interdependent with the development of other sectors, and this is a significant issue for capacity building. Although poverty

alleviation plans, national 5–10 year plans, and specific government, business, community, and development objectives are generally well aligned, sectoral interdependence is not always recognized by all sectors and implementation is not effective.

There are a number of reasons for this, many of them resource-based. One of the core issues is that many government officials in the service sector do not appreciate that inconsistency in policy development and implementation is a major concern for business and the private sector. This lack of recognition of the importance of an integrated approach to development is reflected in the fact that although, for example, the TNA identified international trade issues — such as the World Trade Organization, the Association of Southeast Asian Nations Free Trade Area (AFTA), and ASEAN cooperation and integration — as important, two countries (Cambodia and Thailand) did not rate these topics at all.

This may reflect the amount or type of training that has been delivered on these subjects in recent years, but it could also reflect a lack of exposure to wider issues, and the more serious problem of lack of awareness that an integrated approach to economic development is important. If prompted, respondents could identify broad issues such as these, but they generally focused on narrower issues. This lack of awareness was referred to in interviews a number of ways: the “silo” or “chimney” effect, a lack of vision, a lack of strategic thinking capacity, or simply poor communication. Each sector has a particular agenda to pursue and this must be recognized, but the overarching result from the study was that one of the greatest impediments to change is the inability of those working in specific sectors to recognize that sectors are not mutually exclusive but interdependent. This is a core requirement of underpinning knowledge.

C. English Language Skills a Priority Need

English language skills, or rather the lack of skills, were clearly identified as an impediment. Yet in all GMS countries there are a myriad of English language institutions (although less in Yunnan and Myanmar). The quality of teaching is variable, but even the most questionable institutes provide the language basics and at minimal cost. Yet there is a barrier that prevents most people from enrolling in such programs. Many individuals enrol in business classes (both graduate and postgraduate), often paying themselves, yet find excuses or avoid doing the same for English language classes. It is accepted that the costs

associated with formal training can be onerous in terms of money and effort, but this does not explain why self-help is not practised at this basic level.⁴

D. Crosscutting Needs must be Integrated into all Curricula

The crosscutting needs identified in the TNA — (i) governance, (ii) regional cooperation, (iii) private sector development, (iv) communication, (v) train-the-trainer, and (vi) gender mainstreaming issues — can all be set up as stand-alone training courses. They must, however, also be integrated into theme training, both as content and by example — i.e. through course design, management, and delivery.

(i) Governance

Good governance, in its broadest sense, is a vital need, both in terms of awareness and application. The initial reaction from a workshop held at MI to present the TNA study findings was that overarching issues, such as governance and its ramifications, could not be a valid outcome of the TNA. It was identified as a high priority by all six countries, probably reflecting the fact that many of the middle-level managers who completed the survey had short-term training experiences abroad, or had completed post-graduate scholarships in other countries. They had the opportunity to absorb the culture of the host country, giving them a comparative base. Their senior cohorts, in contrast, who comprised about 25% of the survey respondents, generally had limited English language skills and earlier training in Eastern Bloc countries. As a result they did not have the same basis for comparison.

All GMS countries are in transition along a continuum from planned to market economies, so there is a need for a new set of skills and knowledge to maintain momentum. The method adopted by each country may be different, but the objectives are the same. Decentralisation and

⁴ The team leader raised this issue with a group of provincial officials in the Delta area of Viet Nam. On a Mekong River Commission project English was identified as a training need by all of the participants. Two of the group of 20 had reasonable language skills, and when questioned said that they had paid for night classes using their own resources. Further questioning established course fees as very low, but the barrier could not be identified. The thought that some individuals had paid for classes using their own resources was found to be an unusual concept in that particular group.

deconcentration are core activities of governance in most of these countries, but the problem is implementation, lack of appropriate human resources from the provincial level up, and poorly defined accountability, management and implementation systems. Good governance was seen by some respondents as “interference,” or with the view that “we have a system that we cannot change.”

(ii) Regional Cooperation

Regional cooperation was identified as a priority, but only in the second 20 priority list (Table 4). The reasons for this are probably a lack of vision or awareness, no reference experience to use as a benchmark, an education system that does not promote lateral thinking or a problem solving approach to an issue, or simply lack of knowledge of the issues. Only about 20% of the senior government ministry cohort interviewed identified regional cooperation and management of regional development (such as the GMS Flagship programs) as a training need. Their responses, however, together with the survey responses, identified this topic as a crosscutting priority. Given that managing regional alliances, cooperation, and trans-boundary issues are the lifelines of GMS countries, this finding was unexpected, but put into the context just outlined, not surprising.

(iii) Private Sector Development

Development of the private sector is featured in the poverty alleviation plans of bilateral and multilateral agencies of all GMS countries as a key driver for socioeconomic development. Consequently it was not surprising that the topic was strongly represented in the priority listings from the questionnaire responses and interviews. The training needs are seen from the basic level up to regional alliances and developing competitiveness. Once again, however, the need for development and integration of an enabling business environment across all sectors, including regionally, was, in the words of one respondent, “more talk than action and this must change if GMS countries are to develop their potential.”

(iv) Communication

Effective communication is the link that enables change to occur. As a topic it was not identified directly in the survey, but it was implicit in a number of high priority topics. However, communication had strong

commonality across various groups of respondents to the extent that it should be included as a significant crosscutting skill because it is the weakest link in the capacity building chain. Central government styles of management do not promote effective communication, yet all GMS governments need effective communication styles to achieve their objectives of decentralizing or deconcentrating decision-making processes. Communication skill is a knowledge and skill development area in its own right, but is not effectively delivered as a training need as such. A preferred approach is integrating communication skills into courses by, for example, using participatory or active learning techniques.

(v) Train-the-Trainer

Training-the-trainer is often poorly understood and is often seen in terms of “give us the technical knowledge or information so we can transfer that knowledge.” Train-the-trainer is first and foremost about adult learning techniques, not the typical approach adopted in GMS countries, where the focus is usually on the mechanics of delivery, such as presentation techniques, or even worse, on simply PowerPoint presentations. Almost all respondents interviewed agreed that training trainers was a vital consideration because: (i) transfer of information (seen as training) was haphazard at best and often ineffective; and (ii) centrally-trained people were normally used to transfer knowledge and skills to provincial staff, who in turn had to train district staff. This is an important issue because a broad range of respondents identified problems in this topic area. As with communication skill development, the best way of learning train-the-trainer skills is for the principles and practices to be embedded in a technical or topical course, especially if participants are expected to return to their respective countries to be trainers. This also means that the traditional approach of lengthy lectures must change.

(vi) Gender Mainstreaming

This topic did not rank as an issue in the priority listings of topics, and was barely featured in the listings at all. Most senior and middle-level respondents did not see this as an issue because they believed that government policies allowed for employment of women; there was little appreciation of the wider picture of gender issues. In general there was a low proportion of women in senior rank respondents. In both Cambodia and Lao PDR the proportion of women in upper-level public service ranks

is low. The reasons may well be cultural as much as systemic. The Mekong Institute has a policy of accepting equal numbers of participants from all six GMS countries and emphasizes gender balance. This raises a problem for Cambodia and Lao PDR, where the pool of suitable women in the government service is low. Consequently, unsuitable candidates are sometimes selected by these two countries so as not to lose the training opportunity, and this in turn impacts on course outcomes. Even though gender issues and balance hardly rated a mention in the identified training needs, the topics still need to be integrated into training programs.

E. Core Topics of Management

The skills and knowledge required for management, organizational redevelopment, information-communications technology, and other core issues were clearly identified, but as previously pointed out, gaining knowledge does not necessarily lead to change or even skill application. GMS countries still see “new knowledge” as the solution to HRD development. It was clear that the term HRD is still misunderstood by many respondents. Often training and HRD were seen as being synonymous. Some respondents had, at their own initiative, prepared specific training needs, typically referred to as technical training needs. Although the identified needs were valid, little thought had been given to how their organization would manage and integrate the new knowledge and skills.

F. Planning

A significant number of respondents from all sectors cited planning skills and knowledge as being needed at both the senior and middle levels. Other respondents suggested there appeared to be little or no change in the performance of officials who had attended training courses covering these topics. The weak links appear to be lack of vision, lack of problem solving skills, and lack of awareness or depth of knowledge. This indicates the importance of techniques to improve communication skills and change attitudes, and techniques that can be applied to work-related activities.

G. Sector Technical Topics

Respondents in some sectors provided a list of sector specific needs. Typically these were specialized and discipline-focused training needs. One area of concern is that many respondents saw their needs as simply information transfer, rather than adopting a holistic approach to the need — i.e. the learning process, information transfer, the train-the-trainer process, and the end result. Of concern is the view expressed by many NGOs that technical experts do not necessarily have information and skill-transfer skills, and such skills were often given token service, in that respondents saw their training needs as simply information transfer. They did not see it as part of an education and capacity-building continuum; hence improved competence was not necessarily a normal end result.

H. Course Duration

Course duration was a topic explored in interviews. It is an important consideration when developing a curriculum. The issues relating to course duration are not whether short-term or long-term courses are the most appropriate. More important is matching organizational needs with suitable training course participants, and ensuring that on return from training the trainee is given the opportunity to use acquired skills and knowledge to best advantage. As a general rule, long-term training (degrees) provide in-depth knowledge, whereas short-term training must be limited in either its coverage or its depth. Short-term training should be delivered in a modular, building-block fashion, or build on a good foundation of existing knowledge and skills. Key considerations of course duration include:

- (i) The more senior the participant officials the shorter the time the individual can be away from the workplace.
- (ii) The more senior the participant officials the higher the risk that English language will be a barrier. Although there are exceptions to this rule.
- (iii) The more senior the participant officials the less receptive they are to “new wave” learning and teaching philosophies. Once again there are exceptions.

- (iv) Different types of courses for higher-level officials are needed to take account of country differences in economic development and government systems.
- (v) Short “high impact” awareness courses are essential for senior officials, including parliamentarians and senior managers who guide policy formulation, while those charged with policy development and implementation need more in-depth education.
- (vi) Careful application of participant selection criteria is an essential requirement for the successful outcome of a course.
- (vii) Practical or practice-related teaching combined with delivery of underpinning knowledge should be used in most situations.

I. Other Issues Relating to Effective Training

Some interviewees expressed a high level of frustration regarding the ineffectiveness of capacity building and/or training. Their view was that training was commonly an add-on for technical projects, and not really seen as a core activity. The view was that often there was little consideration given to the fact that it was the training providers’ role to fine-tune generic topics to meet sector needs. It was the joint responsibility of the agency involved, the training provider, and the funding agency to design courses and programs that maximized chances of a measurable improvement in competency, whether it be in skill or knowledge transfer. Some key issues identified by the interviewees included:

- (i) Training courses should not be ad hoc; they must be integrated as part of a capacity-building program.
- (ii) There is no preferred duration of a course; individual needs and organizational needs should determine the final choice.
- (iii) English language ability of the target participants is an important consideration when deciding on the correct course type.
- (iv) Selection of the course participants must follow strict criteria.
- (v) Technical courses for grassroots level training are best delivered in the national language, by people with train-the-trainer skills using action learning and participatory processes.
- (vi) The general issue of leadership and an attitudinal change to “planning rather than just doing” was acknowledged in the study as one of the keys for change.

- (vii) There is a strong demand for applied management skills and more emphasis on “how to do it.” Middle-level officers are the most appropriate cohort for this approach.
- (viii) There must be continued emphasis on the priority issues of governance, economic reform, and poverty reduction in training programs designed to enhance HRD.

V. A POSSIBLE FRAMEWORK FOR CAPACITY BUILDING

The TNA study has provided core information on prioritized training needs in the GMS. Additionally, it has provided a collective insight into why capacity-building programs to date have produced limited benefits to the GMS. By far the most important considerations identified have been: (i) capacity building must be in step with an enabling framework developed through a reform process; (ii) there is a lack of appreciation of the barriers that prevent change from happening; and (iii) there has been little in the way of workplace mentoring to establish new systems and new practices in the workplace.

A key recommendation of the study is for stakeholders to carefully identify and manage the constraints identified in this study, integrate new and appropriate techniques into training programs, and consider some of the following issues that were articulated in interviews:

- (i) Post-graduate scholarships can provide in-depth experience.
- (ii) Adequate provision for training and development of provincial and district staff should be made.
- (iii) Train-the-trainer courses are needed — not the mechanisms of imparting technical information but developing awareness of adult learning techniques.
- (iv) Crosscutting issues, including gender mainstreaming and sustainable management of the environment and resources, must be considered.
- (v) Careful selection of course participants to meet targeted objectives is essential.
- (vi) Develop a building-block approach to training to ensure course participants have sufficient underpinning knowledge to meet the requirements of a course.

- (vii) Develop awareness of training objectives at the most senior levels so that the results of training have a chance of becoming embedded in an organization.
- (viii) Provide participants with takeaway skills and knowledge that can be applied directly. Case studies, work-related exercises, and the benefits of listening to the experiences of other participants build confidence to do this.
- (ix) Mentor and monitor the learning experience in the workplace.
- (x) Recognize that changing attitudes and developing problem solving and analytical skills can only be done over time, so this determines the type of course that is appropriate.

The study findings suggest that ownership of the outcome of capacity building is as much the responsibility of the in-country agency or ministry as it is of the assisting agency. For the in-country agency a possible strategy may include: (i) identify and designate a high-level HRD champion in each ministry; (ii) strengthen the HRD and organizational development in each ministry; (iii) conduct an organizational review; (iv) conduct a training needs analysis; (v) inventory all on-going training; (vi) prepare a 3-year rolling HRD plan; and (vii) prepare a training policy and guidelines.

The study has shown there is a huge demand for HRD development. Each donor agency or training provider must assume a role in training development that matches its mission, priorities, and resources. In this context, a recommended approach is: (i) review and prioritize training needs and target groups; (ii) choose a niche that fits the capacity-building profile of the agency; (iii) profile the characteristics of the training niche identified; (iv) decide on a training program and delivery system; (v) enter into strategic partnerships; and, (iv) conduct regular tracer studies.

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BUILDING COMPETITIVENESS THROUGH CROSS-BORDER COOPERATION IN CAMBODIA AND THAILAND

FRANCISCO ROMAN

This paper describes the preliminary results of efforts to build competitiveness in the inland fishery industry of Cambodia through cooperation with the fishery industry of Thailand. The basic presumption was that intra-industry cooperation across countries — between a more developed country and a less developed one — would benefit both industries and countries and yield joint gains. The willingness of stakeholders within the Cambodian industry to change was augmented by the presence of facilitators who acted as change agents. The efforts and study covered the period from early 2003 up to mid-2004. Since building competitiveness is a long-term effort, no firm conclusions can be derived about the effects on the Cambodian industry; however, the title of this paper indicates the tentative conclusion is positive.

I. INTRODUCTION

This paper describes some of the work accomplished during a two-year project, from 2002-2004, aimed at enhancing competitiveness in three Mekong countries — Thailand, Cambodia, and Viet Nam. The South East Asian Competitive Initiative Project was funded by the United States Agency for International Development (USAID), and the author was the Regional Competitiveness Advisor for the three countries. The primary objective of the project was to improve the competitiveness of specific industries in the three countries by developing clusters within those industries.

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In the course of the project it became obvious that fishery production, products and markets in Cambodia and Thailand were linked through trade. Investigation of cross-border linkages in these two industries thus became a secondary component of the competitiveness project. This paper is based on interviews and papers that were produced in the course of the project.

Thailand and Cambodia are countries at different levels of development. Thailand is the more developed of the two countries. Thailand's economy is export-oriented and flexible enough to have weathered the recent SARS and Avian crises, the shrimp export anti-dumping case, as well as the 1997 Asian financial crisis. In regards to aid, Thailand now is regarded as much a donor country as a recipient country, and its government has been relatively active in promoting external investment in the region. It is worthwhile to note that Thailand ranked 34 in national competitiveness out of a sample of 104 countries, according to World Economic Forum's *Global Competitiveness Report 2004*. Cambodia is not listed in either that report or in the Institute for Management Development's *World Competitiveness Yearbook 2004*, probably because of a lack of statistics, although Cambodia is clearly less competitive than Thailand.

Cambodia has a much smaller population and started, not many years ago, from a very low economic base after years of terrible civil strife. While economic growth since the late 1990s has been steady, GDP per capita in 2001 was less than \$250. Statistics are still not widely available, but Cambodia has a bimodal economy, with a few large, dominant and well-connected corporations and very many small firms. There seem to be virtually no medium-sized firms, and apparently no significant middle class as yet. Cambodia's economy is dominated by the agriculture sector and is among the least diversified. It is dependent on only tourism, textiles and garments, footwear, and wood products for foreign exchange. At the same time, small-scale entrepreneurship is thriving around the capital city of Phnom Penh; the same is true beyond the capital, for instance in and around Battambang, the next largest city and business center.¹

This paper focuses on the process of building competitiveness and on the role of cooperation across borders, rather than on competitiveness per se. Competitiveness is a concept and a process applied by both the private sector and development practitioners. There are several "traditional" indicators of competitiveness in the private sector that

¹ Mekong Project Development Facility (MPDF). 2000. *The Private Manufacturing Sector in Cambodia: A survey of 63 Firms*. Phnom Penh: MPDF.

emphasize market leadership, such as rising revenues and increasing market share. Other indicators emphasize sustained productivity coupled with innovation, either of the incremental or of the “breakthrough” type.

Competitiveness in the developing environment has different nuances. As James Austin of the Harvard Business School notes: “The Third World’s distinctive competitive environment arises from its different process and level of development.”² There is less concern over dominance and more focus on creating opportunities for improving productivity in a sustained fashion as a means of increasing both industry output and worker incomes. One important approach to building competitiveness in the developing economy is through the use of clusters to achieve productivity gains.

As defined by Michael Porter of the Harvard Business School: “Clusters are geographic concentrations of inter-connected companies and institutions in a particular field.”³ The cluster as a competitive tool appears in the literature of several multilateral organizations, such as the Asian Development Bank (ADB), the World Bank, and the United Nations Industrial Development Organization (UNIDO). In an address to the World Bank, Porter stated: “Competitiveness is a lot about attitudes; it is a matter of getting people to think the right way about the problem.”⁴ To enhance attitude change, for example, UNIDO has designed a training program for Cluster Development Administrators.

II. BUILDING COMPETITIVENESS IN THE CAMBODIAN FRESHWATER FISHERY INDUSTRY AROUND TONLE SAP LAKE

The USAID-funded project on competitiveness went through two stages in the course of an 18-month period. A primary object of Stage 1 was to bring together participants of the fishery industry of Tonle Sap lake (also known as the Great Lake). The local NGO SME Cambodia acted as facilitators with the task of “coalescing” the industry — no mean feat given the recent history of low-level conflict and the need to rebuild trust

² Austin, James E. 1990. Understanding Industry Structure and Competitive Dynamics. In *Managing in Developing Countries*. New York: The Free Press.

³ Porter, Michael E. 1998. Clusters and the New Economics of Competition. *Harvard Business Review* November-December.

⁴ Porter, Michael E. 1997 *Building Competitive Advantage: Lessons from Other Countries*. Available: <http://www.worldbank.org/mdf/mdf1/advantage.htm>.

in the different communities. The second stage involved exploring linkages with Thailand, given its role as the primary export market for lake fish. Stage 1 was therefore a process of “looking in,” while Stage 2 was a process of “looking out.” In both stages, the prime mover was the local NGO, Small and Medium Enterprise (SME) Cambodia, assisted by the Thai NGO Kenan Institute Asia and consultants James E. Austin Associates, Inc. The project undertook several studies of the Cambodia fishery industry cluster based at Tonle Sap lake. The following description is derived from one such report.

A. Stage 1

The accuracy of statistics on Cambodia is uneven, but it is estimated that the country produces over 500,000 tons of fish annually, at an estimated value of about \$500 million. The contribution of this production to GDP is estimated to range between 8% to 15%, with over half coming from Tonle Sap Lake. Annual fishery production in the Lake is estimated at anywhere between 180,000 to 500,000 tons. Over a million people in the Lake area, out of the total population of 1.2 to 1.4 million, depend on fishing for their livelihood; the total population of Cambodia is 13 million. Most of the country’s animal protein supplies come from fish from the Lake and its estuaries. Fish is especially important for rural households, which comprise almost 90% of the country’s poor. Total exports are estimated at about 50,000 tons, and are thought to account for about 10% of the total Lake production. Thailand receives roughly half of overall exports (25,000 tons).

SME Cambodia initiated the process of building competitiveness with the objective of securing sustainability for both the Cambodian fishing industry and the crucial basic resource: the Lake fish. The project focused on post-harvest activities, i.e. those associated with processing, trading, and exporting freshwater fish in Cambodia.

Project participants came from the fishery industry in six provinces that surround the Tonle Sap Lake and its estuaries and primary fish landing sites: Siem Reap, Banteay Meanchey, Kampong Thom, Battambang, Pursat, and Kampong Chnang. Among the participants were 54 business people representing businesses of various size — processors, traders, exporters, meal producers, and fish farmers.

The process of engagement began with persuading a small group of traders, exporters, and ice plant operators to meet to discuss ways of increasing the income of their operations. A large number of support

industries are dependent on Tonle Sap fishing activities: salt and container suppliers, ice plants, transporters, and various middlemen. Trust evolved over several meetings, and the core group was encouraged to help increase group membership. This process was carried out in different locales in the project area.

The next step was bringing members of the different groups together to discuss common problems and opportunities. At this phase, some groups progressed faster than others, depending upon the willingness of a few members to help coalesce the membership around common goals. By the end of the project, one group was preparing to formally create an industry association, an entity with practical, financial, and symbolic value to its members. Formation of an association implied a degree of cohesiveness and strength among its members. Each association had leaders who would represent the group, and dues could be collected from association members.

Eight strategic initiatives emanated from Stage 1:

- (i) **Associations.** To promote the advantages of association formation and activities, including capacity building and industry development.
- (ii) **Access to Credit and Financial Services.** To evaluate and develop affordable financial services.
- (iii) **Partner and Networking Opportunities.** To identify potential partners and linkages for components of the competitiveness initiative, and for industry objectives and actions.
- (iv) **Markets and Marketing.** To increase the market, marketing capacity, and awareness of industry potential.
- (v) **Product Development.** To evaluate opportunities and resource availability associated with developing and improving existing and new products, as well as different species.
- (vi) **Business Analysis, Investment, and Expansion.** To conduct business analysis, as appropriate, to improve efficiency of enterprise operations, expansion, and investment planning.
- (vii) **Quality Assurance.** To develop a comprehensive industry-wide quality assurance program that covers processing, handling, and storage.
- (viii) **Merging Commercial Activities and Sites.** To increase the viability of the fishery sector businesses by combining processing activities and sites.

B. Stage 2

Most fish from Tonle Sap Lake is consumed domestically. The portion that is not consumed locally usually moves southeast to Phnom Penh, or northwest to the provinces in that area and the Thai border. It is estimated that only about 50,000 tons, or 10%, of Lake production is exported. Since the majority of SME Cambodia's staff and operations were in Battambang, the fisher folk under study tended to be from that city and its environs. These fisher folk primarily exported their fish to Thailand, transporting it overland across the border through Poipet and Aranyaprathet, from where it was marketed in the northeastern provinces of Thailand.

The logical next step in the study was thus to “follow the fish” into Thailand to determine whether better market linkages could improve competitiveness and incomes in the Tonle Sap fishery industry. SME Cambodia and the Cambodia Development Resource Institute (CDRI) carried out this portion of the study, in the course of which participants from the Tonle Sap fishery industry undertook study trips in Thailand and met with fish traders and retailers, cold storage operators, and staff of specialized university research institutes.

1. Tonle Sap Fish Crossing the Border with Thailand

From Cambodia, the trucks are unloaded in Poipet, usually the day before going into Thailand. The fish are transferred to large 20-ton wooden carts with ice pulled by as many as 10 men, or taken by truck across the border into Aranyaprathet town and the Long Khue Market — the largest border fish market, where it is off-loaded by as many as a dozen people. Cambodian fish that arrives at the market in the morning would have crossed the border by noon the previous day. According to the owner/operator of the largest wholesale stall at the market, each 20-ton cart used to bring fish across the border was charged about \$150 (Baht 6,000) in customs fees. During the period of the study, the operator received an average of 5 tons/day. Prior to the current season, a minimum of about 20 tons/day was received. During the January to May period, however, 100 tons/day were received, with a maximum of 500 tons/day in January and February. July–August were dead months. The operator believed that more fish were being sent to Viet Nam and that the customs taxes were lower there.

The market operator believed that Tonle Sap fish resources had already changed permanently and was distressed by this. However, the number of similar stalls in the market remained the same at, by her estimate, 22 vendors. The same operator wished that Cambodian fish were kept cleaner and that chemicals were not employed in Cambodia. She noted, however, that spoilage was not an issue for her and that the fish compared favorably with Thai fish. The smaller fish were packaged in clear 20-liter bags, each estimated to contain up to 7 kilograms of fish. The bags were all tossed off the cart onto like-fish piles. The bags were then emptied onto other like-fish piles, re-bagged and reweighed. This was the official tally of kilograms received. The larger fish — catfish, carp and featherbacks — were roughly handled, not bagged, but otherwise treated similar to bagged fish.

All fish were then thrown into large double-walled totes, where they are layered and iced. Typically, “toting” of whole fish in high-quality operations requires icing between layers of fish. More often, however, only top-icing was employed before closing the tote lid.

The previously-mentioned operator owned six 6-wheel, 10-ton trucks to move fish to markets in Thailand, and one forklift used to load the trucks. Fish were delivered to markets in Ang Thon and Khon Kaen, among other towns. She operated on one-day credit and cash only basis.

Some stall operators received the fish for processing into paste — first splitting the fish, then using a spoon to separate the meat from the skin, and finally forming patties of meat. The patties were then bagged, iced, and put in containers for shipment. The method involved several people — up to a dozen or so, usually young women, moving product very quickly.

2. Thai Markets

Thai market vendors appeared to be quite familiar with Cambodian fish. One business owner, for example, preferred to buy *Trey Khchoeung*, a high-quality, visually appealing, small and mottled snake-like fish — also known as the “tire track eel” because of the skin pattern. However, the owner readily substituted Thai fish when Cambodian fish were not available. Further, fish from Viet Nam also found its way into Thailand.

The same owner typically sold 50–100 kilograms of Cambodian fish daily over the three-month period from December to February. Customers came from as far as Korat, 80 kilometers away. The peak season was

November-December, while May was the slow season. Fish was delivered by truck straight from the distribution point at Aranyaprathet to the owner's stall at or before 8 in the evening, where it was unloaded and put on ice for sale the next day. Other stalls in the market shared use of the delivery truck.

Some fish vendors dealt with live fish. A stall operator at Sakao Market reported that she received up to 200 kilograms of Cambodian fish daily through middlemen/suppliers/transporters from Aranyaprathet. The operator indicated she was satisfied with the supply process. The fish arrived by 4 in the morning in newer and larger trucks, eliminating the sometimes irregularly-spaced small-truck deliveries of the past. Up to 10 species of fish were sold altogether. Most of the fish were live snakehead (*Trey Ras*) delivered in live tanks — stackable wooden, tin-lined waterproof crates the size of medium-sized coolers. Another live fish was the eel-like catfish (*Trey Keh*), 22 to 30 centimeters in length. Some iced fish was received as well. There were six to eight similar stalls in the market, two of which were unattended during the morning of the study visit. Thirty to 140 kilograms was the weight range of live fish most often received daily, and those that were not sold were replaced in holding pens for first sale the next day. It was reported that no Cambodian fish was available from August to October. All but three months were reported as “fair to busy,” indicating a reliance on Thai fish when Cambodian fish was unavailable. The supply of Cambodian farmed fish was insignificant compared with that of Thai farmed fish. The Thai farmed fish sector typically operated out of dammed lakes.

III. OBSERVATIONS AND OPPORTUNITIES FOR THE TONLE SAP FISHERY INDUSTRY

A. Study Findings

Preliminary indications of surveys and anecdotal reports indicate that the principle areas of purchase and consumption of fish exported to Thailand from Tonle Sap Lake are in and around Bangkok, Khon Kaen, and Aranyaprathet. The cities and markets there also act as hubs for surrounding areas. Tonle Sap fish is apparently purchased by families, restaurants, smallretailers, and manufacturers of fish paste for fish balls and condiments. Another area along National Highway 2/226, somewhat

parallel to the highway from Aranyaprathet to Bangkok, was indicated as a popular route for delivery and consumption of Tonle Sap fish as well.

One of the more interesting findings of CDRI involved the impact of the system of permits, licenses and fees, a system that was unregulated and subject to abuse. The CDRI survey that covered Chhnok Tru in Kompong Chhnang, Cambodia to Long Koeur Market in Aranyaprathet, Thailand, for example, noted 27 different payments to assorted institutions, 23 of them on the Cambodian side of the border.⁵

According to the final report on the “follow the fish” aspects of the study, prior to the study trips Cambodians knew little about market conditions in Thailand and had almost no exposure to value-added industries beyond basic processing.⁶ The industry currently relies heavily on the fresh fish market and little value is added through processing. There is thus considerable potential to develop the industry through relatively low-cost processing.

For the Cambodian industry to increase its competitiveness, improved access to Thai export markets and market information is essential. Understanding is also needed of market destinations and linkages, as well as of product forms in demand for Cambodian fish exported to Thailand.

Findings suggested that Cambodian fish has virtually no chance of entering the popular, higher-priced retail chains (such as the Tesco-Lotus hyper-market and MK restaurants) without substantial improvements in grading fish by quality and size and a coordinated marketing campaign for Cambodian freshwater fish.

There also appeared to be a fair amount of competition between Cambodian fish and Thai fish — both farmed and wild. When the Cambodian season periodically declines (during the “summer months” when Tonle Sap is “officially” closed to allow fish to propagate), Thai fish filled the gap in supplies.

The study field trips created initial, if tenuous, linkages between operators in the Cambodian and Thai fishery industries that suggested a number of areas of opportunity for the Cambodian fishery industry.

- Thai retailers and wholesalers obviously prefer to add value themselves through processing and branding. However, since the

⁵ CDRI. 2003. Great Lake Fish Exports: an Analysis of the Fee System. *Cambodia Development Review* July- September.

⁶ Diener, Scott, Suos Thida and Francisco Roman. 2004. Cambodian Fish Exports to Thailand: A Brief Overview. Paper for South East Asian Competitive Initiative Project.

bulk of Thai fish is farmed, there is the opportunity to promote Cambodian “wild” fish as a superior product. For instance, “wild” salmon now commands a premium over “farmed” salmon, which is in excess supply.

- The seasonal scarcity of “wild” fish may allow a premium price. At the same time, fresh fish must be sold within one day, or perhaps within three days if on ice. However, rather than reduce the premium price, it may be possible to process excess wild fish into balls, smoked strips, etc. and sell it as a premium processed product since it derived from fresh fish rather than the usual waste or discards.
- Some interviewed felt that “...the Cambodian fish was of a better overall quality and meatier, being wild in nature.” Consumer preference for wild fish may be based on spurious perceptions of quality, taste, or health benefits. Nonetheless, to the extent that perception drives market decisions, opportunity exists if the industry can identify itself with this market segment.
- Actual difference in taste between farmed and wild fish may not be that significant given the practice of cooking fish in spices and other herbs and condiments. However, taste and visual appeal are important for the large fish sold in restaurants or for gatherings. Better quality control may open Cambodian fish to this market and to upper-level Thai retailers catering to the more discerning institutional customers, such as hotels and restaurants.
- The Sakao Provincial Department of Fisheries in Thailand noted that in the 2002-2003 period, 64% of Thai imports from Cambodia’s freshwater fish industry were fish on ice, 31% were processed (dried, smoked, etc), 4% were live fish, and 1% were in the “others” category. There appears to be an opportunity to eventually reverse the ratio between fish on ice and processed fish in order to capture more value on the Cambodian side of the border.
- Distribution costs are currently cheaper for processed fish than for fish on ice because of improper packing and handling of the latter. However, even at the “low-tech” end of processing, smoking fish requires consistency, quality and standardization. On the higher-end of processing, Cambodia lacks sufficiently costcompetitive canning factories for fish and other food products to ensure quality.

- According to the report of SME Cambodia, supplies from Thai fish farms (and the smaller volume from its lakes and rivers) are probably insufficient to fill demand. The Sakao fisheries suggested that the price of Cambodian fish may be very competitive, in that Cambodian fishermen do not have to pay for feed costs. However, transportation costs must be reduced to a minimum. One idea generated by the study trips was the establishment of a fish buying station inside Cambodia, at perhaps Sisophon or Poipet.
- Quality is an industry-wide concern. The reputation of Cambodian freshwater fish can be affected by the malpractice of a few, so that quality control must begin in Cambodia and continue up to delivery at Thai markets. Most markets noted that spoiled fish is rare and complaints were not received often.

The preceding observations on potential opportunities must be translated into action plans, with costs and benefits fully assessed. Some opportunities require not only financial resources, but a level of sophistication not possessed by most Cambodian fishery industry participants. It is thus suggested that improving competitiveness of the Tonle Sap fishery industry must start with the basics, such as additional education. High-level talks between the industry and major retailers in Thailand could also be very useful.

VI. CONCLUSIONS

The initial process of linking segments of the Cambodian and Thai fishery industries already demonstrated positive results. At a minimum, Cambodian study participants developed a deeper understanding of what happens to their fish in Thailand and what are customer perceptions. To the extent that “seeing is believing”, they now realize what quality means and how to extract stable and even better prices through better quality. Hearing about species and product substitution directly from Thai and other fish suppliers gave study participants a better understanding of the meaning of competition and how it takes place. They saw how providing higher value can result in higher prices for the same fish. They were also provided advice on basic procedures for smoking fish and packing fish on ice.

To some extent they also glimpsed the future, where an improved road network will reduce breakdowns and delays and allow refrigerated trucks to travel to and from borders. One participant who owns an ice plant was considering a strategic investment, although his funds were not yet sufficient. Others were contemplating “low-tech” processing plants through the purchase of second-hand equipment in Thailand.

By “following the fish,” study participants learned what the middleman does, and whether the industry is in a position to take over the different roles of the middleman. One standard prescription for improving incomes and increasing productivity for operators at the initial stages of the value chain is to “do away with the middleman.” The viability of this advice depends on the role the middleman performs. Study participants saw that middlemen provide services such as packing and distribution, securing smooth “passage” through the various checkpoints, and “brokering” the swift entry of fresh fish on both sides of the border.

The presence of facilitators such as SME Cambodia was essential to the study process; not so much because of the limited funds they provided for meetings and study trips, but because study participants regarded them as “neutral” agents in the study process. In this context, multilateral funding can play a similar role, because the presence of an external watchdog (e.g. over a loan) will improve governance and help prevent improper influence by an individual or group.

Finally, connecting the Cambodian and Thai industries proved easier than anticipated in part because of the cultural and historical ties between northwestern Cambodia and northeastern Thailand. Although the two languages are distinct, both sides showed facility with Thai and Khmer. Further, the northwestern area of Cambodia bordering Thailand is part of the “Baht Zone”, where the Thai currency is quite acceptable and Thai businessmen are a regular part of the commercial scene in such places as Battambang, Siem Reap, and other northwestern provinces. It was thus possible in even the short period of the project to address directly its components on competitiveness.

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WOMEN'S AND MEN'S PERCEPTIONS OF BORDERS AND STATES: THE CASE OF FISH TRADE ON THE THAI-CAMBODIAN BORDER

KYOKO KUSAKABE

The fish border trade between Cambodia and Thailand provides important employment and income in both countries. The study focused on how women and men engaged in the fish border trade negotiate with representatives of the state, and their differing perceptions of the international border. Both women and men are subject to various fees and border regulations. Male transporters were seen to be dealing more directly with the state within the framework of the international border. Women fish traders, on the other hand, had a different sense of the border. Their perceptions of the border were defined by their relationships with regular customers. Women were seen to defy state control over border movement using their network of relationships. Flexible perceptions of self-identity and the border were used to sustain business relationships.

I. INTRODUCTION

International borders are usually seen as a political creation. With economic integration, however, some think that the world economy is becoming increasingly borderless (Ohmae 1995). Others argue that while borders may become more porous, they still exist (Evans, Huton and Eng 2000). In the distant past, individuals and groups wandered across borders at will for trade and other purposes, but those days are gone except in very remote regions (Evans, Huton and Eng 2000). As Donnan and Wilson

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(1999) rightly pointed out, international borders and physical borders are linked in concrete ways and define relationships between people and states. They also create a material and symbolic process of culture. This paper focuses on international borders — characterized by checkpoints and customs authorities. How this physical and bureaucratic barrier influences relationships between people and states, and how states are perceived differently by women and men, are examined through a case study of the fish trade on the border between Cambodia and Thailand.

Cambodia's Great Lake (Tonle Sap Lake) is rich with aquatic resources. It is said that 70% of the high quality fish from the Lake is exported to Thailand.¹ The most important export item in the border town of Poipet in Cambodia is fish.² The border between Thailand and Cambodia has been volatile over the last half century, with civil war in Cambodia and a precarious bilateral relationship. How have political and economic volatility and change along this border contributed to the creation of a different sense of the border by men and women?

This paper explores the international border checkpoint between Poipet, Cambodia and Aranyaprathet, Thailand from the perspective of small-scale fish traders and transporters.

II. BORDER STUDIES

Martinez (1994) categorized cross-border interactions into alienated borderlands, coexistent borderlands, interdependent borderlands, and integrated borderlands. Anderson (1996) suggests that borders are institutions and processes as well as markers of identity. Donnan and Wilson (1999) reviewed thoroughly the literature on border studies; and by citing Prescott (1987) and Rumley and Minghi (1991), they identified four main research themes in border landscapes. (Border landscapes refer to areas contiguous to state boundaries — including the boundary itself — which are moulded by this special human and physical environment, and which in turn shape the environment.) The research themes identified were: (i) the boundary as an element of the cultural landscape; (ii) how

¹ According to an interview with an official in Pursat province.

² Official customs records in Thailand do not show fish as the largest import item. According to statistics, the largest is recycled steel. However, Cambodian customs officials asserted that fish is the largest export item in Poipet town. Observations in the border town supported this view.

the boundary influences the economic and demographic landscape; (iii) the impact of the boundary on the attitudes of border inhabitants; and (iv) the effect of the boundary on national policies. Recent developments have shown more consideration of border landscapes as products of economic, political, and cultural processes. Based on the review of Donnan and Wilson (1999) as well as other literature, recent border studies can largely be categorized into three themes.

The first theme is the influence of international borders on local culture. Cole and Wolf (in Donnan and Wilson 1999) demonstrated the durability of cultural frontiers even after the physical borders are removed. Berdahl (1999) reported similar findings from Germany, where local people reconstructed cultural and perceptual barriers after the removal of the physical barrier — the Berlin Wall. The sense of belongingness and maintenance of identity is of central importance here. The historical creation of identity through construction of an international border, as seen in Hann and Beller-Hann's (1998) study in Turkey, is a case in point.³

The second theme is how international borders influence nation-state building. The symbols and meanings created are important aspects of analysis in this theme. Borderland perspective emphasizes the role local people play in the formation of the state, and highlights the dialectical relationships between borders and their states. Cheater (1998), in her case study in Zimbabwe, reported how the state used women to strengthen its territorial hegemony. Women border traders were labelled as deviant and denounced publicly in order to establish the state-sanctioned “formal” trade relationship with its neighboring state.

The third theme is migration across borders and the increase in urbanization. Included here are people who choose or are forced to move across borders, as well as the ways in which international borders shape new urban communities and economies. Regional planners see economic prosperity in certain border areas as an opportunity for regional industrialization; they propose the establishment of special economic zones along such border areas to capitalize on such urban developments and economic asymmetries (see Maneepong 2003). While some see opportunity in the urbanization of border towns, others are alert to the power asymmetry across the border. In a study of the United States-Mexico

³ Mouffe (1997) argues that a social agent is an “ensemble of ‘subject positions’ that can never be totally fixed in a closed system of differences.” Thus, identity is always contingent and precarious, temporarily fixed at the intersection of those subject positions and dependent on specific forms of identification.

border, Staudt (1998) highlighted the economic asymmetry between the two states, the movement of people pushed by inequalities, and the human rights and citizenship issues across the border. People move across borders, but the recognition and protection they enjoy is defined by the state. How states define citizenship is especially important to ensure the rights of poor women, men, and children.

As Mitchell (2000) says, deterritorialization is actually reterritorialization. It is the process of defining who “belongs” and who does not; the process of excluding and keeping out those you do not like. Although Donnan and Wilson (1999) do discuss urban development along the border vis-à-vis border restrictions, one of the issues they did not highlight is trading networks. Walker’s (1999) study of Northern Laos, and the collection of articles by Evans, Hutton and Eng (2000) focus on trading networks and how they are shaped and reshaped in relation to the state and the wider economy. Long standing relationships can be subverted or transformed in this process.

Studies of informal economic activities along borders are not confined to migration and urbanization, but offer further insights into how local people work against and redefine state rules and regulations in borderlands. Staudt (1998) calls such cultural-political-economic forces that challenge the ideology of the state as “counter-hegemonic forces.” She discussed the strategies that local people employ in order to secure their livelihoods and housing along international borders. Certain informal activities across borders may be restricted, but such activities may thrive precisely because of the restrictions. Such informal activities utilize as well as form the nature and roles of the state. Staudt argues that the informal livelihood and housing strategies that poor women employ in border areas show great potential for creating counter-hegemonic forces. Kusakabe and Oo (2004) reported in their study of the Myanmar-Thai border that migrant women in border towns used counter-hegemonic forces to improve their negotiating power and status. Xie (2000) reported in her study of the China-Viet Nam border that Chinese women were gaining new ground and finding new identities through the prosperous border trade. Similar findings have been reported in Thant’s (2003) study on the China-Myanmar border.

This paper focuses on how border inhabitants are affected by the physical existence of the border, and how they simultaneously use it to create their own sense of border and relationship with the state. How do women and men create their own counter-hegemonic forces by engaging differently with the state? How do the actions of women traders define

the border? Borderlines might be established by the state, but the nature and function of the border is determined not only by the state but also by local people who live and work across the borders. There are differences according to gender as to how people engage in defining the nature of a border. Women and men, because of the roles and behaviors defined for and expected of them by society, engage differently with the state. The state is not, in fact, a monolith. Defined policy and regulations, and their implementation, are very different. Street-level bureaucrats, as Lipsky (1980) calls them, are “the state” for many traders on the Thai-Cambodian border. The strategies that Cambodian women and men traders employ against the state, and their perception of the state, are different.

This paper takes an historic approach to gender analysis of the small-scale border trade in fish between Cambodia and Thailand, and traces the evolution of the Thai-Cambodian fish trade since 1980. Interviews with fish traders on both sides of the border were conducted from September 2003 to July 2004. Over 30 women traders were interviewed, the majority based in Cambodia.⁴ Although small-scale women traders were the central focus of interviews, male transporters were also interviewed. Key informants were interviewed as well, such as officers of the department of fisheries, customs, and large fish exporters-importers in both countries.

III. FISH TRADE ON THE THAI-CAMBODIA BORDER SINCE 1980

Cambodia’s inland fisheries are the fourth most productive in the world (Chea and McKenney 2003), given the combined capacities of the Tonle Sap Lake (Great Lake) and the Mekong River. More than one million people depend on the fisheries sector for employment, income, and food security. Freshwater capture fish production was recorded at 385,000 tons in 2001 (MAFF 2004). The fishery sector was estimated to account for 7–12% of GDP in 2002 (Chea and McKenney 2003). Fishing rights were introduced and controlled by the colonial state since the 1870s, and the fishing lot system has remained largely intact — except during the Democratic Kampuchea regime in 1975–79 (FACT 2003). In 2000, Prime Minister Hun Sen ordered large sections of the commercial fishing lots to

⁴ Some traders were interviewed in the market, while others were interviewed in their homes. Some traders were interviewed several times to gain in-depth information.

be returned to local communities, and community fisheries were reestablished (FACT 2003).

In Thailand, production of freshwater capture fisheries is half of that of Cambodia — around 200,000 tons in 1997. Thai fishers/farmers culture almost the same amount of fish as they capture (Ministry of Agriculture and Cooperatives 2004). Because the production of domestic capture fisheries is not enough for domestic consumption, Thailand imports freshwater fish from Cambodia. Thailand is the largest importer of freshwater fish from Cambodia. Trade statistics in Cambodia place yearly fisheries exports at 35,000 to 45,000 tons. However, this is not considered reliable due to underreporting (Chea and McKenney 2003).⁵ According to Leepayakoon (2004), who collected daily fish import data at the Aranyaprathet checkpoint from 1999 to 2002, fish exports there from Cambodia to Thailand were 10,720 tons (valued at Baht 300 million) during June 1999 to May 2000, and 10,523 tons (Baht 349 million) during June 2001 to May 2002.

Since the freshwater fish catch in Cambodia fluctuates seasonally, during the slack season cultured fish are imported from Thailand to Cambodia. Thai cultured fish are much cheaper than capture fish from the Great Lake, and are now becoming popular in poor households in the border provinces in Cambodia.

This study looked at trade between Thailand and Cambodia after the Democratic Kampuchea (DK) regime that ended in 1979. During the DK regime, commercial fisheries were banned and individual fishing was restricted. Trade between Thailand and Cambodia was nonexistent. After 1979, with the exodus of refugees to Thai borders, commercial activities reemerged in border areas.

In 1981, Kampuchea Fish Import Export Company (KAMFIMEX), a state-owned enterprise managed by the Ministry of Agriculture, Forestry and Fisheries, was established to collect fish from fishing collective units in villages and state fishing enterprises (Touch and Todd 2002). KAMFIMEX was the sole licensed exporter of fish products, and all fish destined for export had to be sold to KAMFIMEX. In 1990, KAMFIMEX was officially established to manage marketing, distribution, and export

⁵ This figure includes all exports. Thailand's customs statistics in Sa Kaew Province show that official imports of freshwater fish from Cambodia to Thailand was valued at Baht 8.8 million (around \$226,000) in 2003. However, this was the amount imported by registered importers who import in large quantities, and is said to be grossly underreported.

of fishery products through agents stationed at landing sites and provincial and border offices (Chea and McKenney 2003).

The first official border checkpoint — between Poipet in Cambodia and Aranyaprathet in Thailand — was a war zone until the early 1990s. It was initially opened to supply daily necessities to Cambodia.⁶ In the 1980s, fish could be exported to Thailand only with the help of the military. Traders would pay military drivers to transport their fish to the border, and since they could not ride with the convoy, they would follow on bicycles. Later, traders were able to access *romoh* (tractors modified to transport people) and no longer used bicycles. Traders paid a fixed price of Baht 300–400 per trip to the military. Some traded in the refugee camps, while others sold to Thai traders. The trade was risky, but lucrative.⁷

KAMFIMEX collected 4% of the total sale as a commission from small companies, and bought fish from provincial distributors who held licenses from MAFF. As the civil war subsided and more traders joined the border trade, traders could transport their fish to the border without the help of military personnel. In 1990, KAMFIMEX established a warehouse in Poipet, and all fish had to go through them and were subject to fees.

In the early 1990s, the fish trade was carried out at the Ra market in Poipet. The trade later moved to the newly constructed Akeak market. During 1994-95, however, due to the war between Royal Government forces and the Khmer Rouge, it became increasingly difficult to trade in Cambodia. With the coup d'état in Cambodia in 1997, the market was shifted completely to Rong Kluer market in Aranyaprathet, Thailand, where it remains until now. Rong Kluer market is a modern market with a concrete floor and high steel roof, and large concrete access roads. Trade is carried out in Thai Baht, as are most transactions in Poipet itself.⁸

KAMFIMEX controlled the Cambodian fish export market until 1997, but several factors led to its fall. Internal conflict led some managers to leave KAMFIMEX and establish the Import Export and Civil Development

⁶ The characteristics of the early market are reflected in its present name: *Rong Kluer* (salt warehouse).

⁷ One Thai respondent reported that the price was 10 times less if the fish were bought inside Cambodia.

⁸ This is different from other smaller checkpoints. At the checkpoint of Ban Laem (Chanthaburi, Thailand–Komrieng Battambang, Cambodia), transactions were mainly in Thai Baht, but Cambodian Riels were also accepted on the Thai side of the border. This was not the case for Aranyaprathet. Although all sellers and many buyers are Cambodians, Cambodian Riels were not accepted in Rong Kluer Market.

Construction Company (CDCO).⁹ At the same time, the amount of fish going through Poipet and KAMFIMEX was decreasing. Before the establishment of CDCO, some unlicensed exporters had been changing their export route to other informal border crossings to avoid paying high fees to KAMFIMEX. When CDCO was established, CDCO wooed these unlicensed exporters, even asking them to be shareholders of CDCO to secure fish for trade. With the establishment of CDCO, unlicensed exporters either started working with CDCO, or simply stopped paying fees to KAMFIMEX.

At the same time, a growing number of checkpoints and agents were collecting fees from fish traders. Chea and McKenney's study in 2002–2003 identified 27 payments to 15 institutions at 16 locations to get fish from the landing site at Kampong Chnang, Cambodia to Rong Kluer Market in Thailand. According to their study, 69% of potential profit was paid for fees; exporters were able to realize only 31% of their potential earnings. Of the payments, 68% were made in Cambodia, and of this, only 17% were for custom and duties; 10% went to KAMFIMEX, while payments without official basis amounted to 50%.

Because of such large and frequent payments to transport fish from landing sites to Thailand, transporting agents were contracted by exporters to manage all these payments.¹⁰ Exporters paid Baht 3 per kilogram to transport fish from the landing site to the border town of Poipet, and Baht 2 per kilogram to transport fish across the border to Rong Kluer Market.¹¹

The traders did not willingly accept such fees. In 2001–2002, small-scale transporters and traders came together and demonstrated against

⁹ One of the high-level managers of KAMFIMEX had a sister who had a registered construction company. He used her company to register as an exporter of fish, thus CDCO's name shows the history of its establishment.

¹⁰ Chea and McKenney (2003) called them "fee brokers." According to their interviews, brokers were current or former officials in government, military, or military police. This study did not confirm this pattern, especially for those who were working with small-scale traders. Thus in this paper, they are called "transporters" rather than fee brokers. Although some do have military background, many small-scale transporters — especially those on the border with pushcarts, did not have connections with the military or government before joining the trade. They developed such connections during the course of their profession. Many small-scale transporters were disabled men. The fees were reasonable for the disabled, thus small traders hired them to transport their fish. Some were former fish traders themselves. Most transporters are men, or they work in groups of family members and relatives.

¹¹ The payment is higher for small-scale trade. The exact point defining large and small is not clear, but for microscale traders, the payment to transporters is Baht 2.5 per kilogram, making it more cost effective for small traders to combine shipments.

fees charged by KAMFIMEX.¹² They demanded free trade of fish and reduction in export fees. The leader of the demonstration was one transporter who was a native of Poipet. He had previously worked with KAMFIMEX, and knew that KAMFIMEX was not authorized to collect fees from traders. He demanded a clearer role for KAMFIMEX and free entry of traders into the fish export market. He collected thumbprints from 84 traders and transporters, among which around half were women. The traders went to make their demands at the governor's house in Banteay Meanchey Province and finally to the Prime Minister. Their demands were finally approved in 2003 and KAMFIMEX was closed.

No documents on fish marketing in Cambodia that were reviewed for this paper mentioned the uprising. The event was in general downplayed. During interviews with officers of the Department of Fisheries and KAMFIMEX, the uprising was not mentioned. When asked, a Department of Fisheries officer told researchers that KAMFIMEX was closing down anyway and that it did not close because of the uprising. Traders who participated in the demonstration did not seem to be very keen to describe it, mostly because they were afraid of persecution. The protest leader, however, argued that the demonstrations and the support from other small traders had resulted in reduced fee payments along roads in Cambodia.

While Cambodian fees decreased, however, Thai fees increased dramatically. Before 2001, only the Thai customs were collecting fees. Other payments included water and sanitation fees to the Rong Kluer Market. However, in 2001, a Thai member of parliament supported by lobbyists of frog culturists in northeast Thailand questioned the import of frogs from Cambodia in parliament. It was argued that the trade had potential to damage the aquaculture industry in Thailand. Thereafter, both the Department of Fisheries and the Department of Livestock established checkpoints at the border. All imported aquatic animals now must pass through these checkpoints. At the same time, the requirement for importer registration was strictly enforced. Only Thais may register as importers, and all fish entering Thailand must be handled by a registered importer. There were three importers registered at the Aranyaprathet border at the time of this study, and Cambodian fish traders had to pay a fee to one. The fee is not large, but coinciding with all these developments, the amount charged by Thai customs increased to 2 to 5-fold or more. One woman exporter said that prior to 2000 she paid

¹² Small-scale traders and transporters refer to those who trade around 200–500 kilograms per day on average. There is substantial seasonal fluctuation in the volume traded.

Baht 6,000 to Thai customs; now she paid, 10,000 to 15,000 per cart. Neary,¹³ a woman small trader, said that she paid, 20 per basket before 2000; now she paid Baht 100 and sometimes Baht 200, depending on the “mood” (*arom*) of the customs officer. According to Pany, another Cambodian small trader, Thai customs used to ask for a lump sum payment per pushcart. Now, they were stricter. Exporters said that payments on Thai side were now the largest of all their costs.

IV. WOMEN'S AND MEN'S ROLES IN THE FISH TRADE

There are various types of participants in the fish trade. There were about 1,000 collectors operating along the Tonle Sap River and the Great Lake — many husband-and-wife teams — who bought fish directly from fishers or lot owners. There were also about 1,000 mobile fish collectors who collected fish from smaller collectors. Both women and men were engaged in this work.

Wholesalers had permanent fish stalls at fish landing sites. They either exported directly to Thailand, or resold to exporters. Both women and men operated as wholesalers, either individually or as a family business. Exporters bought fish from wholesalers at fish landing sites and sent fish to Thailand. Twenty-nine large fish exporters were found during this study. Women were seen to be leading this part of the trade. It was often men who brought the fish, but it was important that the business was done by several people in a family. As Sophea, a woman exporter said, it was not possible to run a fish export business alone. She cited the case of another woman exporter to illustrate how women have the ability to run the business, but would not be able to do it alone (or if they tried, they would fail, thus they should not try). The case cited ran an export business alone and was able to expand her business quite rapidly. However, she started to lose control of her business and accumulated large debts, forcing her to be on the run. “She thinks she can do everything” was a gentle and sympathetic criticism by her fellow women exporters.

Small traders bought fish from middlemen, wholesalers, and exporters to sell in Thailand. One village with 56 households was solely dependent on the small-scale fish border trade for its livelihood. Both women and

¹³ All names are changed in order to maintain anonymity.

men were thus engaged. Women were more often seen to be leading the activity, but it was important that their male relatives were also involved. Women handled negotiations and recorded the trade most of the time, while men loaded and unloaded fish. The number of small traders involved in the border fish trade was difficult to estimate. Border officials said there were 20 regular small traders. However, as the small village of fish traders demonstrates, there seemed to be a far greater number of regular small traders. A trader would not necessarily cross the border every day. When there was only a small amount of fish, they would sell their fish to other traders.

Chea and McKenney (2003) calculated the annual rate of return for Cambodian fish exporters to be 10 to 60%. The large range is due to the uncertainty of data collected on profit levels, etc. However, they pointed out that the return was still lower than opportunity costs, showing that fish exporters were running marginal businesses.¹⁴ According to respondents in this study, income of those involved in the fish trade ranged from 50,000 to 100,000 Riels per trade for large middlemen, 20,000 to 30,000 Riels per trade for smaller middlemen, and 15,000 to 20,000 Riels for collectors. Small border traders quoted an income range of 13,000 to 72,000 Riels per trade, although income was in the lower range most of the time. Fish prices at Rong Kluer Market fluctuate, but small traders indicated that price differences between the two sides of the border were around 30%. Profit margins were not large because of fees paid on both sides of the border. Although most participants in the fish border trade operated with marginal profits, their income was still better than fish retailers in domestic markets, who earned around 5,000 to 10,000 Riels per day.

At the Poipet-Aranyaprathet border, fish were reloaded on pushcarts because trucks were not allowed to cross the border.¹⁵ Transporters owned these pushcarts, and they also negotiated the payments on both sides of the border. Most of the transporters were men. Women transporters worked

¹⁴ Opportunity costs here is taken as the borrowing interest rates for exporters, which average 60 to 72%.

¹⁵ The reason they need to reload in Poipet when crossing the border was not clear. According to customs officers in Thailand, trucks and cars from Cambodia are not prohibited to enter Thailand. However, because most of the Cambodian trucks were "not according to standards of Thailand," they could not enter. Some Cambodian traders said trucks were not taken into Thailand to avoid a large tariff. At other border checkpoints that were much smaller in size and transactions than Poipet-Aranyaprathet, vehicles from Cambodia were allowed to cross the border. There, six-wheelers from Cambodia transported goods to markets in Thailand.

with male relatives. Some transporters owned a large number of carts, hiring tens of workers and seeming to do quite well. Others owned only a small cart and operated on a very small scale. Small traders hired these small transporters to transport their goods across the border. Handicapped transporters were preferred by small traders since they are given some leniency in the payment of fees by border authorities.

There were three types of Thai fish traders in the Thai fish market, and here women were most active. Some Thai traders owned a stall in the market. Most of the Thai traders with stalls were long-time border traders of fish. Many had traded through the conflicts in the late 1980s and early 1990s, and had established strong links with exporters in Cambodia. Such links were important for Thai traders in order to secure stable supplies of fish and to control prices. There were also Thai traders who purchased fish from the stall owners. Some itinerant Thai traders from the nearby town of Aranyaprathet used pickup trucks and motorbikes to buy fish from small traders selling on the street. Small traders normally did not sell to stall owners because their volumes were too small. Instead they sold on the street to itinerant Thai traders. These itinerant Thai traders were mostly husband-and-wife teams. There were around 50 Thai traders in Rong Kluer Market.

On the Cambodian side of the border, the population in Poipet town has increased 100-fold over the last 10 years. Official record showed there were 77,198 people living in Poipet commune in 2004, but the actual number is thought to be much higher.¹⁶ Approximately 3,000 Cambodian workers and more than 4,000 traders (including those who were workers in the market) crossed the border into Thailand daily. According to the Chief of Commune, 75% of the population of the commune worked as laborers in Thailand, and around 10% worked there as traders. Both women and men went there for casual labor. Women worked in fish processing in the market and men worked as transport laborers. Some worked in agriculture and construction sites nearby. Poipet had eight casinos, and another was under construction. Almost all customers were from Thailand. The disparity between rich and poor is very large in Poipet, with hotel owners and large business people at one end, and daily casual laborers at the other end of the income scale. In such an environment, engagement in border trade is one of the best possible livelihoods that afford respectability for many people in the commune. Small-scale fish retailing

¹⁶ The Chief of Poipet Commune estimated the population to be more than 100,000. The total area of Poipet commune is 9600 hectares.

is dominated by women. Their male relatives either work as their helpers, have another job, or stay at home to look after the house (Kusakabe and Sok 2003). For some households, the division of labor is different from their native villages, where even though men help with household work, tasks such as washing clothes is mainly done by women. In Poipet, because women are busy with their fish businesses and their husbands often do not have a full-time occupation, some men will stay home and take care of the housework and children, including washing clothes, which is normally considered strictly women's work in rural communities in Cambodia. A longtime resident of Poipet said that he did not like to live there for a long time because people were very individualistic. But because of such individualistic attitudes, people also pay little attention to the affairs of others. The non-traditional division of labor in Poipet households is thus relatively free of social scrutiny and sanctions (Kusakabe and Sok 2003).

V. HOW WOMEN AND MEN DEAL WITH THE STATE

Both women and men have taken part in the development of the fish border trade since 1980. But because of their different roles in the trade network, they have shown different ways of dealing with state efforts to control the movement of goods across the border. Men working as transporters need to negotiate with the border custom officials on both sides of the border. They develop connections and use those connections to get better deals, or to at least stabilize fee payments.

It has been a long-standing contention of Cambodians that the border market should return to the Cambodian side, where it was in the early 1990s. Because the market is now on the Thai side of the border, Cambodian traders must shoulder all the risks. Payments to customs as well as price fluctuations are covered by Cambodian traders. On the Cambodian side of the border, however, there are no refrigeration facilities as there are at Rong Kluer Market. Theoretically, both Cambodians and Thais have access to existing refrigeration facilities, but the Thais control them. The complaint is that when fish prices take what is sure to be a short-term drop, Cambodian fish traders are refused use of refrigerating facilities, being told it is full. The fish traders are forced to sell their fish the same day at extremely low prices. Such experience has prompted Cambodians to think of moving the market to the Cambodian side. Leaders

of one village in Poipet commune are planning to establish a market with modern facilities. Such discussion and plans took place during discussions with male transporters and commune/village leaders, but were not heard at discussions with women traders. Women traders' were pragmatic: it would be easier if the market were on the Cambodian side, but Thai traders would not take the trouble to come over to the Cambodian side. Cambodian women traders said that the difference between Thai traders and Cambodian traders was that Thai traders did not work for a small profit, while Cambodian traders did. The income earning opportunities of traders in the two countries were different, and Cambodian women traders, who were in everyday contact with Thai traders, were well aware of it.

While male officers and transporters were dealing directly with representatives of the state, either through negotiation, confrontation, or alternative planning, what were the women traders doing? Many of the women small traders simply focused on their businesses. The women's reaction was different from men because of their different roles and positions in the fish border trade. Women were concentrated among the small-scale border traders. Unlike the transporters, who received fix fees for their services, small traders were subject to fluctuations in fish prices in Cambodia as well as in Thailand. They were thus dependent on the actions of others. This, combined with the behavior expected of their gender — i.e. non-aggressive and obedient, and the subject of pity and sympathy — led women to take strategies of subservience to authorities. During the period when traders needed to depend on soldiers, Sokha, an experienced woman trader, said that it was better if women did the business and talked to the soldiers. It was easier for them to ask for their favor. Even with freedom to travel to the border, it was still women who were in the forefront negotiating fees with economic police, soldiers, and other government officers. "It is better if women negotiate. If men negotiate, they will start fighting soon because both sides think that the other is looking down on him." For women, this is not the case, according to Sokha. When asked about her strategies in negotiating with the authorities, she said, "We beg (*som ke*). We beg them please do not take much money. This is only to support our family." Sokha and her neighbor fish traders said that Cambodians are easy to negotiate with. "We are both Cambodians, and we understand each other." Male transporters also expressed this, but transporters would make friends with the authorities, rather than beg.

When the transporters initiated the protest, women small traders also joined. Although many women traders signed the petition, when it

came to the actual protesting in the KAMFIMEX warehouse or at the governor's house, the number of women who joined was less than men. When asked why they did not go to the protest, a woman trader said her husband went to the protest. She said, "Most of the families let their husbands go. Women are not good in talking. We do not know what to say." So, while her husband went to protest, she carried on with her usual business.

Both women and men in Cambodia perceive that negotiating with Cambodian authorities is not difficult. However, they have problems with Thai authorities. Male transporters expressed difficulties in negotiating with Thai authorities. The leader of the protest against KAMFIMEX said he could settle fees at an acceptable level in Cambodia, but it was not possible to negotiate with Thai authorities. "It is their land (*chea dei ke*)." Thus men ask the Thai registered importers to provide a letter stating the value and amount of fish that they are bringing in, so that Thai customs would not ask for an exorbitant amount. "But this is as much as we can do," according to the protest leader.

Women traders had not totally given up on negotiating with the Thais as had male transporters. They utilized the same strategies they used with Cambodian authorities: begging. There were several small success stories of women traders begging Thai customs officers and getting a "discount (*choh aoi*)." When begging does not work, some women traders resorted to "threat," which was not heard of in negotiations in Cambodia. One woman small trader said that when Thai customs asked her for a payment of Baht 200, she said that was too much. When the Thai officer ignored her plea, she started shouting, screaming for a loudspeaker so she could cry and denounce the Thai customs the whole day. She finally got her "discount" and paid only Baht 100.

VI. WOMEN'S AND MEN'S SENSE OF BORDER

Some people living along the border may have an ill-defined sense of nationality. On the Cambodia-Thai border, there is hardly any problem of statelessness or dual nationality in any legal sense of the term. Both women and men traders interviewed had a clear sense of their nationality, either being Cambodian or Thai. This sense of belonging was also clear when both women and men Cambodian traders noted that it was easier to negotiate with Cambodians, because they were both Cambodians, while

it was more difficult to negotiate with Thais. Cambodian traders have a strong sense of being Cambodians. If asked to state the differences between Cambodian and Thai women, Cambodian women traders will immediately respond.¹⁷ During interviews, however, Cambodian women traders were encountered who would shift their identity. This phenomenon was not seen among male transporters. It was especially noted when the Cambodian women traders talked with Thai women traders. They would emphasize how similar Thais and Cambodians were, and that they were both women. The emphasis on same identities was made when the Cambodian women traders were negotiating prices, or when they were interviewed in the presence of Thai traders. When negotiating with a Thai woman trader, a Cambodian woman in Ban Laem border town would say, "We are both from the same nationality (*chat diao kan*).” In Rong Kluer Market, both Cambodian and Thai women would say that Cambodians and Thais are the same. The differences among traders and transporters in the use of shifting of identities might not be because of gender differences, but because of role differences. The men were transporters and needed to bargain less often with the Thais. One woman trader, when interviewed said, "I am Thai 100%." Then she went on to explain how she used to be in Koh Kong in Cambodia before the Khmer Rouge, doing border trade with her husband (a Cambodian national), then fled to Thailand. When asked if she was actually a Cambodian, she became irritated and said that Thais and Cambodians were the same, and it did not matter. Women traders, in order to negotiate better with their clients, like to keep their boundaries flexible and open as much as possible so they can include others in their classification, thus giving themselves legitimacy to demand preferential treatment. For male transporters, the border is always a physical place lacking flexibility, which they must cross.

Another difference between men and women was seen in their sense of ownership of the market. Male transporters and government officials felt that the market belonged to Cambodians, and claimed that the market should be in Cambodia since most of the people who worked there were Cambodians, and the market used to be in Cambodia. On the other hand, women traders did not really care where the market was located, although they thought it would be easier if it were in Cambodia. Women traders felt that the market was Thai. "*Din ke* (their land)," they said. But they also recognized that Cambodians dominated market activities. It seems,

¹⁷ For example, use of money, how they do business, etc.

however, that women traders did not need to claim ownership of land in order to feel ownership of the market. If they had a *mooi* (regular customer with whom they had established relations), they felt that the place was theirs. Thai women traders did not cross the border into Cambodia to get fish, and Cambodian women traders did not go beyond Rong Kluer Market to sell fish. The reason given by traders of both nationalities was that their customers were in the market.¹⁸ One Cambodian trader in Rong Kluer Market who was married to a Thai, even though she was a Cambodian, did not go into Cambodia often to get fish, but waited in Rong Kluer Market. It was not that Thai traders could not go inside Cambodia, but there was no need for them to make the effort to go there, since there were so many Cambodians who would go through the cumbersome border process in order to make a small profit. Such differences contributed to the definition of place and border for both Thai and Cambodian women traders. For Thai and Cambodian small-scale border women traders, Rong Kluer Market was the actual border, not the physical border that the states had established.

Women traders had a different perceptual border from male officers and transporters, and it was defined not only by the physical border, but by their relationships. For Cambodian women traders, their perception of Cambodian and Thai checkpoints was the same—they were places where they had to show subservience and beg. Their sense of border extended to the market, which was the limit of their relationships. It was not the physical proximity of the market to the international border that mattered. Even if the market were located a few more kilometers from the border, the Cambodian women traders' perceptual border would be extended to the limit of that market. Such sense of border among the Cambodian women traders who were the lead agents in the border trade made the Thai side of the market thrive. Both Thai women traders and Cambodian women traders shared a sense of ownership of the market.

Since women traders' perceptual border was limited by the relationships they had with other women traders, the official closure of the border could not stop the border trade. When the border was closed because of political conflict between Thailand and Cambodia, Cambodian women traders telephoned their regular customers in Thailand and met at other smaller border checkpoints that were not closed.

¹⁸ The border pass does not allow Cambodians to go beyond the market. However, such legalities were not cited as the reason for not going beyond the border market.

When traders and transporters negotiated with the state on the terms of export, it was the men who took the visible and leading role in the protest, although women traders supported them by signing the petition, and by continuing their trade so the family would not incur financial losses. Even though transporters were successful in negotiating with the Cambodian government to get a fair role in export operations, their strategies were within the framework provided by the state. They thus were unable to challenge the state's hegemony or to transcend the limitations set by the international border. Transcending the existence of the border was not the transporters' aim in the first place, since the transporters' business existed because of state regulations and the international border. For women traders, this was not the case. For them, business and business relations were the priorities. Thus, if any state regulations got in the way of their business, they quietly looked for ways to maintain their perceptual border, although they still needed men's help in negotiating the fees charged for their operation.

VII. CONCLUSION

The chain of operations of the fish trade from Cambodia to Thailand is gender segregated, especially among the operators involved in the trade at the border. Transporters are usually men, while small-traders are predominantly women. Among the operators, women small-scale traders are the most vulnerable. Larger traders have a better say in determining prices with both fishers and buyers (small traders). Transporters receive a fixed amount for their services from traders, and are thus less vulnerable to price fluctuations, although they are vulnerable to extortion from officials and police. Small traders are most vulnerable since they have less negotiating power. They are vulnerable to extortion, and have no facility to refrigerate fish. Because of the differences in their position and roles in fish trade chain, women traders and male transporters and officers exhibited a different perception of the border, and their relation with the state also differed. Women small-scale traders' perceptual border was determined by their relationships with Thai traders, thus the state's closure of the border did not stop them from contacting their customers and continuing to trade across the border. Women and men's perceptual border is important to consider since it influences the way women and men react to border regulations.

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ECONOMIC INTERVENTIONS IN THE FIGHT AGAINST HIV/AIDS: A CASE STUDY OF NORTHEAST THAILAND

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AND CHUPASIRI APINUNDECHA

This study investigates the links between human-immuno deficiency virus (HIV) acquired immunodeficiency syndrome (AIDS), migration, and rural enterprises. We establish a strong positive statistical relationship between migration and HIV/AIDS. Given this relationship, we explore economic interventions to reduce the level of out-migration from rural villages. Using a case study of Northeast Thailand, our study focuses on the impact of emerging rural industry in raising household incomes and thereby reducing incentives for at-risk people to migrate. We note that this impact of rural industrialization may only be evident in the medium to longer term.

I. INTRODUCTION

Throughout the Greater Mekong Subregion (GMS), strong economic and social pressures are spurring labor migration. Whether an intended result of economic reform or a consequence of adverse income shocks, large-scale movements of populations are often a rational response to changing economic circumstances. The transfer of labor from one region to another, however, can come at a cost if migrants spread a localized HIV epidemic to other areas.

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By their very demographic characteristics, migrants represent a high-risk group in the transmission of HIV. They tend to be young — or at least sexually active, and are away from the influences of their families and traditional communities for extended periods. Geographical separation from these social networks increases the likelihood of risky behaviors, such as injecting drug use, and reduces the natural inhibitions present in the home environment (Carael 1997, Ford and Kittisuksathit 1996). Increased disposable income may also facilitate purchases of commercial sex by migrants. Some migrants might even themselves become sex workers. The fear is that contagion by migrants exacerbates existing health problems in rural communities. In the early days of the Asian financial crisis, for example, provincial community groups became increasingly concerned about HIV/AIDS infection among migrant laborers returning home (Robb and Zhang 1998). Following Lim, Taweekul and Askwith (2004), the key is to break the migration-HIV/AIDS link with pivotal economic interventions — particularly the creation of rural employment and incomes — in order to reduce the need to migrate. In this paper we explore how large outside businesses, nongovernment organizations (NGOs), and local villagers can cooperate to stem rural outmigration and the risk behaviors associated with HIV/AIDS.

There are several reasons for this line of research. First, investigating how income and employment generation can reduce HIV infection is a relatively new area of research (United Nations Development Programme [UNDP] 2000). Until recently, poverty alleviation measures have been designed to help vulnerable households to cope with income shocks resulting from HIV infection (e.g. see Kongsin 1997, Greener 2000, Loewenson and Whiteside 2001). We invert this approach by proposing rural industrialization initiatives to reduce migration, and thus reduce the economic and social conditions leading to HIV infection. In general, the distribution of HIV/AIDS is disproportionate, both spatially and economically (Barnett 2002). This is evident in Thailand, where the poorest regions — the Northeast and the North, account for a disproportionately high share of the sex workers migrating to major cities. Over time, however, the availability of alternative job opportunities should reduce the supply of commercial sex workers (Bond and others 1997, World Bank 1997). This and other issues relating to migration are explored in this paper.

Another reason for this research is that pursuit of innovative and novel approaches to the HIV/AIDS problem becomes increasingly urgent with perhaps 40–50 million people living with the deadly virus globally.

Recent decreases in public health funding in Thailand due to the Asian financial crisis (Pothisiri and others 1998) suggest a greater emphasis on non-state resource mobilization, including that of NGOs, community groups, and the private sector. We suggest that local villages and outside businesses often have complementary resources and interests that can bring the two together for mutual gain. If the gain is reflected in the opportune establishment of factories near villages, then the resulting local employment opportunities could serve to reduce out-migration and entry into the commercial sex industry. The key point is that the resources mobilized come directly from the private entities involved in the pursuit of their private interests, rather than from the government or aid agencies. Such self-financed activities may create future streams of private resources that generate income and contribute to the health of the community.

Finally, with Asia estimated to be the world focus of HIV infection by 2020 (Barnett and Rugalema 2001), and given the detrimental effect of HIV/AIDS on household income and labor supply (Kongsin and Watts 2000), it is important to understand more about the relationship between rural job creation, migration, and the HIV contagion. The relationships are surprisingly complicated. As will be discussed in the following sections, HIV infection can affect a household across a number of important dimensions, including its endowments, opportunities, activities, and outcomes. Outcomes, such as declining income, may induce rural out-migration. Key groups of migrants, such as transport workers and construction laborers, are susceptible to HIV/AIDS risk behaviors that further reduce endowments, opportunities, and activities, and generate a more adverse set of outcomes. Should this process result in a downward spiral of poverty and HIV/AIDS at the community level, interventions to bolster rural household incomes may be crucial in interrupting or even preventing the cycle. Job creation at the village level will be pivotal. But job creation can be a two-edged sword. Rising household income may increase the opportunity for (male) household members to increase their purchases of commercial sex. To date, very little research appears to have been done to integrate models of economic behavior with the endowments, opportunities, activities, and outcomes approach in the complex study of HIV/AIDS risk behaviors. It is this gap that we seek to fill in this paper.

II. BACKGROUND TO THE STUDY

To explore the linkages and interactions between HIV/AIDS and rural out-migration, the authors conducted several surveys and extensive stakeholder interviews in Northeast Thailand from June to October 2003. A general survey of households in two districts (Ban Phai and Phon) in southern Khon Kaen province was first conducted. This was followed by a survey of factory worker households from the Community-Based Integrated Rural Development Center in Ban Phai. The third survey was an individual survey of HIV/AIDS patients (both in-patients and out-patients) at Ban Phai and Phon hospitals, and at the Northeast Regional Infectious Hospital in Non Sombun. These three surveys, together with interviews of local nongovernment organization officials, factory managers, local academics, and other stakeholders, provide the framework and data presented in this paper.

Three teams of interviewers were recruited locally for the household survey and trained in data collection methods and interview technique. Recruitment of local interviewers ensured that interpretations and language used for the survey were consistent with those in use in the survey area. Stratified sampling identified the households selected for the survey. Three villages were selected by weighted random sampling from each of the ten sub-districts in Ban Phai district and each of the twelve sub-districts in Phon district.¹ All households in each village were enumerated and a sample of ten households was selected randomly. Participation in the survey was voluntary, but the refusal rate was extremely low. This provided an overall sample of 660 households from 66 villages in the two districts.

The sample of 48 factory workers was selected randomly from all workers at two factories at the Community-Based Integrated Rural Development Center in Ban Phai. Each factory worker was surveyed individually, and the household of each factory worker was administered the same questionnaire as the main household survey.

The survey of HIV/AIDS patients was conducted by three of the authors. HIV/AIDS patients sampled were those present on interview days at the district hospitals in Ban Phai and Phon, and at the Northeast

¹ Weightings were adapted from household numbers data from the Basic Minimum Needs survey conducted by the National Economic and Social Development Board of Thailand in 2002.

Regional Infectious Hospital in Non Sombun. Both in-patients and out-patients were sampled, providing a total of 72 observations. Information was collected about patients' household, and about the household they were living in either at the time they were diagnosed with HIV or at the time when they first began to show symptoms of AIDS, whichever was earlier. Patients were also asked about expenditures and costs associated with their care, and about their risk history — including migration, sexual history, history of blood donations and transfusion, and drug use.

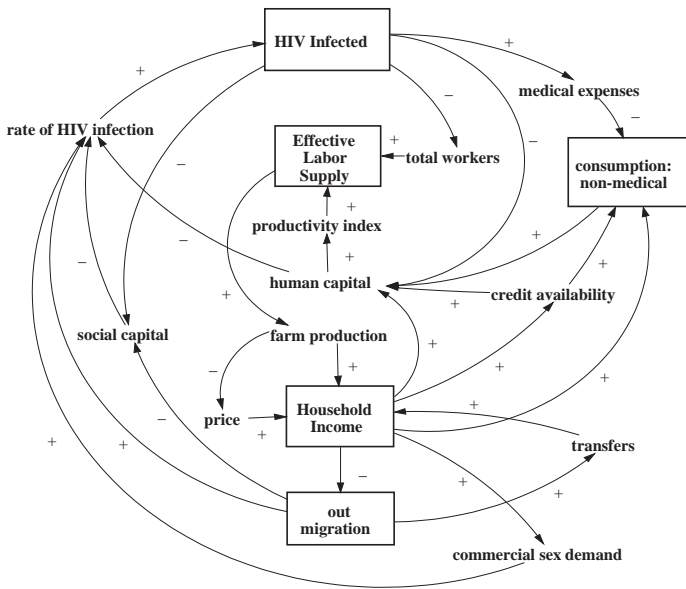
III. HIV/AIDS AT THE COMMUNITY LEVEL: A SHORT-RUN STYLIZED MODEL

On the basis of field observations and interviews, a community-level representation of short-run causative chains of events that impact on rural out-migration decisions and the adoption of HIV/AIDS risk behaviors was constructed (see Figure 1). The model will be important in analyzing why households make decisions that may place them at risk of HIV/AIDS. We do not intend to present all the variables that influence household behavior, only those believed to be most significant in affecting household incentives. The variables are described either in a broad sense (such as “human capital,” which could include both farm skills and HIV/AIDS awareness), or presented in an “all other things being equal” context. As an example of the latter are the cultural aspects of the commercial sex industry in Thailand (Muecke 1992). Despite cultural elements, however, “the overwhelming motive behind the exchange of sexual services for the provider is economic opportunity,” i.e. income (Tawil, Verster and O'Reilly 1995). In our simple framework, we shall allow income to vary, but other important factors will be held constant — such as cultural attitudes, which we will assume to be invariant over the short time period considered.

Note that outcomes in the model, such as HIV infection, are significantly determined by the activities in which the household engages, and are impacted by households' endowments, acquisitions, and the environment (see Desai [2000] for a full description of these concepts). For example, an outcome, “HIV infected,” is at the top of Figure 1. This outcome sets in train a number of events, including a reduction in the community's endowment of labor power, i.e. “total workers.” The arrow connecting “HIV infected” and “total workers” shows the direction of causation, with the negative sign attached to the arrow indicating an

adverse impact of one on the other. Similarly, the arrows linking “HIV infected” to “medical expenses,” and “medical expenses” to “consumption: non-medical,” have positive and negative signs, respectively. Thus, an increase in HIV infection reduces non-medical consumption, as higher spending on medical treatment reduces household expenditure on other goods and services.

Figure 1: Endowments, Opportunities, Activities and Outcomes



A. Households with Reduced Endowments

To begin, consider a household with at least one family member with HIV/AIDS. The household can expect its future endowments to be reduced as the infected household member becomes increasingly unable to work due to AIDS-related morbidity and eventually dies. Consequently, its future outcomes will be less favorable. Because the infected household member will become increasingly sick, the household might be required to cover large medical costs and the eventual funeral expenses. The household is then likely to seek to protect and increase its existing endowments. It

might reduce current consumption in favor of savings, in anticipation of higher future expenditures. While this may reduce the household's vulnerability to the future anticipated health shock of the infected household member's morbidity, it reduces the ability of the household to provide for its current needs. Further, it may only be possible for households with relatively higher wealth to modify their savings behavior appreciably.

These behavioral responses assume that the household is altruistic towards the infected individual. In reality this is not always the case. In areas where HIV infection is highly stigmatised, it is possible that the household might vilify or ostracise the infected household member, particularly if he or she is seen as some threat to the safety or security of the household. In these cases, the household might restrict the flow of consumption resources to the infected individual or even drive them out of the household.

Once a member of the household begins to show symptoms of AIDS, the household's endowments are more heavily impacted, as are the household's ability to take advantage of opportunities and to avoid poverty. These impacts occur in a number of ways, including reductions in labor supply and in investment in human and social capital. Women are generally the main caregivers for the sick. As infected household members become increasingly affected by AIDS-related morbidity, the household must increasingly transfer resources, in terms of women's labor supply, to the care of its sick members. This transfer of labor indentures women to their traditional role of caregiver, reducing their mobility and access to resources not provided by men, and reinforces previous gender inequality in labor supply and income. This reduction in female labor supply may also reinforce any negative nutritional effects of food insecurity, since women make up the majority of the agricultural workforce engaged in food production. In Thailand in 1990, for example, women made up more than 50% of the agricultural workforce, and over 69% of employed women were involved in agriculture (United Nations Economic and Social Commission for Asia and the Pacific [UNESCAP] 1996).

Households may respond to the reduction in labor endowment by increasing the intensity of labor supply by other household members. This is especially the case where the adult members of the household are suffering from AIDS-induced morbidity, and their labor supply or food production must be replaced by the other formerly unproductive members of the household. This may involve a reduction in leisure activity by the remaining adult members. It may also involve formerly retired or infirm

household members returning to active employment, or children may temporarily or permanently abandon education to earn income for the household.

As life expectancy falls as a result of HIV/AIDS, the marginal returns to both higher education and improved health care fall. It is possible that households will modify decisions about investment in human capital in the face of reduced returns relative to current productive activities. The household will almost certainly reduce any investment in human capital for the infected individual. This may mean removing the infected individual from school earlier than they would have otherwise. Even human capital investment in uninfected members of the household might be reduced. Not only is formal education affected by this reduction in investment, but the increasing morbidity and eventual mortality of adult household members also interrupts the natural transfer of production technology and know-how from adults to their children. This results in decreases in production efficiency and less-favorable future outcomes, either in terms of food or cash crop production, or in income-earning potential. Lower human capital accumulation will have a lasting effect on the household by reducing future endowments and the household's ability to take advantage of opportunities.

AIDS-related morbidity and mortality could also interrupt the accumulation of social capital by the household. As adult household members suffer AIDS-related morbidity, they become less able to maintain existing, or create new, social connections with friends, neighbors, and relatives. This reduction in social capital is exacerbated by the stigma associated with HIV infection — other members of the community may refuse to associate with or aid the household due to perceived health risks or “social evils” (Herek 1999, Busza 1999). Our interviewees living with HIV/AIDS reported a wide range of adverse community reactions to their health status, ranging from neighbors scrubbing chairs that the interviewees had just vacated, to the suicide of a spouse. Social capital is an important endowment for the household (Woolcock and Narayan 2000); its reduction makes the household especially vulnerable to future shocks, including the eventual death of adult household members to AIDS-related causes.

B. Households with Constrained Activities

So far we have discussed households that are directly affected by the HIV infection of a member of their own household. In contrast, there may

be households within the community that are not directly affected in such a way, and who modify their decision-making solely in response to the perceived risks of their environment. The most common changes in behavior for such households are likely to be modifications to their leisure behavior or social activities. Often, particularly in Thailand, leisure activities that will be affected by changes in risk perception are also activities that create enduring social capital between neighbors or within a village, particularly among a group of men. There is the possibility that a reduction in such behavior will lead to a consequent reduction in social capital.

Even more likely is that the spread of information on the risks of HIV/AIDS, unless carefully phrased and managed effectively, could lead to paranoia from some households. These households might, at least to some extent, close themselves off from others, thereby breaking or at least not maintaining bonds with other community members. The social capital of these households will fall over time. These households might even migrate to other regions where they may perceive themselves to be at lower risk, so forfeiting all accumulated social capital and forcing the household to create social ties in their new location. Our interviews with people living with HIV/AIDS suggest a high level of social ostracism facing them, with a consequent diminishing of social capital within the community.

C. Households with Reduced Opportunities

Some households are less directly affected by the HIV/AIDS epidemic than the households above. Such households might perceive themselves not to be at risk of HIV infection. But the HIV/AIDS epidemic may still have an impact on the decision-making process of households through the aggregate effects of changes in the decisions made by other households. The changes can cause market failures, leading to a reduction in market opportunities. There may be failures in financial markets, including the provision of savings and loan services, whether through formal banks, savings groups, or micro-finance projects, as fewer customers increase the marginal transactions costs of these institutions.

The inability to access credit has adverse implications for human capital development. A fall in aggregate human capital within the community may reduce labor productivity and consequently total farm output. Under the likely assumption that the percentage fall in community

food output exceeds the percentage rise in food prices, aggregate farm income in the community will fall. At the margin, falling community income may induce people to migrate. Social capital is further eroded, and increased use of commercial sex and other high-risk behaviors rise. The cumulative result is a further heightening of HIV infection and subsequent migration cycles.

IV. REDUCING OUT-MIGRATION: A STUDY OF NORTHEAST THAILAND

The issues highlighted in Figure 1 readily lend themselves to policy prescriptions. Indeed, since the early 1990s a number of interventions have been introduced in the Northeast that act on elements in Figure 1. The first significant initiatives to combat HIV/AIDS began in 1993 with education programs (raising “human capital”). For example, Khon Kaen University students were organized into travelling education teams to undertake lecture and discussion sessions at the village level. The villagers were separated during the talks: fathers were asked to not visit sex workers and discussed HIV/AIDS risk behaviors; mothers were instructed about condom use; and youths were warned about the dangers of pre-marital sex. The education programs were extended in different form to sex workers. But by 1994, in another initiative, the Thai government strove to close brothels in Thailand, driving the commercial sex industry underground and making education and health care of commercial sex workers more difficult, including in Khon Kaen province.

Migration and its attendant HIV/AIDS risk behaviors thus remain pivotal in affecting the growth rate of HIV/AIDS in the Northeast. During the early years of the HIV/AIDS epidemic, the rural areas of Thailand were found to be particularly susceptible to migration in the spread of HIV/AIDS (Fuller, Kamnuansilpa and Lightfoot 1990, Ogena and de Jong 1999, Singhanetra- Renard 1997). Ford and Kittisuksathit (1996) suggest that “the incidence of HIV/AIDS... highlights the vulnerability of young people who have moved from rural to urban areas as migrant workers.” Singhanetra-Renard (1997) adds that “by bringing infected and uninfected persons into contact with each other, migration has become an important factor in the spread of HIV/AIDS in northern Thailand.” The United Nations Development Programme (UNDP) has also recognized population mobility as a key risk factor for the spread of HIV in the GMS (Skeldon 2000,

UNDP South East Asia HIV and Development Programme 2002, du Guerny and others 2003).

The Northeast region has the greatest migration outflows (Larson and others 1993) and so is disproportionately affected by the risks that migrants may face. Our survey data suggest that migrants from the Northeast region are typically either young adults looking for their first employment, or parents seeking more gainful employment to support the increasing educational costs of their children. In between those two major episodes of migration, Northeastern parents usually return to their home village to bear and raise their children. But if the migrants had engaged in directly risky occupations, such as commercial sex, or indirectly risky occupations such as transport sector work (e.g. truck drivers), then HIV/AIDS comes to the village.

As illustrated in Figure 1, the impacts on the growth rate of HIV infection operate via an increase in income transfers that augment household income, which in turn help facilitate purchases of commercial sex. Out-migration also impacts adversely the formation of social capital. Social networks, including that of the family, can fall apart as adults suffer from AIDS related illnesses and become shunned by the community. People living with HIV/AIDS become further disenfranchised from market opportunities, worsening the social turmoil in which HIV infection grows (Mutangadura 2000, Brundtland 2000). Lastly, the migrants themselves, either as sex workers or purchasers of commercial sex, can contribute directly to the spread of HIV.

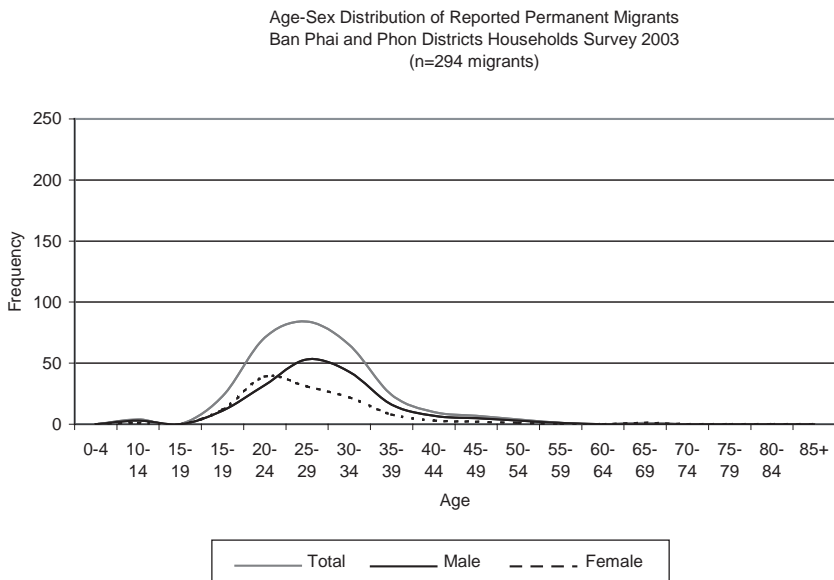
A. Migration Results from the Sample

Many of the households surveyed were affected by migration. In the main survey of 660 households, 294 (or 44.5%) had permanent migrants, i.e. people who were not part of the household at the time of survey. There were also seasonal or short-term migrants — i.e. people who were part of the household at the time of survey, but they appeared in less than 10% of the households sampled. The age and gender distributions of migrants from the two sample districts are summarized in Figure 2. It appears that the migrants tend to cluster within the 20–35 year old age groups.

Cursory examination of the data from the AIDS patient surveys suggest a significant positive link between migration and HIV infection. Of the patients surveyed, 51% were recent migrants at the likely time of their infection, and at least a further 14% were spouses of a recent migrant

(data on the migration history of the spouse was not explicitly collected, but was revealed by many respondents during the interview). Moreover, many of the HIV/AIDS patients cited migration as a key factor in HIV infection, or suggested that their partner was infected while working elsewhere.

Figure 2: Demographic Characteristics of Migrants



B. Econometric Results — Migration as a Risk-factor in HIV Infection

To further test whether migrants are at significantly higher risk of HIV infection, we compared the sample of HIV/AIDS patients with the representative sample from the general population. The sample included 2,536 people from the general population and 72 AIDS patients as described above. Of the HIV/AIDS patients, 71 were aged 18 years or older. This suggests that there may be some bias in the comparison due to the fact education and age are highly correlated for those aged under 18 years. To overcome this bias, we also compared data restricted to only those aged 18 years or older. This restricted sample included 1,787 people from the general population.

Table 1 below summarizes the sample characteristics for the general population and AIDS patients for both the full sample and the sample restricted to only those aged 18 years or older. Education was self-reported number of years of schooling, number of rooms in the household was used as a proxy of wealth, and the migration variable was a dummy variable indicating whether any member or previous member of the household had migrated, permanently or seasonally, within the previous five years.

Table 1 suggests that there may be significant differences between the two groups, particularly in terms of the migration history of their household. To explicitly test whether migration is a risk factor for HIV infection, the following binary logit regression model was used:

Table 1: Sample Characteristics

Variable	General Population		AIDS Patients	
	Mean	Std Deviation	Mean	Std Deviation
Full Sample				
(Sex (0=male))	0.522	0.500	.639	.484
Age	34.5	21.4	33.0	7.4
Education (years)	5.17	3.60	6.01	2.80
Migration	.200	.400	6.94	.464
Wealth (rooms)	2.79	1.14	1.89	0.96
Restricted Sample				
Sex (0=male)	0.527	0.499	0.648	0.478
Age	45.4	15.6	33.3	6.8
Education (years)	5.76	3.36	6.06	2.77
Migration	0.210	0.407	0.704	0.456
Wealth (rooms)	2.82	1.14	1.87	0.95

The model was run on both the full sample and restricted sample, with the assumption that the general population was not infected with HIV². The results of the binary logit regressions are reported in Tables 2 and 3 below.

$$AIDS = \beta_0 + \beta_1 Sex + \beta_2 Age + \beta_3 Education + \beta_4 Wealth + \beta_5 Migrant + \varepsilon$$

² Since the proportion of the adult population of Thailand estimated to be living with HIV is less than 2%, this assumption seems plausible (Joint United Nations Programme of HIV/AIDS [UNAIDS], United Nations Children's Fund [UNICEF] and World Health Organization 2002).

The results from the full sample strongly suggest that migration is a significant risk factor for HIV infection (odds ratio 9.26), and that poorer households are at a lower risk. It also suggests that women are at a slightly higher risk than men (odds ratio 1.78).

For the restricted (adult) sample, migration is again confirmed as a significant risk factor for HIV infection (odds ratio 11.16). These results seem reasonable, with risk decreasing with age, education, and wealth. Women are again shown to have a higher risk of HIV infection, though this may be explained by the characteristics of our sample. Of our HIV/AIDS patient sample, nearly 64% (46 out of 72) were women whose husbands (already dead of AIDS-related causes) had infected many. Most of those men were also migrants, which again illustrates the significant HIV infection risk associated with migration.

Table 2: Logit Regression Results – Full Sample

Variable	Coefficient	Z	p-value	Odds Ratio	95% C.I.
Constant	(3.367)	(7.21)	0.000	–	–
Sex	0.568	2.21	0.027	1.78	[1.07, 2.97]
Age	(0.0053)	(0.79)	0.428	0.99	[0.98, 1.01]
Education	0.1162	3.39	0.001	1.12	[1.05, 1.20]
Migration	2.225	8.31	0.000	9.26	[5.47, 15.65]
Wealth	(3.369)	(7.21)	0.000	0.43	[0.33, 0.55]

Table 3: Logit Regression Results – Restricted Sample

Variable	Coefficient	Z	p-value	Odds Ratio	95% C.I.
Constant	2.204	2.51	0.012	–	–
Sex	0.6413	2.26	0.024	1.90	[1.09, 3.31]
Age	(0.1031)	(6.71)	0.000	0.90	[0.88, 0.93]
Education	(0.1671)	(2.78)	0.005	0.85	[0.75, 0.95]
Migration	2.4125	8.34	0.000	11.16	[6.33, 19.67]
Wealth	2.2045	2.51	0.012	0.42	[0.32, 0.57]

V. MOBILIZING PRIVATE RESOURCES TO REDUCE OUT-MIGRATION

We now focus on the role of job creation near rural villages as an economic mechanism to reduce incentives to migrate. The key idea is that rural industrialization augments household income, which in turn reduces out-migration and entry into commercial sex work. Keeping the social structure of communities intact facilitates the perpetuation of social capital, which acts to both reduce the spread of HIV and to support the growth of human capital. Human capital in turn contributes to the productivity of labor, including that of farmers. To the extent that productivity increases farm incomes, all other things being equal, the incentive to out-migrate lessens (see Figure 1).

Drawing heavily on Lim, Taweekul and Askwith (2004), our rural industrialization study examines the activities of the Population and Community Development Association of Thailand (PDA) in Ban Phai district. PDA's efforts in reducing migration focus on its Community-Based Integrated Rural Development (CBIRD) program. CBIRD activities include income generation and employment, coupled with HIV prevention, information, and care. The CBIRD Center at Ban Phai includes a factory complex with three main employers — two garment factories that produce uniforms for export, and a Nike shoe factory (for additional details, see Lim 2001, Lim and Cameron 2003).

The integration of economic and public health objectives in the CBIRD program is clear from the interactions between large private businesses and local villages that have been initiated and mediated by CBIRD. A strategic activity within the program is the Thai Business Initiative in Rural Development (TBIRD). TBIRD's objectives are to encourage local and multinational businesses to assist rural development, transfer business skills to villagers, generate income for the rural poor, and encourage rural people to stay in or return to their home villages. The idea is to provide particular help to village women to find factory jobs set up by large outside businesses, near their villages, to reduce incentives to migrate to urban centers.

The PDA identifies villages that are suitable to host private sector investments, including investments by foreign multinationals. The companies involved in the TBIRD program gain access to relatively cheaper labor in rural areas, which more than compensates for the added transport costs of getting their products to Bangkok. Overall, wages are more than

20% lower, and land rentals are about 30% lower than in Bangkok. There is a strong gender bias in the overall employment figures for the TBIRD factories, which can be used to the multinationals' public relations advantage. Of the 1400 or so workers in three of the manufacturing companies operating in TBIRD-Ban Phai, 94% are female. Approximately 35% of the workers who work in factories at TBIRD-Ban Phai have returned from Bangkok and nearby provincial centers like Samutprakhan and Chachoengsao. Sometimes the number is even higher. In April 2000, for example, Ban Phai Union Footwear recruited 50 workers, of whom 35 were local people returning from Bangkok to jobs at the factory.

In our main survey of 660 households, 44.5% of those households had a member who was a permanent out-migrant. This is very close to findings in the factory survey of 48 respondents: 43.8% had a permanent out-migrant in the household. With no statistically significant difference in the out-migrant percentages between the general district households and the factory worker households, the impact of the TBIRD interventions in altering migration behavior may currently be low. This result is surprising. Nonetheless, there are also theoretical grounds for believing that providing more factory employment for rural women in their local area will not adequately solve the problems of commercial sex and HIV/AIDS, *at least at the moment*. For instance, the rising household income may have undesirable public health consequences. Given the widespread persistence of unsafe sexual practices among Thai men, despite their knowledge of HIV risks (Vanlandingham and Grandjean 1997), the boosts to household income from rural industry may even increase the spread of HIV/AIDS by facilitating increased purchases of commercial sex. On the other hand, if household incomes were still sufficiently low as to trigger out-migration, the migration itself may augment household income via transfers or remittances from the migrants. The remittances could also be appropriated for purchases of commercial sex.

Perhaps more importantly, even if more women initially opted for factory work over entry into the sex industry, the falling supply of sex workers could put upward pressure on the wages from commercial sex, attracting more sex workers in the longer run. The wage differential between sex work and rural employment could conceivably even widen, inducing more women to leave their villages. A survey of commercial sex prices in three and five-star hotels in Khon Kaen, the major city nearest to Ban Phai and Phon districts, indicated that sex workers receive daily earnings several times greater than that earned in factory work. In the five-star hotel, a single client paid Baht 1800 (roughly US\$40) per episode

of sex, of which the sex worker received Baht 1200. In an informal side street bar, sex might cost Baht 800. Baht 800–2,000 seems to be the likely price range for commercial sex in Khon Kaen, both from our own interviews with sex workers and with public health professionals in the province. In contrast, an unskilled worker in the TBIRD factories receives around Baht 150 per day. It was becoming apparent even in the mid-1990s that employment in the textile industry, at significantly lower wages, was encountering problems in stemming the flow of young women into the commercial sex industry (Tawil, Verster and O'Reilly 1995).

Interviews with sex workers from a three-star hotel suggest a degree of irreversibility in labor supply decisions. The interviewees suggested that they would be prepared to switch from the sex industry to work in textile factories of the TBIRD type only if they could earn at least Baht 1000–1500 per day. Our interviews thus indicate the importance of reducing the entry of women into the sex industry in the first place. Otherwise their labor choice may be subject to a path dependence that can be difficult to reverse, given the wage gaps that exist between commercial sex and unskilled factory work.

For rural industrial interventions to ultimately reduce migration, the wage gap must be narrowed over time. Here the human capital activities of PDA and the companies involved in the TBIRD program will be instrumental. Women have the opportunity to participate in training courses that the private companies and the PDA organize, such as family planning, HIV prevention, team building, business skills development, and interpersonal workplace relations. The building of business skills and human capital in general is crucial in raising the value of women's labor endowments, widening their opportunities sets, and allowing them to participate in a wider range of higher income-earning activities (other than commercial sex). Empowerment of women and improvements in girls' education are important sources of changes in HIV-related behavior (Husain, Badcock-Walters 2002), and economic empowerment is more likely to occur when new jobs become available that are outside traditional male fields. And it may well be easier for women to augment their human capital assets through access to knowledge and skills than to redistribute traditional resources to them, such as land and wealth (Keller-Herzog and Szabo 1997). It is here that the current mobilization of village labor resources must include a longer-term dimension of business skills acquisition by women.

Over time, to narrow the existing wage gap between unskilled factory work and commercial sex, the majority of the female factory workers may have to eventually leave the factories to set up their own businesses

with even higher value-added activities. It is here that the current business skills development programs of the companies and PDA are likely to yield the highest returns. Given the eventual shift of women into higher value-added activities, the wage gap could narrow significantly.

The key insight is that rural industrialization is not likely to be an immediate solution to the migration and commercial sex aspects of HIV infection. The solutions are more likely to emerge over time, as business skills development among women creates a much more attractive income alternative to commercial sex work. The increases in human capital will then become more self-reinforcing and self-financing. They will be self-reinforcing to the extent that the progression from surplus agricultural labor, to labor-intensive industrial labor to, finally, high value-added (self-employed) labor, will be the outcome of steady human capital investments that provide the basis for ongoing learning and development of the labor force. As more rural factories emerge, factory wages will eventually be driven up, inducing firms to adopt capital-intensive technologies that require continual training of the workforce. The upgrading of skills and higher wages, coupled with more advanced business skills acquisition, are likely to create a stream of human capital and financial resources that constantly expand productivity and narrow the wage gap. As production and incomes expand, the scope of and necessity for further human capital development increase, and so on. At least as important is the self-financing aspect of the process. Once basic physical infrastructure and educational levels have been provided locally, an active role of the government in stimulating or financing the process is unnecessary. Again, it is the self-interested activities of companies and villagers, mediated by NGOs such as the PDA, that generate the positive migration-related community health externalities.

VI. CONCLUSION

Thailand is often held as a shining example of successful HIV/AIDS prevention, with adult HIV infection rate peaking at an estimated 1.8% in 2001 and falling steadily since then (UNAIDS, UNICEF and World Health Organization 2002). The “100 percent condom program” has been credited with much of this success by reducing the risk associated with commercial sex (Rojanapithayakorn and Hanenberg 1996). However, despite this apparent success, Thailand continues to have a high number of HIV

infections. Many of these infections have been caused by the return migration of HIV-infected individuals to rural areas, resulting in the migrants' spouses becoming infected. With government fiscal constraints and dwindling aid, policy-makers are now looking for more cost-effective and innovative policies. We have presented a model of mutually reinforcing stakeholder interests in the long-term fight against migration and HIV/AIDS. The aim is to encourage the private sector to act in the broad interests of the villagers. By promoting an economic and financial interdependence between NGOs, villagers, and outside businesses, the major stakeholders cooperate in pursuing the objectives of eventually much higher rural income levels, reduced migration, and lower HIV/AIDS prevalence.

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DO TROPICAL GANGSTERS HAVE GOOD INTENTIONS? A COMPARATIVE REVIEW OF ROBERT KLITGAARD AND THOMAS DICHTER

TESS DEL ROSARIO

Two books are reviewed, both written by development practitioners of long standing. Robert Klitgaard's *Tropical Gangsters* was published in 1990, and Thomas Dichter's *Despite Good Intentions: Why Development Assistance Has Failed*, in 2003. The former was a bestseller and chosen as one of the best nonfiction books of 1990. Both books are enlivening, and uniquely represent an experimental method in the portrayal of development. Klitgaard and Dichter offer two very different, alternative, and refreshing writing styles. In a departure from traditional empiricist science, Klitgaard is autobiographical whereas Dichter interweaves 18 short stories in analytical chapters. Together, they provide lively and often provocative insights into development assistance — the wrong turns, the dead ends, the mishaps and the missteps, and even the prohibited zones. But they also offer new directions and possibilities for rethinking development practice. Development of the Greater Mekong Subregion (GMS) and its assistance by ambitious programs of the international development community are considered in light of the numerous lessons gained by the two authors in nearly thirty years of development experience.

I. INTRODUCTION

In mid-1986, Robert Klitgaard landed in Malabo, the capital of Equatorial Guinea, a tiny African country bordering Cameroon and the Gabon. Armed with a PhD in economics, years of teaching at Harvard's Kennedy School of Government, and an impressive string of consulting engagements with developing country governments, Robert "Bob" Klitgaard proceeded to fulfill his two-year mission to rehabilitate the Equatoguinean economy, ravaged by years of abuse and mismanagement during the Macias dictatorship.

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His book, *Tropical Gangsters*, was published in 1990. He borrowed the term from the band Kid Creole and the Coconuts and used it as a shortcut to refer to a host of conditions he described as “rampant opportunism, deceit, and distrust; [which] in turn foster flaccid and corrupt institutions — public, private and international.” There are different varieties, he adds: “government, business and international aid giver.” Three years after he left Equatorial Guinea and two hundred eighty-one pages later, Klitgaard’s book was a bestseller and chosen as one of the best nonfiction books of 1990 by the New York Times Book Review. It likewise achieved the honor of being named by the New York Times as one of the best hundred Books of the Century.

He employed an autobiographical writing style with a deeply inquiring tone, preferring to ponder the persistent problems of underdevelopment in Africa, rather than the cocksure stance of a handsomely paid, know-it-all consultant. His first-hand account is at many turns witty and hilarious despite difficult circumstances; at other times scholarly and techno-economistic. He delves into an economic forecast of Equatorial Guinea cocoa export revenues with the same ease and dexterity as describing the exhilaration of surfing the perfect wave, or jamming with all of Malabo’s two rock stars.

The African portrait through Klitgaard’s pen is multi-dimensional, enriched by many stories that are simultaneously poignant, exhilarating, suspenseful, even ponderous. There are the Catholic nuns running Malabo’s only school alongside lengthy preparations for a strategy formulation workshop for government ministers; daily encounters with other development practitioners (some of them jaded); and a close encounter with a coup plot. A malaria attack to celebrate the IMF approval of his economic plan was painful, scary, and funny, even while the questions about aid and dependency persist.

A former official of the US Agency for International Development (USAID) in Panama City described Equatorial Guinea as “the armpit of the world,” a place where according to the official, Klitgaard could give full vent to his supposed “masochism.” His arrival was greeted by a thick wall of humidity immediately upon stepping off the plane and, thanks to a considerate health officer at the airport, warning of a cholera epidemic in full swing. Malabo’s two hotels had no vacancy for him due to the earlier arrival of another mission of fourteen expatriates. Two days of travel and no roof to house his jet-lagged head, Klitgaard’s first day in Equatorial Guinea seemed to confirm the exhortation of the USAID official about the country that Klitgaard would adopt as home for the next two years.

Different agencies reported average per capita income in the country between \$100 and \$300 in 1985. Its population of between 300,000 and 400,000 had a life expectancy of 45 years. Each year, 90% of the population contracted malaria. Before independence in 1968, Equatorial Guinea was a colony of Spain, its economy made prosperous by cocoa, its top export, along with other exports like timber, coffee, and palm oil. A pre-independence profile of Equatorial Guinea depicted a relatively well-off country compared to its neighbors. Export earnings per capita in 1985 posted at \$500 in Equatorial Guinea compared to \$105 in Gabon, \$48 in Ghana, and \$12 in Nigeria. Literacy rate was at a remarkable 60%.

But ten years of dictatorship under Francisco Macias Nguema overturned Equatorial Guinea's high standing among African countries. A maniacal despot, Macias was described by Klitgaard as worse than Idi Amin of Uganda and Emperor Bokassa of the Central African Republic. In what can only be construed as a murderous rampage against the country's educated elite, Macias reduced the population by 25% to 30% during his ten-year reign.

Teodoro Obiang Nguema Mbasogo, the dictator's defense minister and nephew, seized power in 1979. Macias was tried, found guilty, and executed. Obiang endeavored to modernize the country through certain reform measures. He opened the economy to trade and investment, and devalued the currency. Still, the country remained poor and the economy almost at the brink of bankruptcy. A huge external debt rendered the country's credit rating extremely low, thus opportunities for private sector borrowing were few, if any. Development assistance provided the only alternative.

To qualify for badly needed external financing, the country had to submit to the conditions of development assistance. A World Bank loan of \$13 million would help set the economy on the path of reform. And a series of structural adjustment measures, the World Bank's standard prescription for economic rehabilitation, would restore Equatorial Guinea's economic vibrancy.

These were Klitgaard's marching orders. He would be the shepherd of this process that would steer the economy towards financial solvency. At the same time, he could treat the country as a kind of case study. Equatorial Guinea appealed to his instincts as an educator. The country provided a kind of laboratory setting in which to scrutinize the problems of underdevelopment. As an extreme case, Klitgaard writes, Equatorial Guinea would "help us see more clearly what is happening in more typical instances."

Klitgaard embarked on his consulting mission, equipped with his credentials, his boundless energy, his surfboard, and no doubt, a deep reservoir of good intentions for personal sustenance. This, according to

Thomas Dichter, is only the beginning of the unrelenting problems of development assistance.

Like Klitgaard, Thomas Dichter is a development practitioner of long standing, his career spanning thirty years from the 1960s to the 1990s. In the interim years when he did not practice his craft, he held teaching positions at Tufts University, Clark University, and Princeton University. With an anthropological background, Dichter lent his expertise to work with a variety of organizations such as CARE, the Peace Corps and USAID, and yes, the World Bank as well.

He was initiated into international development as a Peace Corps volunteer in Morocco immediately after graduation. Since then, the Third World lured him. A rich biography of varied developing country assignments took him to Yemen, Tunisia, the Philippines, India, Nepal, Pakistan, Peru, Kenya, Zimbabwe, Ghana, and Malawi, among others. In these countries, he managed organizations, implemented projects, evaluated programs, and rendered advice. These numerous engagements varied from a few weeks of quick turn-around assignments to lengthy sojourns of a few years. The result of three decades of development work in various capacities is a piece of writing that is both reflective and critical of development assistance. This, he summed up in a book entitled *Despite Good Intentions: Why Development Assistance Has Failed*, published in 2003, thirteen years after Klitgaard's *Tropical Gangsters*.

Development scholars will find these books enlivening. There are the regular abstractions that are the staple food of academics. Together, the two books provide a good roadmap that enlightens the journey of development assistance — the wrong turns, the dead ends, the mishaps and the missteps, and even the prohibited zones. But they also point out new directions and fresh possibilities for rethinking development practice, and some prescriptions for getting development back on track.

But beyond these are innovative forms of writing about development. Both authors employ narrative styles that achieve the effect of immediacy, realism, and *textured-ness* — a refreshing break from the standard use of “metanarratives” that has governed development studies for decades.¹

¹ Also known as “master codes,” “global world views,” “master narratives.” The term was first used by the French philosopher Jean Francois Lyotard in *The Postmodern Condition: A Report on Knowledge* (1993) as a critique primarily against a worldview called “modernity.” This worldview rests on the philosophical foundations of the Enlightenment, which asserts, among other things, that Truth can be known by the application of scientific rigor. In development studies, the metanarratives employed for analyzing and reversing the condition of underdevelopment have been Modernization, Marxism, Dependency, and Imperialism. For a good introduction to postmodernism, see Pauline Marie Rosenau. *Post-Modernism and the Social Sciences. Insights, Inroads and Intrusions*. New Jersey: Princeton University Press (1992).

II. A SHARED DISQUIETUDE

Early on in his book, Klitgaard emphasized the problem of dependency, particularly in a country whose national income was \$63 million, half of which was supplied by foreign assistance. While true of Equatorial Guinea, this situation mirrors many Asian economies, among them, the Lao People's Democratic Republic (PDR), and Cambodia. Further, he worries about the opportunities for corruption in impoverished governments that are suddenly bombarded with massive amounts of foreign aid, even as he notes the contradictions in a system of dispensing development aid through consultants like himself who enjoy outrageous professional fees while their government counterparts suffer exploitative salaries. This theme reverberates throughout Klitgaard's book.

In what seems as an unwitting conversation between these two authors, Dichter responds to Klitgaard's *angst* via his analysis of development assistance that, over the years, has deteriorated into what he terms *devbiz*. Whether government organizations, non-profit organizations, or international development organizations, the development community has become an "industry." Like most other industries, Dichter argues, the *devbiz*' overriding interest is that of "self-perpetuation." Its imperative is to survive in the competitive arena of the "development market-place."

Thus, *devbiz* must pursue "market share." What is the exact nature of their competition? Dichter replies: the "spending competition." Their product? Money. Particularly Other People's Money (OPM) that is sold to development "customers" much like Coke and Kodak compete against Pepsi and Fujitsu. OPM is the amount of money pledged yearly by donor governments for development aid, and channeled through various multilateral and bilateral institutions. In the development market-place, the organization's position as a major or minor player is determined by the size and volume of the money at its disposal. In turn, these institutional mechanisms convert this money into loans and grants that are moved through projects and programs — those units of development funding that provide the logic for development assistance. The more programs, the bigger the projects, the better to secure OPM. Along the way, some other players enter the OPM marketplace — nongovernment organizations (NGOs, both international and local) — who themselves dispense OPM on behalf of multilateral and bilateral organizations. Never mind if there is no real demand for their projects, or whether they result

in anything long lasting. Among development organizations, the key question has become, *how much have we spent?* (The pre-question being, *how much money can we get from donors governments?* rather than, *what is the relevance and the impact of what we do?*) Writes Dichter: "...work is often created, conjured up, and invented for spurious purposes, few of which have to do with real demand or need."

No doubt international financial institutions like the World Bank and the Asian Development Bank are the biggest players. But very large grant organizations, like the Ford and Rockefeller Foundations, are included in this league as well. Populating their labyrinthine bureaucracies are aid professionals who, like their corporate counterparts, struggle to maintain market share and seek to maintain a competitive edge vis-à-vis other suppliers of development aid. The smallest NGOs have become, of late, minor players, and they complete the network of competitors for OPM.

Thus, *devbiz* organizations must employ professionals, particularly those who can "sell." The organization with a better sales force ends up with a bigger share of OPM. In the past, donor governments were the preferred clients. They still are. More recently, however, NGOs compete for the same largesse. CARE and the Asia Foundation source USAID money, while Oxfam UK channels DFID aid. These donor organizations fund local NGOs in a chain of funding partnerships reminiscent of Andre Gunder Frank's dependency networks of metropolis-satellite relations.²

Whether donor or recipient, both are locked into *devbiz*, and careers are made (or unmade) as one set of professionals makes money available, another set competes to receive it. Among the largest market players, the business of giving and receiving money occurs in the fanciest global capitals where surplus income from the developed countries is transferred via a complex mechanism of negotiations among professionals. In short, development assistance has become *commodified*.

Over the years, a layer of international consultants emerged — the purveyors of good intentions sans the naiveté and romance of the 60s. In the race for OPM via spiraling consulting fees, consultants employ a hard-nosed realism to replace the unadulterated zeal of an earlier era. Below is Dichter's portrayal of the consultant's confessional:

² See Andre Gunder Frank's "Sociology of Development and Underdevelopment of Sociology" in *Latin America: Underdevelopment or Revolution?* New York: Monthly Review Press (1970).

We will make compromises, and more and more of them, to remain alive. We will put our own survival ahead of our mission... The speed with which resources shifted from development assistance in truly needy areas such as Africa to the newly independent states of Eastern Europe in the early 1990s is a sign of how market oriented, rather than need oriented, we have become. We too want to be where the action is. We want to keep our jobs, continue to develop our own institutions, and to the extent possible publicize and justify what we do.

III. FILLING THE CONCEPTUAL GAPS

Dichter's critique is strikingly different from previous critics who portray development workers as a "bunch of neocolonialists in disguise, promoters of growth at the expense of "wellbeing", or "cynics who do not really care about the poor."³ Instead, Dichter examines the fault lines in development assistance, exposing the structure of fund transfers that are at the root of *devbiz*. He includes the magnitudes of amounts involved, and the major givers and receivers of development assistance.

It is a \$60 billion industry, a staggering amount to fund the global effort for development. It is miniscule, Dichter concedes, when pitted against US advertising costs, credit card expenditures, and even expenditures on pornography. Yet while this amount could conceivably reverse extreme situations of poverty and vulnerability, it also funds the entire industry — from staff costs at the World Bank to the share of funds donor NGOs receive. And yes, the professional fees of Klitgaard and Dichter, and occasionally, mine too.

The channels of development assistance are multiple, and the mechanisms for securing them are complex indeed. One of those mechanisms, the "beltway bandits," refers to consulting firms that have become primary recipients of USAID expenditures, funds coming directly from congressional allocations.

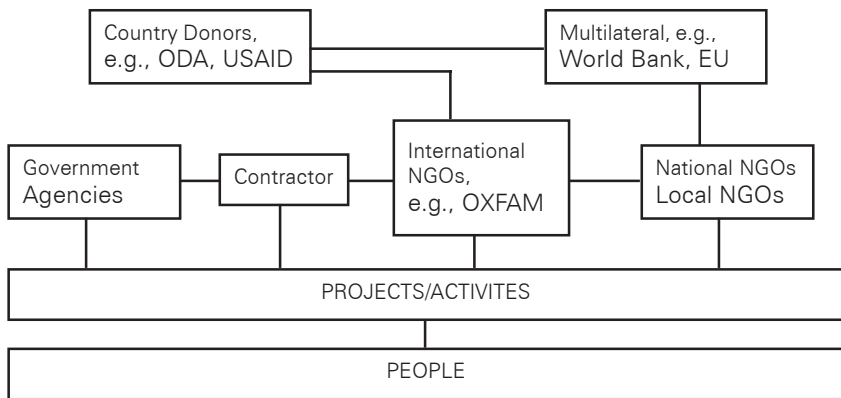
³ Among the more scathing criticisms of development assistance are Leonard Frank's *The Development Game* (1997), Graham Hancock's *Lords of Poverty* (1989), James Ferguson's *The Anti-politics Machine: 'Development', Depoliticization and Bureaucratic Power in Lesotho* (1994), and Arturo Escobar's *Encountering Development* (1994).

The procedures for securing USAID funding are a maze of “finely wrought rules,” the language of contracting itself a specialized discourse meant only for the staunch of spirit and the brave of heart. From “PIDs” to “RFPs” to the final choice of a “COP”, these contractors are poised to pry open the treasure chest of development funding that resides deep in the bowels of Washington D.C.. Armed with their network of lobbyists and their databases of thousands of consultants, contractors call upon a “reserve army” on stand-by status, ready to be mobilized once the war of contracting has been won. Dichter refers to them as the “body shoppers.”

The diagram below is a graphic representation of the structure of capital transfers and the inter-relationships among the different actors.

Finally, Dichter does an excellent job of analyzing what he terms the “incentive gap.” More than just the abysmal differences in wages between consultants and their local counterparts is the problem of outsourcing development work to experts under so-called “Technical Assistance (TA) packages.” Financial institutions are trapped by the requirements of managing a development bureaucracy, thus their exposure to on-the-ground realities is limited to the “mission” of a few days or weeks, what cynics refer to as “development tourism.”

Structure of International Fund Transfers



Source: Gardner, Katy and David Lewis (1996).

Consultants are called in for the long haul — to elaborate upon the mission and, in most cases, to implement the identified projects. Further, the daily grind of managing OPM at headquarters militates against keeping

abreast of new knowledge to transform development practice. This is assigned to experts under contractual arrangements. With outsiders to flesh out the broad terms of the mission, the experiences generated from actual project work remain with the consultants, often summarized in reports that end up on shelves at headquarters.

While critical, Dichter avoids a total bashing of development actors. He prefers instead to employ a line of attack that focuses on the industry structure. In the end, he employs a non-ideological, non-polemical approach to the failures of development, preferring to overhaul systems that would promote growth rather than retard it. He recognizes the role of correct policy frameworks rooted in the guarantee of property rights and the enforcement of those rights.

IV. WRITING AND REPRESENTATION

These two books are the best representatives of an experimental method in the portrayal of development. Most development studies in the past, and until today, are dominated by the clinical, opaque, and disengaged methods of economists and social scientists, or by the polemical, rhetorical tone of radical anti-developmentalists. Klitgaard and Dichter offer two very different writing alternatives, a refreshing break from the traditional style of writing and representing the developing world.

Klitgaard's book reads like a series of autobiographical entries in a two-year journal. His first-person writing style is fast-paced, crisp, and oftentimes, hilarious and charming. Here is a piece on the graduation ritual for secretaries trained under a UN project:

The ceremonial occasion called for rhetoric, and no one has ever accused either the United Nations or Equatoguineans of underdevelopment in that domain. A series of UN and government officials spoke. And spoke. And spoke. Their words were grand, their sentences endless. In rotund turns of phrase — indeed, in spiraling helices of phrase; in snarled fishing lines of phrase; in endless small intestines of phrase — the speakers ingeniously explored and invented connections between “qwerty”, alphabetical filing, and socioeconomic advance...

It is also a representation of a country in accordance with our expectations about Africa — a Hobbesian existence in most ways, as we are treated to the brutish unleashing of mosquitoes and maggots amidst nasty weather. Yet it is also a nuanced country of Wordsworthian moments, those Klitgaard describes eloquently as a place where “(O)ne can be overwhelmed by Africa’s problems at one hour and be enthralled by the cultures and natural beauty in another.” In this, he writes of Africa and of *all* developing countries, caught in the “radical swings in emotion and perception.”

Dichter’s book is written mainly as an analytical piece. It sets out, quite convincingly, to prove a central hypothesis. Data is deployed in construction of persuasive arguments. Eight chapters are standard social science argumentation, and Dichter ably complies with the canons of that academic community. But the analytical chapters are interspersed with eighteen short stories that trace the career of a consultant he baptized as Ben Rymaker. No doubt, Ben is Dichter’s life fictionalized. Ben, as the central character in each story, is positioned in a variety of developing country situations. It is a clever literary device to break what could sometimes be a conceptual overload. The stories achieve a sense of realism, according to Dichter, because they “...ground the analysis in the realities of development assistance as it is practiced day by day, year by year, and especially at the field end of things where the project and the poor meet.”

But even as they relate different plots and messages — some of them poignant, others hopeless, futile and cynical, and still others a confessional of ethical dilemmas, they are also universal situations confronting every development practitioner who has set foot on underdeveloped soil and has been enamored by the possibility of contributing to the common good. They are what I term “mirror narratives.”

Dichter narrates the early stages of Ben’s development career as a Peace Corps volunteer in Morocco. His initial romantic view of the developing world fills him with personal satisfaction in his role as an English teacher, and he is emulated and appreciated by his Moroccan students, many of them older than he. He also views Morocco as a kind of “unconquered” territory, a place where, according to a friend of his, Ben could “play Lawrence of Arabia.”

But he is shattered by the rejection of the same students who throw him out of the classroom when he appealed to them to withdraw from participating in a national strike. His status as teacher was all but

forgotten in the heat of domestic strife. At the end of his teaching stint in Morocco, he wondered about the country and the people he thought he had come to know, as well as those who had come to know him and profess to even love him. He questioned his assumptions about a good-willed, good-natured American spreading the “gospel of modernization” in English — and how utterly wrong he might have been.

The story of the USAID contractor in the middle of Ben’s adult career is a sharp-edged narrative about *devbiz*. It details the tediousness of winning a contract — the Washington cocktails, “representational entertainment,” “contract bidding” and “body shopping.” Ben is “shopped” as a long-term consultant by a USAID contractor for a Philippine project. He is required to submit regularly a “logframe” — USAID’s standard project management tool. After a year, he must prepare for the ritualistic mid-term evaluation and demonstrate positive project results by then if he is to retain his post.

Negotiations for the conditions of his consultancy are focused on the “Sunday differential,” the “hazardous duty differential,” and the aid “max” that he is entitled to in a “hardship post.” Hardship, he relates with delicious irony, is rooted in “American chauvinism.” It presumes that if you are an American, you are a Norman Rockwell American — white, small town, and Christian. When the negotiations are long over and he is ready to assume the COP (Chief of Party) status nearly a year after he was body-shopped by a “beltway bandit,” Ben’s first thought is on the cost of hiring a maid and a driver in northern Philippines. If only for these stories, this book is a must-read.

V. THE MEKONG CONNECTION

So what, the reader may ask, do these two books have to do with the Greater Mekong Subregion? Why is Equatorial Guinea in 1985 relevant for the Mekong countries in the new century? How is Dichter’s critique useful in guiding the as-of-yet malleable development strategy in the Mekong?

By all measures, Equatorial Guinea shares many similarities with the Mekong countries. The GDP per capita of Lao PDR (\$1,620), Cambodia (\$1,860), and Myanmar (\$1027) are almost at par with that of Equatorial

Guinea (\$1,120).⁴ As HIV/AIDS is the scourge of the African continent, so it is with Cambodia, Thailand, and Yunnan Province in southwestern People's Republic of China. The infection rate is highest in Cambodia at 2.7%, followed by Thailand at 1.7%; in Equatorial Guinea, it is 3.38%. Women suffer particularly: 3,000 women living with HIV/AIDS in Equatorial Guinea.

Life expectancy rates are among the lowest in the Mekong countries, comparable with that in Equatorial Guinea and most of the African countries. In the years 1970–1975, citizens of Cambodia, Myanmar, and Lao PDR could expect to live only up to the ages of 40 to 49 years. Within that same period, Equatoguineans could expect to live 40 years. In the period 1995–2005, life expectancy rates in all four countries increased by about 10 to 15 years, so that Cambodians, Laotians, and Myanmar citizens now can expect to live from 52.5 to 55.8 years. Today, Equatoguineans have a life expectancy 50 years — still very low compared to Thailand (77 years) and People's Republic of China (70 years). They have the lowest life expectancy rates in the world.

The shift in dependency has been remarkable for Equatorial Guinea. In 1990, 46% of its GDP consisted of Official Development Assistance. In 2000, this was drastically reduced to 1.6%. Net foreign direct investment has increased steadily in the last ten years, while total debt service has decreased from 3.9% of GDP in 1990 to 0.4% in 2000. Dependency has been reduced in the last fifteen years, not by development assistance but by the discovery of oil.

In contrast, Lao PDR's ODA share of GDP decreased by a miniscule amount in the last ten years from 17.3% in 1990 to 16.4% in 2000. Lao PDR dependency threatens to be exacerbated by a steady increase in total indebtedness from 1.1% of GDP in 1990 to 2.5% in 2000.

VI. LESSONS FOR GMS DEVELOPMENT

In the last ten years at least, the international development community — including the Asian Development Bank, the World Bank, the UN system,

⁴ UNDP. *2002. Human Development Report 2001*. New York: UNDP. There are contradictory figures for Equatorial Guinea as reported by the World Bank (2003) and UNDP (2002), the same problem Klitgaard encountered in 1985. I utilize the 2001 figures for demonstrable effect with the GMS countries.

and various international donor organizations — has launched an ambitious program to bring development to GMS countries. The numerous lessons of nearly thirty years of development experience by the two authors are truly worth considering by and for GMS countries. Not all their messages are very flattering or laudatory. But in the exercise of any vocation, some discomfort is always expected.

One lesson cited by Klitgaard implicates the very title of his book. What does one do with tropical gangsters, i.e., the pernicious problem of corruption? Unfortunately, Klitgaard sidesteps this nagging question, a question quite relevant for Asia today.

Equatorial Guinea likewise provides valuable lessons for integration. Tribalism is rampant in the country as it is in most of Africa, and there is a high degree of instability. The same is true for the GMS. Great disparities exist in population size and income among the GMS countries. Among its 255 million inhabitants, 75 million are ethnic minorities, a majority of them suffering from chronic poverty and lack of access to basic services. They are in the remote mountain areas, located at the margins of society, and outside of an emerging common market. Like Equatorial Guinea, Myanmar continues to fall behind socially, politically, and economically.

Integration, while an ideal worth pursuing, will have to be achieved through more efforts than just “economic corridors” — the heart of the ADB/GMS strategy characterized by “connectivity and competitiveness.” A more cautious and sensitive appraisal of the broader social, cultural, and political environment of the GMS should be used by the ADB to give more substance to its GMS strategy. More specifically, ADB needs to provide a more robust approach to the third pillar of the GMS strategy, namely, “community.”

Dichter’s critique of development assistance, while bruising, is not totally dismissive of the role that it can play. But it is a role that must be refashioned according to two dictates that will allow development to take place. These are surprisingly simple: first, assist poor people so that they themselves can create wealth; and second, protect their wealth through a system of laws that guarantee private property. Dichter calls for the dismantling of the aid industry, beginning with the bilateral bureaucracies all the way down to the smallest NGO recipient of donor money. He maintains that development assistance must henceforth be confined to refugee assistance and emergency relief. Other programs such as maternal and childcare must only be undertaken as an “extension of those two realms.”

The most effective purveyor of development, according to Dichter, is the private sector. This sector has been “more effective at development than we development professionals have been.” Over time, Dichter believes, the private sector will “give the poor what *they* want, which is first and foremost increased spending power and the means to get it.”

While Dichter is mostly correct about his discomfort with development assistance, he still needs to answer the central question: how can the private sector be enlisted in the development mission? Mostly, the private sector responds to market signals rather than developmental ones. Sometimes those signals intersect; frequently they don't. Conventional wisdom has taught us that the poor remain outside of the market because of their lack of purchasing power. This in turn makes them unattractive as private sector partners in market activities. At best, the private sector treats the poor as business risks; at worst, they are simply business-unworthy. Thus they continue to remain poor and the vicious cycle is perpetuated.

Rather than demolishing development assistance altogether, Dichter's proposal can be refashioned into expanding the role of the private sector in promoting development. This is not a new idea or a novel practice. Multilateral institutions have experimented with private sector organizations for several years. In the GMS, however, there is a huge scope for prompting pro-poor entrepreneurship and the ADB should consider moving more aggressively into this area.

Further, the nature of private sector funding must also be specified. The support for creating small businesses must supersede those projects that demand enormous amounts of money. Priority must be given to development activities that stimulate economic exchange among the poor, particularly in terms of enrolling them in the market. Capacity building, the new buzzword in development assistance, must be directed towards the creation of an everexpanding layer of entrepreneurs who create wealth. In this, they will have a stake in development. In Malabo, Klitgaard got it right. He surveyed the small businesses and discovered they

...have been succeeding in difficult environments...These were the people, we thought, who might be centrally involved in the country's economic rehabilitation... This was grassroots African capitalism, vigorous and hardworking. Though they worked with primitive technologies and few management skills, in the short run these were not their problems. What they needed most were

liquidity and demand. They needed access to credit, easier regulations, help in developing export markets. And the government had to get off their backs. Two thirds of the revenues of the cities of Malabo and Bata came from taxes on small businesses, peddlers, and market stalls. The government had to see small business as something to be freed, not something to be regulated and licensed.

The discourse must change as well. The term “project beneficiaries” ought to be dropped. The tone of a hand-down is implicit in the term and the supposed benefits of these hand-downs are questionable. In its stead, the term “actors” or “agents” must be adopted. The poor must be seen as capable of self-will and self-direction. In short, we must treat entrepreneurship among the poor as axiomatic.

In the poorest GMS countries, the private sector is still at a very nascent stage. In countries like Cambodia, the NGO and government sectors are the major agents of development. In Lao PDR and Myanmar, development is sponsored almost exclusively by government. The danger of fuelling dependency cannot be overstated, nor should the opportunities for corruption be overlooked. The temptation for securing fat consulting engagements to fuel our appetites for spiraling fees is endless. Both authors have marshaled nearly thirty years of development experience to reflect on their own roles as development experts. Their work has also provided realistic alternatives to improve development practice.

Perhaps the time is ripe to heed Dichter’s suggestion: “[to] be light-handed and perpetually experimental... indirect, and subtle... that will require far less money and far less people.” Or, quoting Klitgaard quoting Steinbeck:

It is so easy to give, so exquisitely rewarding. Receiving, on the other hand, if it be well done, requires a fine balance of self-knowledge and kindness. It requires humility and tact and great understanding of relationships. In receiving you cannot appear, even to yourself, better or stronger or wiser than the giver, although you must be wiser to do it well.

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