
The Political Ecology of Transition in Cambodia 1989–1999: War, Peace and Forest Exploitation

Philippe Le Billon

ABSTRACT

Over the last decade, forests have played an important role in the transition from war to peace in Cambodia. Forest exploitation financed the continuation of war beyond the Cold War and regional dynamics, yet it also stimulated co-operation between conflicting parties. Timber represented a key stake in the rapacious transition from the (benign) socialism of the post-Khmer Rouge period to (exclusionary) capitalism, thereby becoming the most politicized resource of a reconstruction process that has failed to be either as green or as democratic as the international community had hoped. This article explores the social networks and power politics shaping forest exploitation, with the aim of casting light on the politics of transition. It also scrutinizes the unintended consequences of the international community's discourse of democracy, good governance, and sustainable development on forest access rights. The commodification of Cambodian forests is interpreted as a process of transforming nature into money through a political ecology of transition that legitimizes an exclusionary form of capitalism.

INTRODUCTION

Ravaged by two decades of warfare, the genocide of a fifth of its population, and a western-led economic embargo, Cambodia in the late 1980s was a country in dire need of 'peace and reconstruction'. For Cambodia and other countries plagued by violent conflict during the Cold War, the transition of the early 1990s presented both a hope and a challenge. In response, international aid agencies and foreign powers focused their attention on conflict resolution and reconstruction, generating a large number of peace initiatives and development projects (Boutros-Ghali, 1994).¹

In Cambodia, this transition from war to peace was inscribed in the transformation of forests from a hostile territory controlled by Khmer Rouge

I would like to thank for their comments and assistance Tony Addison, Karen Bakker, James Boyce, Raymond Bryant and Erik Swyngedouw, as well as an anonymous referee of this journal.

1. For a critical review of the literature on 'Conflict, post war rebuilding and the economy', see Carbonnier (1998).

forces, into timber, the most valuable and internationally traded good in the country.² This commodification of forests has been critical to political factions and the population at large in their readjustment of control over economic resources. It is also seen by many as the main symptom of an exclusionary and unsustainable path of development fuelling a neither-peace-nor-war situation.³ In 1997, after nearly a decade of transition, the IMF concluded that '[t]he depletion of the country's most valuable resource [forests] ... with the direct involvement of the highest levels of government ... remains the single most critical issue in Cambodia' (Neiss, 1997). In response to the fiscal and environmental impacts of 'anarchic' forest exploitation, the Bretton Woods institutions (BWI) and other official development agencies pressed for legalization and transparency: logging should be licensed, with a substantial share of the resource rent channelled into state coffers. But this approach ignored a related and in many respects more central issue: to whom should forestry rights be allocated? The results of this approach have so far been minimal, even from the standpoint of the BWIs' concerns (see Table 1); from the standpoint of poor Cambodians, they have been disastrous.

After detailing briefly the association of timber with politics in Cambodia over the last decade, this article presents a conceptual approach — commodity chain analysis extended to discursive practices — and uses this to relate the organization of timber exploitation to the reconfiguration of power networks. The legalization of forestry is then discussed in relation to this reconfiguration and the discourse of the international community. The article concludes by setting out the consequences for the poor of exclusionary forest access.

CAMBODIAN TIMBER AND POWER POLITICS

Ironically, twenty years of war saved Cambodia's forests from the destruction associated with economic growth in the ASEAN region. Despite heavy US bombing and the murderous agrarian utopia of the Khmer Rouge, forests survived the 1970s. Their exploitation during the 1980s remained limited, the result of continuing war and a trade embargo by the West. By the late 1980s, nearly two-thirds of Cambodia's surface was covered by forests;

-
2. As such, this transformation encompassed a 'political ecology' of transition. Political ecology is defined as a political economy of the environment encompassing 'the constantly shifting dialectic between society and land-based resources, and also between classes and groups within society itself' (Blaikie and Brookfield, 1987: 17). For a discussion of political ecology, see Bryant and Bailey (1997).
 3. A commodification process refers, literally, to 'the extension of the commodity form to goods and services that were not previously commodified' (Jackson, 1999: 96).

a key asset for a country among the poorest in the world.⁴ Since then, however, much of Cambodia's forests have been exploited by intensive commercial logging as the country progressively reintegrated into the global economy.

The exploitation of Cambodian forests has in some ways been similar to that seen elsewhere in Southeast Asia over the last decade. Logging was politicized and sustained the power of the army and the political elite (Broad, 1995; Broad and Cavanagh, 1993; Bryant, 1997; Ghee and Valencia, 1990; Hurst, 1990; Vitug, 1993). Forest dwellers were adversely affected and progressively disempowered by large-scale commercial logging resulting from foreign demand, from Japan in particular (Colchester, 1993; Dauvergne, 1997; Potter, 1993). The Cambodian case was, however, complicated by the country's uncertain transition from a state socialist to a market economy in 1987, war to peace in 1991, and single to multi-party politics in 1993. From the signature of the Peace Agreement in 1991 to the end of the first mandate of the newly elected government in 1998, Cambodia exported an estimated US\$ 2.5 billion worth of timber, roughly equivalent to its average annual GDP for that period. By the mid-1990s, the exploitation of forests represented about 43 per cent of Cambodian export earnings, more than any other country at that time (FAO, 1997). Such impressive figures might suggest a rapid transition and successful integration into international trade; but virtually none of this financial windfall went into the accounts of the formal economic process of reconstruction and development.⁵ Forest exploitation escaped public taxation and reportedly fuelled the conflict, broadened wealth disparities, and deepened an environmental crisis (Global Witness, 1995a, 1996, 1998; Talbott, 1998). Yet, while commentators pointed to these negative consequences, logging was also an enabling factor in the transition to peace without military defeat or political integration of the Khmer Rouge rebels. Furthermore, while the blame was exclusively put on the corrupt and self-interested politico-military elite, the priorities of international policies and development programmes — such as controls on public spending, government down-sizing, and multi-million dollar studies by foreign consultants — also unintentionally promoted the creation of parallel budgets funded by forest exploitation and covering military expenses, infrastructure (re)construction, and complementing civil service salaries.

Commodity Chain Analysis: Production, Profits and Discourses

In its use as an analytical tool to examine the political economy of commodity production processes (Gereffi and Korzeniewicz, 1994; Hopkins and

4. Commercial forests (evergreen and mixed forests) decreased by less than 10 per cent between 1960 and 1990 (FAO, 1994).

5. The total public revenue collected between 1991 and 1998 represented only US\$ 97 million, about 12 per cent of what the government should have received under a proper system of taxation (Ministry of Economy and Finance, 1997; World Bank et al., 1996).

Wallerstein, 1986), a commodity chain is defined as ‘a series of interlinked exchanges through which a commodity and its constituents pass from extraction or harvesting through production to end use’ (Ribot, 1998: 307–8). This article uses commodity chain analysis to disentangle the ‘dysfunctioning’ exploitation of forests. As in other cases, forest exploitation involved ‘bizarre instances of co-operation between forces that are supposed to be locked in combat’ (Keen, 1998) and provided a ‘source of political patronage designed to award supporters and punish opponents in the broader struggle for political power’ (Bryant and Parnwell, 1996: 9).

Commodity chains are composed of networks of actors ‘clustered around one commodity ... [and] situationally specific, socially constructed, and locally integrated, underscoring the social embeddedness of economic organization’ (Gereffi and Korzeniewicz, 1994: 2). From this perspective, markets are not only regulated by economic rationality, governmental policies and legal mechanisms but are both constrained and enabled by a vast array of social relations and institutions such as, for example, kinship or religious institutions (Barber, 1995). The commodity chain is thus embedded in much wider networks of social actors and practices than those directly involved in the production of a commodity. In turn, the commodity itself shapes networks and institutions; especially in cases where single commodities — for example oil — dominate an economy (Karl, 1997). The underlying concept of social embeddedness emphasizes the role, and *construction*, of power in the commodification process.

Mainstream commodity chain analysis, however, concentrates on identifying actors and the distribution of costs and benefits and often neglects ‘the most politically sensitive sites along commodity chains, preventing that concept from uniting, in a comprehensive politics, consumption, culture, labor, and the use of nature’ (Hartwick, 1998: 425). Through her case study of the ‘Gold Chain’ linking miners from Lesotho to jewellers in London, Hartwick argues for a ‘politics of reconnection’, focusing on the conditions of production and the signs of exchange and consumption. Such analysis can indeed reconnect the variety of sites and actors involved, and identify the continuity of social relations in processes of production, control and exchange to provide a new perspective on processes of socio-political transition. Commodity chain analyses should therefore give greater emphasis to the role of discourse in shaping production, exchange, and consumption patterns. In this way, an appreciation of social embeddedness can be extended from the social actors directly involved in the operations of commodification to wider networks with which the commodity chain interacts. As commodities and money move across space and scales (micro and macro) within a global economy, the associated discourses change with the flow of information and the interpretation put upon it. Thus, timber stolen from communities at gun-point eventually emerges in European garden furniture stores under a ‘green’ label (Global Witness, 1999). Discourse analysis can encompass a variety of scales through the identification

of broad ‘discourse-coalitions’ bringing together social actors around a story-line ‘through which they can give meaning to the physical and social realities’ of a commodification process (Hajer, 1995: 65). Finally, the discursive approach to commodity chain analysis provides an understanding of how an idealized model of production can be constructed and influence solutions provided to the ‘dysfunctions’ of the forestry sector.

Evolution of the Forestry Sector over the Last Decade⁶

While forests had offered a refuge for insurgents since the late 1960s, their political role evolved as demand and prices increased in regional timber markets. From the early 1980s, Thai military groups entered into logging deals with armed factions located along the border in exchange for supplies and the protection of refugees. Similarly, Vietnamese troops and companies exploited forests inside Cambodia to export them back home. In between, small Cambodian co-operatives struck deals with one side or the other to provide timber to the domestic market, and local communities resumed traditional forest uses arrested by the massive forced displacement and collectivization imposed by the Khmer Rouge. However, these deals remained of minor importance for politico-military factions as long as foreign sponsors continued to offer financial and military backing.

When this outside support started to weaken in the late 1980s, timber was one of the few resources accessible to factions along the border and Thai companies were invited to open up large operations in territories controlled by these factions.⁷ Thai companies were themselves eager to secure Cambodian log supply as Thailand had declared a logging ban in early 1989, resulting in a five-fold increase of Thai timber imports within three years (Hirsch, 1995; Royal Forest Department, 1996). These dealings further extended and consolidated relations between the Khmer Rouge movement (KR) and Thai military, businessmen and politicians through important financial interests. Despite political progress towards a resolution of the Cambodian conflict, fighting on the ground escalated, partly to increase territorial control and thus financial revenue.

The need of armed factions for finance did not end with the signature of a Peace Agreement in 1991. On the contrary, the opportunities and uncertainties

6. For a detailed overview of Cambodia’s history, see Chandler (1996). On the third Indochina war, see Chanda (1988); for the UN and post-UN periods, see Findlay (1995); Heder (1995); Marston (1997); Shawcross (1994). For a specific discussion of the transition taking place throughout the 1990s, and the influence of both domestic and external factors on its course, see Curtis (1998).

7. Other main resources included gems, ancient stone carvings, scrap metal, rice, corn, fish, and forest products, as well as the taxation of trade and embezzlement of aid (Le Billon, 1999).

associated with political change reinforced a pattern of logging on the run and the sale of massive forest concessions inside the country. Each party attempted to secure logging deals before the elections scheduled for mid-1993. Regional logging companies started to operate in Cambodia, generating capital of high political significance in this emerging economy. Some of these deals reached across political boundaries and associated competing factions, anticipating the mutual accommodation of elites that would come to characterize the coalition government following the UN elections of 1993 (Ashley, 1998). Soon after the beginning of the peace process, the Khmer Rouge withdrew and resumed fighting. Unwilling to use force, the UN limited its coercive action against the KR to economic sanctions, including a ban on the export of logs. The ban was reluctantly observed by Thailand and in particular by the army as it represented the betrayal of an ally and a significant loss of revenues (United Nations, 1995).

With the formation in mid-1993 of a new coalition government — the Royal Government of Cambodia (RGC), bringing together the former socialist party in Phnom Penh (CPP) and the royalist party (Funcinpec) — the forestry sector rapidly grew under the impetus of increasing demand and greater involvement by regional companies. This growth took place in the context of a complex post-UN transition process: the new government was left with a war to fight but could not count on direct foreign assistance to help finance it. Yet, the desire of some donors to make the transition a success story based on ‘western principles’ rather than ‘Asian values’ combined with *laissez-faire* or self-interested assistance, guaranteed a sustained and relatively unconditional provision of humanitarian and development aid representing approximately half the national budget (Grube, 1998).

More importantly, Funcinpec’s leader and new First Prime Minister, Ranariddh, had to construct a power base within a state apparatus overwhelmingly controlled by the CPP. Funcinpec had few means and little resources to do this. It could either strengthen public support through better public management, improving the lot of civil servants and the population, thanks to policies developed by a few of its key technocrats; or it could use the institutional power inherited from its electoral victory to capture part of the rents available through the control of the state apparatus established by the CPP and create a clientele of its own.⁸ Ranariddh adopted the latter option, agreeing with Hun Sen on a mutually profitable sharing of resources, thereby undermining formal state institutions. Once this choice was made, its logic became self-reinforcing: ‘since no progress had been made in creating a rule of law or building democratic institutions, the only way to protect one’s wealth and position was to hold onto power’ (Ashley, 1998:

8. Clientelism and patronage are not new to Cambodia. Associated with extended parental ties and alliances, patron–client relations are culturally embedded and have been a constant pattern of Cambodian politics, linking in particular the monarchy or central leadership to provincial strongmen (Népoté, 1992; Thion, 1982).

69). In short, while both parties wanted to attract foreign investors, neither had a real desire to strengthen the state to the detriment of its own clientele and factional interests. Funcinpec was unwilling to rely on, and largely unable to command, the CPP controlled administration. The CPP was unwilling to credit Funcinpec for a governmental success. Furthermore, at every level of the administration, civil servants had to struggle with salaries well below subsistence, which resulted in widespread petty corruption. With regard to forestry, the formal state thus captured only a token portion of the wealth generated by timber exports as Table 1 shows.

Table 1. Value of Timber Exports and Revenue of the Government

	1990	1991	1992	1993	1994	1995	1996	1997	1998
Volume of timber exports (thousand m ³)	515	848	1,393	1,360	1,495	1,691	992	1,045	1,090
Estimated value (US\$ million)	77	170	348	340	374	423	248	188	218
Forestry government revenue (US\$ million)	n.a.	n.a.	1.5	3.3	39	27	11	12	5

Note: The volume of timber exported — much of which is smuggled — is only an estimate.

Sources: Reports from the RGC, Thai Forestry Department, and Global Witness.

Timber and Power Politics

As a result of this clientelist and corrupt governance, ‘uncontrolled practices’ flourished in the presence of a rapidly expanding private sector eager to benefit from the opening of this new frontier for capitalism. Since the late 1980s, the opening up of international trade and rapid economic growth in Cambodia had already resulted in an increased demand for timber and a flurry of ‘uncontrolled’ activities in the forestry sector. In the absence of effective regulation and large exploitation companies, the forestry sector had remained open to a multiplicity of groups including militaries, local businessmen, farmers and seasonal migrants. Many of these individuals were part of the *‘petit peuple’*, looking for cash in an increasingly monetized economy.⁹ This seeming anarchy was not chaos, but rather a spontaneous order resulting from the ability of individuals or groups to control and exploit forests and to trade timber.¹⁰ The illegal character of logging shaped this ordering and reduced the share of profits for many of the less powerful

9. The *‘petit peuple’* is the French expression used paternalistically by King Sihanouk to refer to peasants and common people.

10. Anarchy is defined here as ‘a system in which participants can seize and defend resources without regulation from above’ (Hirshleifer, 1995: 26).

groups, as people in positions of power — high ranking officials and military commanders — were able to extract large benefits for turning a blind eye, protecting, or even organizing these activities.

At the highest level of the state, both co-Prime Ministers recruited foreign companies to capture the forestry rent on their behalf, through forest concessions — covering all available productive forests by 1997 — and export contracts. Most of these deals were illegal, being granted with abusive tax exemptions, absence of public bidding, and in defiance of log export bans. Timber exports were used to finance a parallel military budget (Royal Government of Cambodia, 1994). In its drive to create and capture the forestry rent, the leadership even extended its complicity to the Khmer Rouge. Meeting the Thai Prime Minister, Chuan Leekpai, on 12 January 1994, Ranariddh declared that the RGC:

had decided to extend until 31 March 1994 the period for permitted export of unprocessed timber felled many months ago. . . . this extension applies, under the same conditions, to logs cut in zones controlled by the Khmer Rouge faction . . . [However,] since [this] matter is a sensitive issue both internationally and domestically, it should not be placed in the Joint Communique to be issued at the end of the visit of the Royal Thai Government delegation. (Ministry of Foreign Affairs, 1994)

Hun Sen confirmed this position as ‘that of the RGC . . . contracts previously signed by the Khmer Rouge will be honoured by the Royal Government of Cambodia’ (ibid.). Official declarations following the meeting denied any support to the KR by the Thai government, nor obviously by the RGC with which the KR was officially at war (Jennar, 1995). During the first three months of 1994, the government authorized the export of 750,000 cubic metres, bringing to the Treasury US\$ 32 million in taxes and perhaps as much as US\$ 20 million in bribes to high officials. About 70 per cent of the exported timber originated from KR areas, generating for that faction at least US\$ 15 million in revenues. A similar deal, amounting to one million cubic metres was agreed in early 1996 with the Thai government, this time without any reference to fiscal provision (Royal Government of Cambodia, 1996).

This contradictory logic of political accommodation between supposed political and battlefield enemies to further their own ends was repeated in numerous instances at the local level. While outright confrontations did take place (over control of rich forest stands, transportation routes and log piles, for instance), military commanders from both sides often came to business agreements of mutual interest while maintaining a minimum level of conflict guaranteeing their control of the region over civilian institutions. In simpler and more frequent cases, Khmer Rouge units were paid protection fees by logging groups, often after using threats or violence, including destruction of equipment, kidnapping and massacres. While this revenue fuelled the conflict it also facilitated the development of an accommodating political economy of war. Forest revenues resulted in a rapid ‘embourgeoisement’ of local military commanders, including among the KR. These developments facilitated the defection of some KR units in 1996 as the flow of timber was

cut following international pressure on Thailand to close its border to KR exports in mid-1995.¹¹

Despite the mutual accommodation of the elite, the political relationship between the two ruling parties deteriorated sharply from early 1996 as Funcinpec voiced its frustration over CPP's increasing grip on power. The situation was complicated by the problem of political allegiance of defecting KR units that remained in partial control of their troops, territory and resources. In the context of upcoming elections, the governmental coalition finally collapsed during a coup in July 1997 as a result of the instability created by the problem of allegiance of these newly available forces and the resources that they controlled. Logging along the border with Vietnam increased after the coup to finance the electoral campaign and military offensives against remaining Royalist and KR forces (Global Witness, 1998). The elections in July 1998 confirmed the CPP in power, although without an absolute ruling majority.

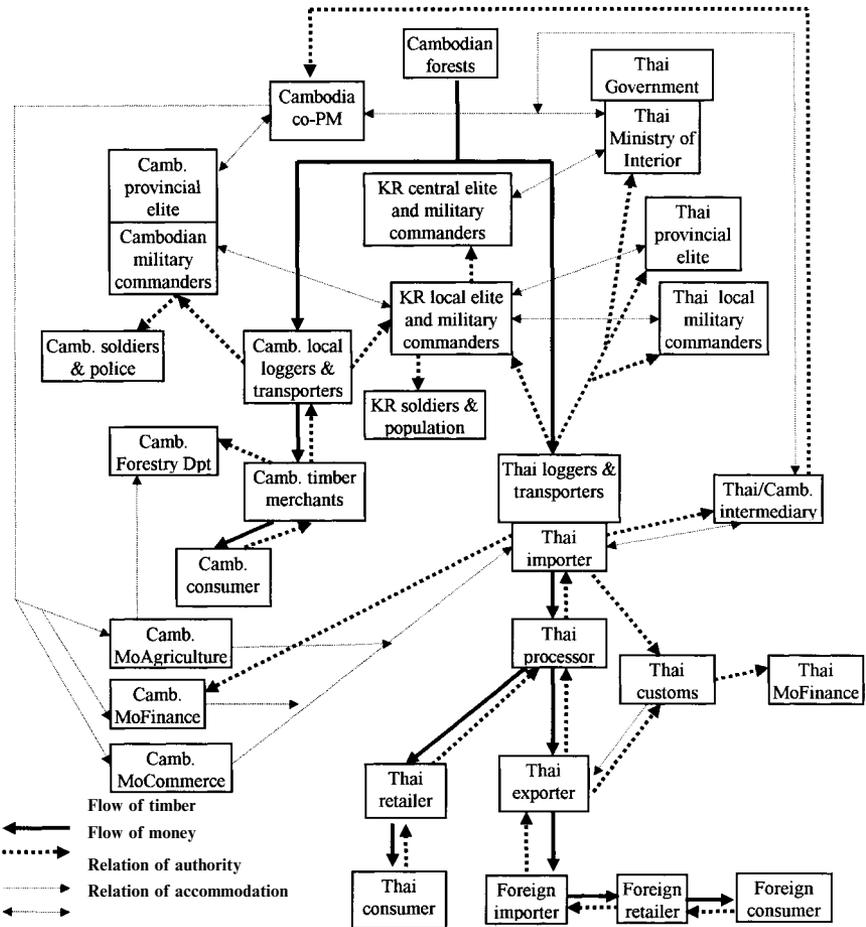
With a legitimized hold on power, the CPP — and more specifically Hun Sen — did not have to rely systematically on a parallel budget to sustain its power base. Rather, the new government needed to repair an image damaged by the coup and to consolidate the election dividend by responding to the demands of international donors. At the top of these demands was a clean-up of the forestry sector, which the government addressed through a heavy-handed crackdown on so-called 'illegal activities'.¹² However, the targets of this cleansing were mostly small loggers and unruly political clients, rather than key forest concessionaires.

Organization of the Timber Commodity Chain

Between 1989 and 1998, the value of timber exported to Thailand from Khmer Rouge controlled areas represented around US\$ 700 million, with earnings for the faction estimated at US\$ 150–200 million (Le Billon, 1999). The main area of exploitation was the heavily forested western region between Thailand and Cambodia, which had been under the control of the Khmer Rouge since the early 1980s. Figure 1 presents a simplified

-
11. The closure of the border was not the only factor pushing part of the Khmer Rouge movement to defect. Other factors included governmental military pressure, a growing dissent among local commanders against the orthodox policies imposed by the party elite and their demand for increased revenue transfer. The government had also secured the support of some Thai companies operating in KR territory through a series of agreements with the Thai government asking companies to pay taxes to the Cambodian government in exchange for legitimacy (Global Witness, 1996).
 12. Over 900 small-scale sawmills were closed down or destroyed in 1999, often through the use of military force (Director of the Forestry Department, interview with the author, 2000). This resulted in a doubling of sawn timber prices on the domestic market and in the disbanding of an estimated 11,000 people working in the forestry sector

Figure 1. Timber Commodity Chain in Pursat-Battambang Area (1995–1998)



representation of the timber commodity chain in this region. Forests along the border were exploited during that period by about fifteen Thai companies which, until mid-1996, provided KR units with much of their revenue through forest concession fees. As mentioned above, between 1993 and 1996 the RGC authorized some of these companies to officially export timber against the payment of a tax, while the RGC was still at war with the KR. On the eastern side of that region, government troops also exploited forest fringes, but on a much smaller scale and at greater risk due to land mines and fighting. Deals were also occasionally struck between logging groups and the KR, but access to forests generally followed successful dry season offensives placing new areas under the (temporary) control of the RGC.

With the defection of KR units in mid-1996, logging and its control became increasingly fluid. In several areas logging resumed once contracts had been (re)negotiated by CPP army generals. However, given the log export ban, logging remained limited and activities concentrated on local processing for export to Thailand. The new arrangements between the RGC and the KR defecting units occasionally gave way to tense disagreements, especially in the context of the instability and resumption of conflict following the coup d'état in July 1997. For example, in August 1997, the KR commander of Front 909 (re)defected to join KR loyalist forces in part because of the seizure by government forces of US\$ 23 million worth of logs and logging machinery from 'his' area (Global Witness, 1998).

LEGALIZING FORESTRY: MOVING FROM ANARCHY TO IDEALS

As the state leadership sought to control timber, so the international community tried to ensure a democratic and green transition. Both objectives were partially met by the legalization of the forestry sector. However, the international community's idealized model of timber exploitation contrasted with the aims and practices of shadow state politics which governed the implementation of the legislation. Thus, one should deconstruct the idealized model in order to understand how shadow state politics came to be legalized.

Ideal Timber Commodity Chain

Figure 2 shows an idealized timber commodity chain. This conceptualizes the set of processes associated with a well-regulated market economy operating in the framework of a working democracy. Promoted by development agencies, this model contrasts with the highly personalized set of relationships shown in Figure 1. This contrast between the ideal and the reality is often all too typical of transition societies.¹³ In this idealized model, markets promote the commodification of forests into timber. This commodification arises from the inputs coming from government, including regulations, as well as from private firms, through capital and management. The population has a multi-faceted role; it provides wage-labour to the industry, and it mandates through the electoral process the government to control firms in the public interest. Moreover, the idea of the nation-state and the needs of Cambodia's people provide the basic rationale for exploiting forests in the interest of society as a whole. In the idealized model, the government–population nexus therefore acts as a safeguard, as the logging industry operating in tropical forests is generally recognized as having 'no stake in [forest] sustainability ... unless the society puts a value on

13. One might think, for example, of the control of Russia's natural resources (Aslund, 1999).

authority are, together with overt coercion and violence, used to expropriate communities of their forest rights.

By pushing this ideal model without being able to resolve unequal power relations, donors paradoxically strengthen shadow state politics by validating an exclusionary system of resource access. As Cambodia's 'new democracy was not created in a vacuum [but] had to adapt to Cambodian political and social realities' (Curtis, 1998: 152), so did timber exploitation. Rather than using the ideal model as their guide — which assumes a working democracy — donors and development agencies should first address the reality of unequal power relations that determine conditions of access and definition of rights. It would therefore be better to adopt a model strengthening direct community access to forestry rather than leave the task of resource control and distribution to the state on the false assumption that the rent will be used for societal goals. The powerful will of course continue to protect their personal interests, but this alternative strategy will at least offer more access and protection for the powerless while furthering the processes by which a functioning democracy will emerge.

Timber and Aid Conditionality

Since the early 1990s, timber has become a symbol of Cambodia's failed transition to 'sustainable development' and 'good governance'. Logging was seen by many as impeding peace-building through its relation to civil war, endemic corruption, weak tax mobilization and its contribution to severe environmental degradation, human rights abuses, poverty and food insecurity (Global Witness, 1995a; Neiss, 1997; Shawcross, 1996; Talbott, 1998). From 1995 onwards, the international community began to attach critical importance to forestry legalization as a key means for improving the transition of Cambodia from war to peace and from poverty to prosperity. The forestry issue took an increasingly important place on the agenda of donor-government meetings. In many ways, illegal logging had become the symbol of what was 'wrong' with the government. Indeed, forestry issues provided the donors with a means to express their views on more sensitive issues, such as the economic role of the army and the ambivalent relationship of the government and the KR. By using the idealized model, donors simplified the role of forests in the process of political and economic transition.

The realities of the Cambodian forestry sector placed critics, such as Global Witness, a British NGO concerned with links between environmental exploitation and human rights abuses, in a difficult position as there was already considerable momentum behind the idealized model. Global Witness had first conducted a successful campaign to put an end to Khmer Rouge timber exports to Thailand in 1995 and 1996 (Global Witness, 1995b, 1996). It then shifted its action towards an agenda of 'good governance' in

the forestry sector, thereby joining a diverse coalition led by the main political opponent of the government, Sam Rainsy, as well as the IMF, the World Bank, and some western countries. The IMF and the World Bank chiefly focused on legalization of forest revenue but also feared that resource mismanagement would ‘undermine the structure and equilibrium of the Ministry of Finance and have undesirable and dangerous effects on society through the widening gulf between elite with access to [the wealth generated by] concessions and the general population . . . [and] might have long term effects on the environment’ (anonymous World Bank official, interview with the author, 1997). Despite their differing concerns, the international community — the ‘discourse-coalition’ — pursued a common strategy of legalization promoted by aid conditionality.

Legalizing Shadow State Politics

It was always likely that forestry revenues would be contested in Cambodia — as in other transition countries — as individual actors manoeuvred to improve their position in an unstable political environment characterized by a breakdown of law, institutions and even customary rules of social behaviour. The ‘survival’ strategies of individual actors, rather than any ideal economic or legal rationale, shaped the commodification of forests.

To satisfy donors, the government adopted a ‘public transcript’ of reconstruction, largely dictated by donor experts (Scott, 1990). At the same time, political leaders pursued a more personal agenda, including exclusionary access to forests, thereby conducting both ‘formal’ and ‘shadow’ governance. The ‘formal state’ can be defined as the official institutional structures and the political and legal system regulating them. The ‘shadow state’, a term coined by Reno (1995: 3) in his study of corruption and warlordism in Sierra Leone, refers to the system through which rulers are ‘drawing authority from their abilities to control markets and their material rewards’. The ‘formal’ and ‘shadow’ sides of the state are not neatly divided, as actors and relations overlap, but this conceptual division helps in understanding the supposedly ‘irrational’ behaviour of the state during periods of crisis or transition.

This vision of the shadow state shares elements of the idea of a state in crisis developed in the 1990s around such concepts as ‘quasi-failed’, ‘fictitious’ or ‘predatory’ state (Jackson, 1990). These concepts describe the state in terms of its failure to provide public services (such as sovereignty, order, justice and welfare), emphasizing the self-interest of actors within the state apparatus. Such state ‘failure’ has coincided with, and sometimes been wrongly attributed to, the end of the Cold War ‘order’, the rise of ‘ethno-nationalism’ and other divisive forces (Clapham, 1996). In the transition context of the late 1980s and early 1990s, the evidence points to an alternative interpretation under which the *apparent* failure of the state is the result of ‘shadow state’ strategies. These are mechanisms by which a political

leadership manoeuvres to assert its control over key resources, thereby transforming its position into effective power. The ‘shadow state’ is thus a domestic response to the political challenges and opportunities posed by multi-party democratic governance and the neo-liberal perspective of ‘government by the market’, in which ‘the market is viewed not merely as a means of allocating goods and services but as a form of social regulation’ (Graf, 1995: 141). Rather than opposing such a dominant paradigm, state actors seek to co-opt it, thereby benefiting from its financial opportunities, including access to aid, while simultaneously reshaping it into an instrument of power.

Donor threats to cut aid failed to yield tangible results and led, in mid-1997, to the IMF cancelling its Cambodian programme. In the context of the coup d’état, other donors and NGOs also froze their assistance, while a number of countries, including France and Japan, sustained theirs. The failure of aid conditionality was mostly related to the political cost of stopping the financial flow generated by logging. Not only had each co-Prime Minister relied on parallel budgets to support his power base, but the increasingly tense political situation meant that maintaining and controlling such flows was critical to remaining in power. Shortly before the coup, an official close to the co-Prime Ministers argued that:

To provide revenues to the Public Treasury is not the norm. Now, we make a lot of money. If we inject this money in the Ministry of Finance what will be the use? And who will benefit from this money? We don’t know! If I do not steal this money, somebody else will do it and will kill me with the weapons bought with it. (Anonymous, interview with the author, 1997)

The state rarely acknowledged in public this logic of shadow state politics. As a legal adviser to the Council of Minister privately stated:

The World Bank wants to do a legislation and a pro-forma contract in order that we don’t trick them too much. The leaders operate in this [clandestine] way because the [public] opinion is not in favour of timber exploitation, and between the public good and the [political] imperatives [we have to choose the latter]. There will never be a ‘just’ exploitation of timber. Whatever will be the way, good or bad, they will never receive the support of the public opinion. So, there is no will [among leaders] to protect [the forest]: why write a law when even the most protective one will not be approved by [public] opinion? (ibid.)

Leaders were of course less preoccupied by public opinion than by securing control of a key resource for their power base (another indication that the ideal model does not reflect Cambodia’s political realities). Indeed, under pressure from the international community, Hun Sen first responded by threatening to cut more forests if aid was stopped because of illegal logging. Following the suspension of aid by the BWIs, he justified illegal logging by citing its role in poverty alleviation, arguing that:

If Global Witness wants to end the logging, it should help us, give us money. Nobody wants to die. Since [illegal loggers] have nothing left to eat and since they are not able to ... do anything else, they are forced to cut trees to earn a living. This is why forests are denuded. The policy of imposing sanction is only punishment and kills the poor. ... The sanction or

embargo or aid suspension will not kill Hun Sen but the Cambodian people. It also kills Cambodia's environment [as funding for environmental programs is stopped]. (Hun Sen, 1997)

Yet the poverty argument leaves aside the disproportionate benefits reaped by large companies and powerful individuals, which had been granted tax exemptions and 'exceptional' logging authorization even during logging bans, and their role in the leadership's power base. As a provincial vice-governor pointed out:

If the forest is closed by the central government, how can poor families find rice... Authorizing a little bit of smuggling gives a better situation for [poor] families. If you don't let the poor do [it], then only big businessmen benefit. (Anonymous, interview with the author, 1997).

This bias was indeed demonstrated in 1999 when the most powerless illegal loggers were violently driven out of the sector, becoming the first victims of legalization.

Moving from Anarchy to Ideals

As long as Cambodia's political leadership resorted to unlawful logging to secure their privileged access to resource rents, a number of peripheral actors — including some underprivileged groups — could also benefit from the state of lawlessness that was thereby created. In the prevailing anarchic situation informal social networks, local knowledge and authority, but also potential for violence, had broadened opportunities for personal gains. The government crackdown on illegal logging in 1999 and the imposition of a biased legal framework giving exclusive rights of forest exploitation to a few concessionaires ensured, on the other hand, a concentration of profits in their hands and that of their political backers. While these profits have been curtailed by a significant increase of royalties (from US\$ 14 to US\$ 54 per cubic metre), domestic buyers have become dependent upon concessionaires for the provision of much needed sawn timber.

Provincial bosses resisted the concentration of profits by international companies and the leadership accompanying the lease of large logging concessions. Provincial governors, administrators, military and police or local businessmen were eager to secure a share of the growth of the forestry sector or limit the impact of these developments on their own timber businesses. Their resistance included red-taping, illegal logging, intimidation, kidnapping and murder. In response, foreign logging companies paid protection bribes, bought illegal logs, or created 'joint ventures' with local leaders and businessmen. Politically divided, the ruling elite in Phnom Penh resorted to accommodation to assert its authority in the provinces. Thus, the shadow state does not arise purely out of the interests of the ruling elite but is a compromise between the ruling elite, and lower state strata and their

business allies. Those provincial bosses and domestic business people who were unable to secure a stake in the legal sector lost out in comparison to their position in the anarchy of the early 1990s. The legalization therefore enabled Phnom Penh not only to further its own personal interests but also to consolidate its power at the local level by undermining ‘unruly clients’.

The responses of the international development community to this reality were blinded by their ideal model in which the problem was conceptualized as one of ‘bad management’. In the context of the Rio conference in 1992, some NGOs and development agencies wanted a complete ban on logging — thus converting Cambodia’s forests into Asia’s ‘Green Lungs’ or a ‘World Park’ — a position completely unrealistic given the importance of logging to community livelihoods and the power-base of politico-military factions. A similar argument was made for Cambodia’s fisheries in the Gulf of Thailand. None of these views facilitated devolution of access over natural resources to domestic businesses and communities.

As demonstrated by the state of forests prior to 1970, devolution to the local level was largely compatible with sustainability. Then, as now, the degradation of forests by the labour-intensive methods of the peasants was minimal, compared to the highly mechanized operations of TNCs. Similarly, under devolution, income opportunities and distribution were considerably broader (Le Billon, 1999). It is clear that abusive exploitation and racketeering by provincial bosses occurred during anarchic times, and minimal wages were paid for dangerous work. But tens of thousands obtained employment in forestry through independent business ventures, thereby securing a share of profits from the timber commodity chain. The legalization of the forestry sector undermined these opportunities, leaving only unfavourable sub-contracting or low paid work for concessionaire companies. Furthermore, the violence used by the state and legal companies to enforce the legalization compounded the loss of access to forests by local communities, already impoverished by land mines and the depletion of timber resources.

CONCLUSION

The case of Cambodian timber highlights the political dimensions of nature’s commodification. In the context of macro-political events, such as the end of the Cold War, the forestry sector shaped the micro political strategies of individual actors. By helping to fund the conflict, the commodification of forests thus played an active role in its continuation. In this regard, the geographical location of forests at the periphery of the country along the border with Thailand was a key factor. The forests provided a refuge and a favourable fighting ground for the Khmer Rouge. But their location along the border also facilitated access to foreign buyers of illegal logs, thereby financing the war in a way that would not have been possible if the forests had been centrally located and thus insulated from the

international market. The geographical dimension of conflict is thus crucial to understanding the economy of war and its perpetuation.

Timber provided an important source of power as the military backing of foreign sponsors declined in the late 1980s and as status in society became increasingly tied to private wealth. By providing a means for clientelism and opportunities for corruption, the forestry windfall contributed to the strengthening of shadow state politics. The regional dimension of the timber trade extended this shadow governance into the politics of neighbouring countries, including financing election campaigns in Thailand. The management of the forestry windfall under shadow state politics also created antagonism and distrust between the RGC and the donor community, as well as largely discrediting the government in the eyes of the population. Both co-Prime Ministers responded to this problem by mimicking the international discourse of green, democratic, and accountable transition, while integrating forests into their own private power bases. The discourse of sustainable and accountable resource management acted as a check against some of the 'illegalities' of the forestry sector, and in particular against the most blatant and contradictory actions of the co-Prime Ministers. Yet, while this discourse condemned the collusion of interests between the Khmer Rouge and the government, it simultaneously shaped the timber commodity chain — firstly by confining it to the realm of illegality and secondly by facilitating monopoly control of forest rents and the associated marginalization of the poor.

The commodity chain analysis used here allows us to 'map' strategies of access and to gain insights into the intricate relationships (re)producing unequal relations of power. It also offers a means for understanding what at first appear to be chaotic and sometimes contradictory processes connecting actors to timber, money, power relations, and related discourses. Finally, this analysis demonstrates the dangers of replacing 'anarchy' with 'order'. Under 'anarchy', marginalized segments of society were able to manoeuvre to gain some access to forest resources and to integrate themselves into the growing monetized economy, thereby counterbalancing somewhat unequal power relationships. Under 'order', this room for manoeuvre gave way to an *exclusionary* form of capitalism, embodied in the take-over of forest access rights by large transnational companies. The transition from war to peace was only a first step towards political change. If there is to be any hope of an *inclusionary* form of capitalism emerging in Cambodia then the place of communities and of the '*petit peuple*' in Cambodian politics must fundamentally change.

REFERENCES

- Ashley, D. W. (1998) 'The Failure of Conflict Resolution in Cambodia: Causes and Lessons', in F. Z. Brown and D. G. Timberman (eds) *Cambodia and the International Community*, pp. 49–78. New York: Asia Society; Singapore: ISEAS.

- Aslund, A. (1999) 'Why has Russia's Economic Transition been so Arduous?'. Paper presented at the Annual World Bank Conference on Development Economics (28–30 April).
- Barber, B. (1995) 'All Economics are "Embedded": The Career of a Concept, and Beyond', *Social Research* 62(2): 388–413.
- Blaikie, P. and H. Brookfield (eds) (1987) *Land Degradation and Society*. London: Methuen.
- Boutros-Ghali, B. (1994) *Building Peace and Development*. New York: United Nations Department of Public Information.
- Broad, R. (1995) 'The Political Economy of Natural Resources: Case Studies of the Indonesian and Philippine Forest Sectors', *Journal of Developing Areas* 29(3): 317–340.
- Broad, R. and G. Cavanagh (1993) *Plundering Paradise: People, Power and the Struggle over the Environment in the Philippines*. Berkeley, CA: University of California Press.
- Bruenig, E. F. (1996) *Conservation and Management of Tropical Rainforests: An Integrated Approach to Sustainability*. Cambridge: Cambridge University Press.
- Bryant, R. L. (1997) *The Political Ecology of Forestry in Burma 1824–1994*. London: Hurst.
- Bryant, R. L. and S. Bailey (1997) *Third World Political Ecology*. London: Routledge.
- Bryant, R. and M. Parnwell (1996) 'Introduction: Politics, Sustainable Development and Environmental Change in South-East Asia', in R. Bryant and M. Parnwell (eds) *Environmental Change in South-East Asia: People, Politics and Sustainable Development*, pp. 1–20. London: Routledge.
- Carbonnier, G. (1998) 'Conflict, Postwar Rebuilding and the Economy'. War-torn Societies Project Occasional Paper No 2. Geneva: United Nations Research Institute for Social Development.
- Chanda, N. (1988) *Brother Enemy: The War after the War*. New York: Collier Books.
- Chandler, D. (1996) *A History of Cambodia*. Boulder, CO: Westview Press.
- Clapham, C. (1996) *Africa and the International System: The Politics of State Survival*. Cambridge: Cambridge University Press.
- Colchester, M. (1993) 'Pirates, Squatters and Poachers: The Political Ecology of Dispossession of the Native Peoples of Sarawak', *Global Ecology and Biogeography Letters* 3: 158–79.
- Curtis, G. (1998) *Cambodia Reborn?: The Transition to Democracy and Development*. Washington, DC: Brookings Institution Press.
- Dauvergne, P. (1997) *Shadows in the Forest: Japan and the Politics of Timber in Southeast Asia*. Cambridge, MA: Massachusetts Institute of Technology.
- FAO (1994) 'Cambodia Land Cover Atlas 1985/87–1992/93'. Phnom Penh: FAO.
- FAO (1997) *State of the World's Forests*. Rome: FAO.
- Findlay, T. (1995) *Cambodia: The Legacy and Lessons of UNTAC*. Oxford: Oxford University Press.
- Gereffi, G. and M. Korzeniewicz (1994) *Commodity Chains and Global Capitalism*. Westport, CT: Praeger.
- Ghee, L. T. and M. J. Valencia (eds) (1990) *Conflict over Natural Resources in South-East Asia and the Pacific*. Tokyo: United Nations University Press.
- Global Witness (1995a) 'Forests, Famine and War: The Key to Cambodia's Future'. London: Global Witness.
- Global Witness (1995b) 'Thai–Khmer Rouge Links and the Illegal Trade in Cambodia's Timber'. London: Global Witness.
- Global Witness (1996) 'Corruption, War and Forest Policy: The Unsustainable Exploitation of Cambodia's Forests'. London: Global Witness.
- Global Witness (1998) 'Going Places ... Cambodia's Future on the Move'. London: Global Witness.
- Global Witness (1999) 'Made in Vietnam — Cut in Cambodia'. London: Global Witness.
- Graf, W. (1995) 'The State in the Third World', *The Socialist Register* 140–62.
- Grube, D. I. (1998) 'Donors in Disarray: Prospects for External Assistance to Cambodia'. Phnom Penh: Cambodia Development Resource Institute.
- Hajer, M. A. (1995) *The Politics of Environmental Discourse: Ecological Modernization and the Policy Process*. Oxford: Oxford University Press.

- Hartwick, E. (1998) 'Geographies of Consumption: A Commodity-Chain Approach', *Environment and Planning D: Society and Space* 16: 423–37.
- Heder, S. (1995) 'Cambodia's Democratic Transition to Neoauthoritarianism', *Current History* 94 (December): 425–9.
- Hirsch, P. (1995) 'Thailand and the New Geopolitics of Southeast Asia. Resource and Environmental Issues', in J. Rigg (ed.) *Counting the Costs: Economic Growth and Environmental Change in Thailand*, pp. 235–59. Singapore: Institute of Southeast Asian Studies.
- Hirshleifer, J. (1995) 'Anarchy and its Break Down', *Journal of Political Economy* 103(1): 26–52.
- Hopkins, T. K. and I. Wallerstein (1986) 'Commodity Chains in the World Economy prior to 1800', *Review* 19: 157–70.
- Hun Sen (1997) Speech given at the closure of Seminar on National Disaster Management, Phnom Penh (17 December).
- Hurst, P. (1990) *Rainforest Politics: Ecological Destruction in South-East Asia*. London: Zed Books.
- Jackson, P. (1999) 'Commodity Cultures: The Traffic in Things', *Trans. Inst. Br. Geogr.* 24: 95–108.
- Jackson, R. H. (1990) *Quasi-States: Sovereignty, International Relations, and the Third World*. Cambridge: Cambridge University Press.
- Jennar, R. (1995) *Les clefs du Cambodge*. Paris: Maisonneuve et Larose.
- Karl, T. L. (1997) *The Paradox of Plenty: Oil booms and Petro-States*. Berkeley, CA: University of California Press.
- Keen, D. (1998) *The Economic Functions of Violence in Civil Wars*. London: Oxford University Press.
- Le Billon, P. (1999) 'Power is Consuming the Forest: The Political Ecology of Conflict and Reconstruction in Cambodia'. PhD dissertation, University of Oxford.
- Marston, J. (1997) 'Cambodia 1991–1994: Hierarchy, Neutrality and Etiquettes of Discourse'. PhD dissertation, University of Washington.
- Ministry of Economy and Finance (1997) 'Economic Outlook for Cambodia 1997–2001'. Phnom Penh: Ministry of Economy and Finance.
- Ministry of Foreign Affairs (1994) 'Memo on Forestry issues' (author's identity confidential). Phnom Penh: Ministry of Foreign Affairs.
- Neiss, H. (1997) 'Statement by Hubert Neiss, IMF Representative'. Paris: Consultative Group Meeting on Cambodia.
- Népote, J. (1992) *Parenté et organisation sociale dans le Cambodge moderne et contemporain: quelques aspects et quelques applications du modèle les régissant*. Genève: Olizane.
- Potter, L. (1993) 'The Onslaught of the Forests in South-East Asia', in H. Brookfield and Y. Byron (eds) *South-East Asia's Environmental Future: The Search for Sustainability*, pp. 103–23. Kuala Lumpur: UNU Press and Oxford University Press.
- Reno, W. S. K. (1995) *Corruption and State Politics in Sierra Leone*. Cambridge: Cambridge University Press.
- Ribot, J. C. (1998) 'Theorizing Access: Forest Profits along Senegal's Charcoal Commodity Chain', *Development and Change* 29(2): 307–41.
- Royal Forest Department (1996) 'Forestry Statistics of Thailand'. Bangkok: Royal Forest Department.
- Royal Government of Cambodia (1994) 'Decision on the Annulment of the Former Procedures and Regulations on the Export of Timber'. Phnom Penh: Royal Government of Cambodia.
- Royal Government of Cambodia (1996) 'Letters to Banharn Silpa Archa Authorising Log Exports to Thailand'. Phnom Penh: Royal Government of Cambodia.
- Scott, J. (1990) *Domination and the Arts of Resistance: Hidden Transcripts*. London and New Haven, CT: Yale University Press.
- Shawcross, W. (1994) *Cambodia's New Deal: A Report*. New York: Carnegie Endowment for International Peace.
- Shawcross, W. (1996) 'Tragedy in Cambodia', *New York Review of Books* (14 November): 41–6.
- Talbott, K. (1998) 'Logging in Cambodia: Politics and Plunder. Cambodia and the International Community', in F. Z. Brown and D. G. Timberman (eds) *Cambodia and the*

- International Community. The Quest for Peace, Development and Democracy*, pp. 149–68. New York: Asia Society; Singapore: ISEAS.
- Thion, S. (1982) 'The Pattern of Cambodian Politics', in D. A. Ablin and M. Hood (eds) *The Cambodian Agony*, pp. 149–64. New York: M. E. Sharpe.
- United Nations (1995) *The United Nations and Cambodia, 1991–1995*. New York: United Nations Department of Public Information.
- Vitug, M. D. (1993) *The Politics of Logging: Power from the Forest*. Manila: Philippine Center for Investigative Journalism.
- World Bank, UNDP, FAO (1996) *Cambodia, Forest Policy Assessment*. Washington, DC: The World Bank.

Philippe Le Billon is currently a research associate at the School of Geography, University of Oxford (Mansfield Road, Oxford OX1 3TB, UK) and the Overseas Development Institute (Portland House, Stag Place, London SW1E 5DP, UK), working on the political economy of conflicts and the role of natural resources and corporations in war economies. He has published on the cases of Angola and Cambodia as well as on the implications of war economies for relief and peace-building.