

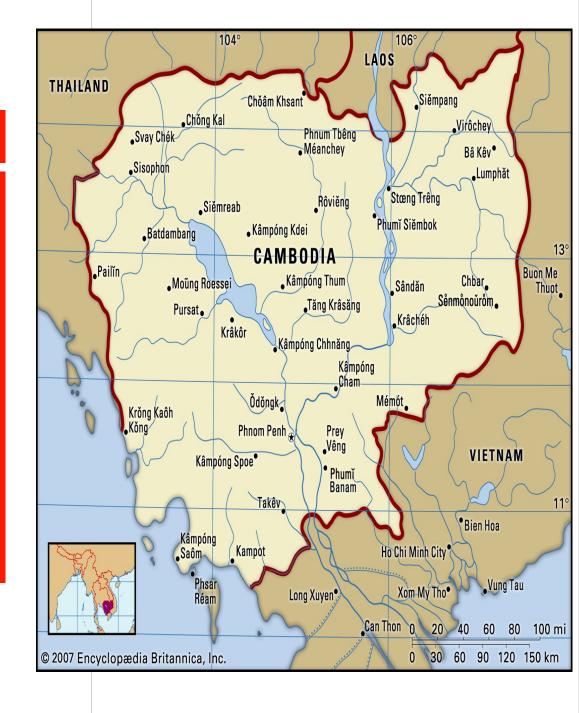
### TOPICS:

- 1. A brief Cambodian history.
- 2. Who are the actors making decisions in Cambodia?
- 3. How has Cambodia dealt with the virus? What strategies have been employed?
  - 4. What are the effects COVID-19 has had on Cambodia?
- 5. How effective were the strategies put in place to combat COVID-19??
  - 6. How could Cambodia (and other international actors) have dealt with the pandemic better?

# An overview of Cambodian history and cultural context.

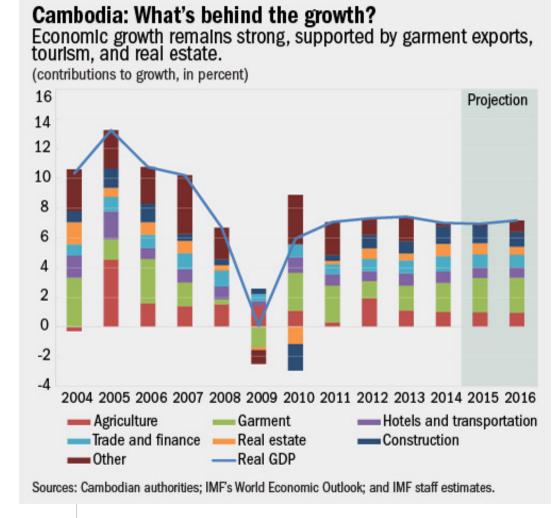
### Geography

- Borders three countries on its Western, Northern and Eastern sides
- Close to great powers such as China and India (allowing easier trade links)
- Two major rivers (Mekong and Tonle Sap) create fertile plains for growing crops
- Sea border to the south (Gulf of Thailand)



### **Economy**

- Employment rates 2018 0.65%
- Foreign aid major source of revenue since 1990s –
   Japan
- Tourism important source of revenue too



Source - International Monetary Fund website

## **History**

Events that left such an impact they still are reflected in life in Cambodia today:

■ <u>1953</u> - Cambodia gained independence from France

1.5 million Cambodians killed. The civil war strained and eroded the fragile structure. Scarce funds, unsettled conditions in the country, poor sanitation, and a shortage of medicine contributed to high incidences of diseases.



#### Education

Education – Cambodia's educational system, was another casualty of warfare and ideology. Fewer than half of the country's students enrolled in primary school proceed beyond the fifth grade. Overwhelming majority of students at the country's main institutions of higher education are male (four-fifths of males and two-thirds of females are



## Society

- 16.25 million people living in Cambodia in 2018
- The Khmer people account for the vast majority of the population, 97%, producing a homogeneity unique in South East Asia that has encouraged a strong sense of national identity.
- 3/5 of the population are under 30, 1/3 are under 15.



### Society

- Healthcare system long had an acute shortage of medical personnel, a major obstacle to an effective health program and hampers responses to the pandemic. Phnomh Penh has the country's best health care facilities and trained medical personnel, whereas most rural areas are served only by local infirmaries. For more complicated procedures people are typically sent to neighbouring countries, such as Thailand.
- Common social practises families would live together on farms, and would be relatively self-sufficient, growing their own foods and raising cattle too.
- Religion Buddhism (even to the point it was the official state religion until 1975 when Khmer Rouge outlawed religion) 93%, Muslim 4%, Protestant Christian 2%. Ways of Buddhism still deeply ingrained into the way of life (e.g. principles of conservatism, patience)



# Who are the actors making decisions in Cambodia?

### **Political Overview**

Technically constitutional monarchy with two legislative houses. Executive power is exercised by the Royal Government, on behalf of and with the consent of the monarch.

 Foreign policy – relationships with other countries – good but pressured by larger more powerful nations like China, Vietnam etc







# The King

- Norodom Sihamoni since 2004
- Royal Council elects the King
- The silent king



### THE KING

- Article 7 The King of Cambodia reigns but does not govern.
- Article 8 The King is the guarantor of national independence, the sovereignty and territorial integrity of the Kingdom of Cambodia and the guarantor of the rights and freedom of all citizens and of international treaties.
- **However** the King has remained quiet in the crisis, apart from using his right to declare national state of emergency on 29<sup>th</sup> April 2020.

# **Prime Minister**

In 2017, the CPP-controlled Supreme Court dissolved the main opposition party, the Cambodia National Rescue Party (CNRP) and arrested its leaders.

Cracking down on the opposition in ways that are technically legal allows Hun Sen to improve his image domestically, even in the face of international opposition.

Has been trying to exert more control over media and social media recently, threatening legal action against his critics.

# Government under one party

- The 2018 general election, which was deemed flawed by the United States.
- MPs approved two controversial election laws which were condemned by rights groups as undemocratic for including restrictive provisions such as banning NGOs from criticising parties during election campaigns.
- Journalists are detained for sharing opinions or news about coronavirus.
- Cambodia faces EU sanctions for alleged human rights violations.



- The World Bank has approved \$20 million in credit to support Cambodia's COVID-19 response project.
- The EU has offered a \$61 million grant to combat COVID-19 and revive the economy.
- China, Japan and Vietnam have donated medical equipment and supplies, while Australia, France, Germany and the U.S. have each committed millions of dollars to assist Cambodia in the fight against the coronavirus.



Chinese President Xí Jìnpíng, welcomed Cambodian Prime Minister Hun Sen to Beijing.

Chinese companies account for most of the investment in Sihanoukville's 194 projects between 1994 and 2020, worth a total of \$30 billion.

#### **China and Cambodia**

As of June China remains the largest investor in Cambodia (over 30% of foreign investment is from China).

# How has Cambodia dealt with COVID-19?

#### Why so effective?

Perhaps lies in the fact that they were adopted quickly and early in the pandemic.



- 36,000 tests (since January)
- Extensive contact tracing of patients testing positive for Covid, which helped to rapidly break transmission chains and limiting the spread of the virus.
  - Temporarily shut down borders to foreigners, (especially Westerners)
  - Has closed schools, universities and entertainment venues
    - Banned domestic travel for one week
      - Cancelled new year celebrations
    - Quarantined more than 15,000 garment workers.



- The government drafted guidelines on Covid-19 infection, prevention and control measures and clinical care in collaboration with the Ministry of Health. These guidelines did not exist in the country before. These measures ensure that people with symptoms of COVID-19 are immediately separated from other patients.
- In only three weeks, over 300 new medical staff members were trained by MSF doctors and nurses. They learned how to follow the new procedures for dealing with the pandemic.

# Essential goods

- A task force was established to control the supply, maintain prices and ensure quality of strategic goods during the fight against covid. This determined the types of strategic goods that are essential for daily consumption during the Covid-19 situation for instance: rice, salt, vegetable, fish, meat, mask, cleaning alcohol, pharmaceutical and medical equipment.
- Exports of fish, rice and paddy rice are suspended to ensure the domestic supply. This period is an opportunity for the agriculture sector to grow while the industry and tourism sector are affected. The industrial sectors that produce medical and food are not impacted.

# Aiding Cambodians

- For factory workers who have been affected by the pandemic, the government and the employer has financial aided them with a total of 70\$ per month.
- Reduction of rental fees or deferment of re-payments without seizing property or implementing fines

# Actions of the government



- Prime Minister Hun Sen's in early April announced he would donate his salary for seven months (roughly \$17,500) to the National Committee for Combating COVID-19
- Other government officials have pledged to donate some or all of their salaries as well
- Cambodian business elite have also donated to support the country's anti-COVID-19 committee.

#### Is this good though?

'This move can be viewed as an act of kindness and patriotism, but to critics it is just part of the prevalent patron-client system in Cambodia: many low-ranked government officials, most of whom rely on their salary to feed their families, may have been under pressure to donate for fear of not being seen as a staunch supporter of the government".

# Assistance for Cambodia



- Help from NGOs has been instrumental.
- The WHO has helped coordinate and provided technical assistance.
- The World Bank approved \$20 million in credit to support Cambodia's COVID-19 response project.
- The EU has offered a \$61 million grant to combat COVID-19 and revive the economy.

# What affect has COVID-19 had on Cambodia?

#### The tourism industry

- ❖ Around 25% of Cambodia's economy depends on tourism and travel
- Tourism directly accounted for 13.6% of all the jobs in Cambodia in 2017.
- During the first two months of 2020, tourist arrivals contracted by 25.1 percent
- The number of tourists has flatlined resulting in a reported 99.5% drop in monthly revenue from almost US\$7 million a month in the previous year to just around US\$30,000 in April this year.
- Over 600,000 workers employed in tourism affected

#### Table ES.1. Cambodia has strong economic linkages with countries affected by COVID-19

Top 5 markets for Cambodia's merchandise exports, tourist arrivals and FDI origins (2019, percent)

Exports		Tourism		FDI inflows	
U.S.	26.8	China	32.6	China	40.0
E.U.	25.0	Vietnam	12.9	Hong Kong,	10.9
				PRC SAR	
Japan	7.7	Lao PDR	6.9	Korea, Rep.	7.8
Canada	6.2	Thailand	6.2	Singapore	7.1
UK	6.1	Korea, Rep.	4.9	Japan	6.2
ROW	38.2	ROW	36.5	ROW	28.0

Sources: U.S. Comtrade; Cambodian authorities; and World Bank staff estimates.

Note: Total merchandise exports = US\$25,199.39 million (2019); foreign arrivals = 6.61 million (2019); and FDI inflows = US\$2,845 million (2019e). ROW = rest of the world.

Source: World Bank Report (2020)



# Garment industry

- With about 750,000 workers, the garment industry is the biggest employer in Cambodia
- Up to 130 factories have asked the country's Labor Ministry for permission to suspend their operations entirely or partly.
- Around 100,000 Cambodian workers have recently lost their jobs, either permanently or temporarily



# Construction sector

- In 2019, construction and real estate contributed more than a third of GDP growth. Along with the export sector, the construction industry has been one of the main sources of government revenue from indirect and international trade taxes
- Between 175,000 and 200,000 informal workers are in the construction industry, or about 87 percent of the Cambodian workforce.

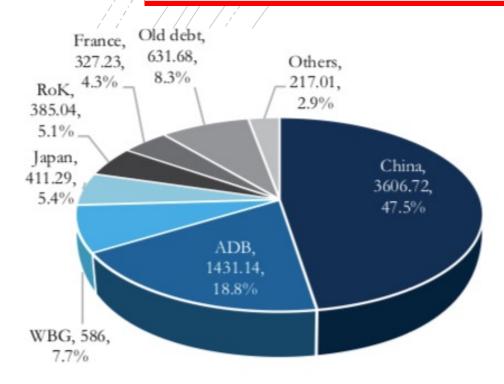


# Poverty



- The three most affected sectors—tourism, manufacturing exports, and construction—contributed more than 70 percent of growth and 39.4 percent of total paid employment in 2019
- At least 1.76 million jobs are currently at risk due to the COVID-19 outbreak
- COVID-19 could reverse Cambodia's effort in the fight against poverty over the past two decades
- According to the ADB, the current crisis could push an additional 1.3 million Cambodians into poverty. That's about 8% of the population.

# Futher dependency on China



Source: World Bank Report (2020)

- The overall fiscal deficit is projected to widen to 9.0 percent of GDP in 2020, down from a surplus of 0.5 percent in 2019
- To finance the widening fiscal deficit, public debt is expected to rise to 35 percent of GDP by 2022
- China remains the largest creditor, accounting for almost half of Cambodia's outstanding debt

# How effective were the strategies put in place to help Cambodia control **COVID-19?**



■ The strategies employed by the Royal Government of Cambodia (RGC) decided to move to Phase Two of the re-opening plan, which includes the nationwide re-opening of schools for Grade 9 and 12 from September 2020.



- Asian nations have been relatively successful in fighting the coronavirus, in part because of their experience in fighting other communicable diseases such as malaria and dengue.
- Health experts and analysts also credit other factors such as the effective responses of Cambodia's immediate neighbours. Additionally there is a cultural tradition and custom to wear a face mask, as the prime means of transport in those countries are motorcycles. Thus, often people wear masks to protect themselves from pollution or dust when riding. Masks were also being used in South-East Asia for a very long time as a way to stop the illness being passed on if one is sick.

#### Ineffective

Cambodia was slow to act as the virus began spreading out of China early this year. In mid-February, when cruise ships were turning out to be floating incubators of the disease, Prime Minister Hun Sen made a public show of welcoming more than 2,200 passengers aboard the MS Westerdam who had been refused entry by other countries. Luckily, it turned out that no one aboard the Westerdam was infected. The President Hun Sen only introduced strict measures in mid-March when the virus was starting to hit hard Europe and the USA.

# Socioeconomic factors



- Almost 80% of Cambodia's population lives in rural areas which have a low population density.
- A spread-out population makes it harder for the virus to spread due to less contact between people.
- It also makes it easier for the government to manage the pandemic by allocating resources to denser, higher-risk locations such as Phnom Penh, Siem Reap and Sihanoukville where outbreaks are more likely to occur.

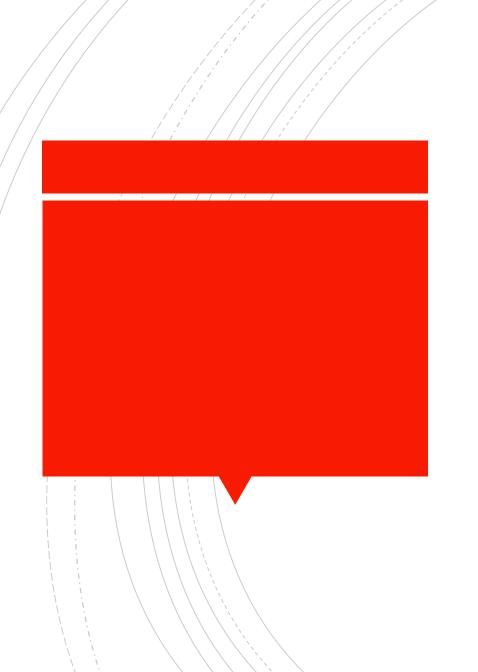


# OVERALL... it has been EFFECTIVE

How could Cambodia, (and other international actors making decisions in Cambodia) have dealt with COVID-19 better?

# How could they have improved their response?

- Need more tests to be conducted only 36,000 tested in a population of 16.25 million – only 2.2% of population have been tested.
- Should have closed schools and unis sooner rather than waiting until Spring
- They didn't close the border with China immediately unlike bordering countries. Chinese tourists still visiting Cambodia until quite late. Cambodia's success may be due to their neighbours actions.
- Repressed media media being controlled means they probably won't be reporting realistic facts and figures regarding number of deaths, number of infected



- Cambodia has one of the world's enviable records for containing the virus. It is believed that Cambodia's poor infrastructure became a blessing in disguise.
- Some experts argue that this has to do more with good luck and long-established cultural habits than with the government policies. According to the health minister there have been very few cases or patients in hospitals due to the virus and that there is no deaths resulting from the pandemic. Which has been causing doubts among international experts.