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**Trekking the Pathways in Building Good  
Governance in Cambodia and the Philippines**

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# TREKKING THE PATHWAYS IN BUILDING GOOD GOVERNANCE IN CAMBODIA AND THE PHILIPPINES<sup>1</sup>

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## Abstract

The paper presents the pathways trekked by the Philippines and Cambodia in the hope of achieving good governance as a critical prerequisite for development. Historically, Cambodia and the Philippines have gone through varied phases in building good governance-- from its colonial past, monarchy, dictatorship, communist upheavals and finally what we call democracy. The governance pathways were assessed using Kooiman's (2001) theories on governance that occur in four phases: 1) consolidation of democracy; 2) strengthening of government; 3) government as the problem; 4) public management reforms. One of Kaufman's et.al (2004) world governance tenets further strengthened the argumentation that historical origins are central to good governance. Available literature and field visits were utilized in developing the paper.

The paper found that the suppression of democracy, the political instability, and the endemic corruption resulting in poverty for both the Philippines and Cambodia had been the prominent features of the governance pathways. These largely determined their current social, political, and economic conditions for development. The research results provided the realistic and broad picture that Cambodia and the Philippines can expect a better anti-poverty experience from first, their governance transitions in how the lessons learned in institutional capacity building reforms can be integrated given that there is both the emergence of political radicalism and passivity as a consequence on questions of political credibility and dominance. Second is the increasing and latent discontent of citizens. Third is the capacity of public sector institutions to perform. This is central to the demands of good governance to get the people out of poverty.

Key words: good governance, governance pathways

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## Introduction

The absence of good governance is the reason why many countries, especially in the third world, continue to fail in their efforts at poverty reduction and in their quest for economic and human development (ADB 2006). Hence, many Asian countries currently face the twin daunting challenge of strengthening governance and poverty alleviation.

This is the challenge to the Philippines and Cambodia, two countries whose governance patterns have evolved in their rather intricate histories highlighted with blows of foreign invasion, suppression of democracy, civil uprising, political conflicts, social unrest, and corruption. The striking similarities in the historical landscape of the Philippines and Cambodia make a significant research concern as a historical study in governance transition and development. One cannot go through life's destination if one cannot look at where he came from, an old Filipino adage says.

Governance pathways are routes taken by governments to attain good governance<sup>4</sup>. The quest for good governance is traced from the evolution of history, which consequentially became a picture of many modern societies. As we know, most developing countries are young and under pressure to create conditions that took developed countries decades and even centuries to achieve (Grindle, 2004). Unfortunately the pathways taken by developing countries with the addition of donors preference and objectives often have little thought of the lessons from history or their relative contributions to making governments more effective efficient and responsive, let alone those that are able to alleviate poverty. These recent researches hints at the advantages of thinking in time as preconditions for institutional development and that many factors currently considered as preconditions for development were actually consequences of it (Bräutigam; Chang, 2001). However, there are differing arguments were history is not seen as a necessary condition for institutional development but other capacity factors such as to “get the institutions ‘right’ (Goldsmith); institutional innovations and proficiency in tax collection (Moore, 1998) as the missing link (Grindle, 2004).

In this paper, the analysis of the routes taken was that using Kooiman's (2001) governance pathways. Kooiman largely contested that the 21<sup>st</sup> century approaches are the closing of the 20<sup>th</sup> century circle where consolidation of democracy was its first phase. This is followed by looking at the instrument of democracy i.e. government as the route towards development. The phase recognizing the government as the root and cause of societal problems in the 1980s follows. This largely gave avenues for the fourth pathway, which are significant public management reforms considered by the public sector. This governance pathway is consistent with Kaufman (2004) world governance tenets that historical origins are central to good governance where the reform moments in times gone is explored hoping to shape future directions.

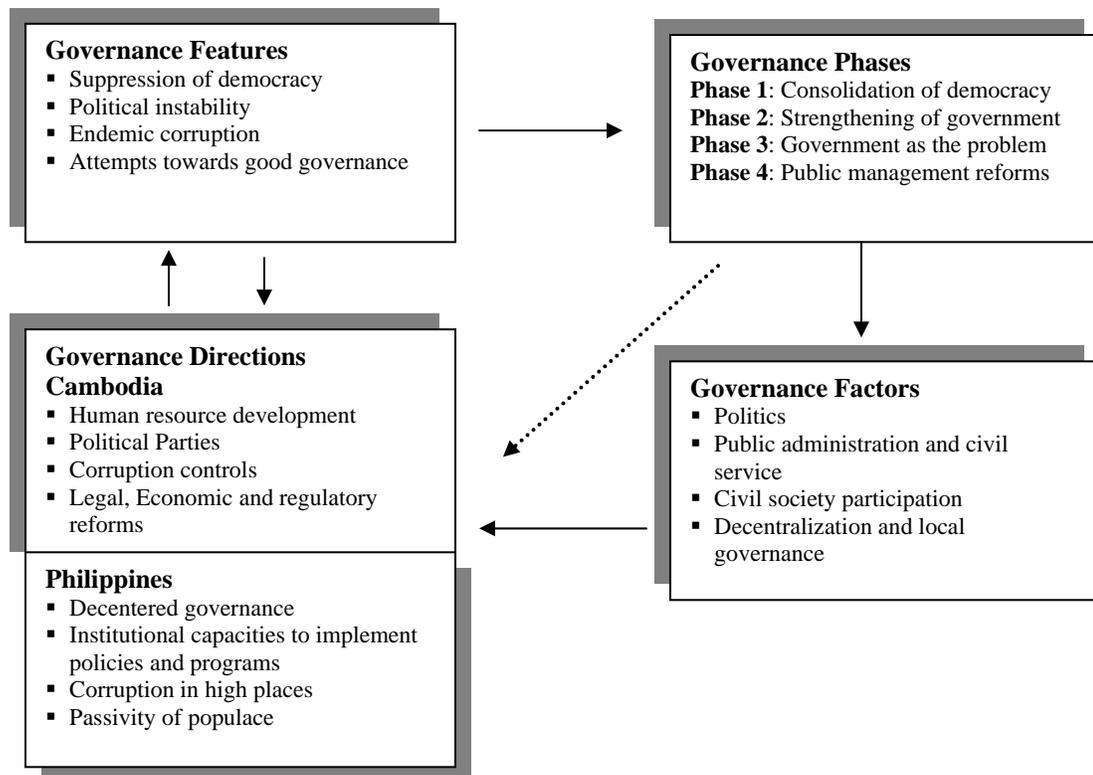
Following how governance progressed in these two countries and the corresponding social, economic, and political development that took place present lessons for both the Philippines

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<sup>4</sup> An adaptation from Rola (2005) earlier research where development pathways are identified as routes taken by households to attain progress.

and Cambodia and other developing countries as well, in their efforts towards achieving good governance. Specifically, this paper explored the lessons learned from the Philippines and Cambodian experience of governance by phases. This paper variably covered the key governance factors such as (i) public administration and civil service; (ii) politics; (iii) participation; and (iv) experiences in decentralization.

Figure 1 presents the analytical framework used in the study.



### Phase I – Consolidation of Democracy

The first phase in Philippine governance pathways, which spanned from 1900 to 1950, is the era of the consolidation of democracy. There are a multitude of bits and pieces of reforms and events, which led to the consolidation of democracy in the Philippines. This era however can be said as continuing.

Since 1901, despite being under the American tutelage, conceptions of democracy were gradually introduced with the right to choose leaders in the local elections. In 1907, the country elected its first legislative assembly and established a bicameral legislature. It held its first presidential elections in 1935 and in the same year, it drafted a Constitution through the democratic process of constitutional convention.

This period also marked the introduction of public administration as a discipline with the University of the Philippines taking the lead from an assistance from the United States.

Perhaps, the peak of democracy during this phase in the Philippines was demonstrated by legislations pursuant to the local governing system. Such legislations include the *Local Autonomy Act* of 1959, the *Barrio Charter* and the *Decentralization Act* of 1967, which are “incremental national legislations in response to the clamor for a self-rule concept” (UNESCAP 2003). This is ironic in a sense because the traditional governance used by indigenous leaders prior to Spanish occupation was on a community centered governing.

Meanwhile, Cambodia started this phase only at the end of World War II and after its independence from France. Cambodia formed political parties, which signaled the beginning of a self-governing Cambodia. Prince Yutevong formed the Democratic Party in 1947 out of his education and exposure from political progressives. He was considered the father of Cambodian democracy (Van Tooch, 2004).

Political parties were operative, indicating that democratic process exists; albeit Sihanouk’s party, the Sangkum Reastr Niyum (People’s Socialist Community) in over a decade, dominated the political landscape. However, the peak of consolidation of democracy had to take place in 1999 because of the interruptions in democracy resulting to drastic transitions in ideologies and leadership. The Lon Nol government (1970-1975) and the Khmer Rouge regime for example were both characterized by the suppression of democracy.

**Table 1. Summary of Consolidation of Democracy in the Philippines and Cambodia**

Consolidation of Democracy	Key Governance Milestones	
	Philippines	Cambodia
Politics	1901 – Introduced local elections  1907 – Elected the first legislative assembly  1935 – Held first presidential elections  1935 – Became self-governing commonwealth of the United States by virtue of the Tydings-McDuffie Act	1947 – Promulgated a Constitution  1954 – The 1954 Geneva Accord recognized Sihanouk’s government as the sole legitimate authority in Cambodia  1960s – Political parties present and operational
Decentralization and local governance	1950s – 60s – Incremental legislations on local autonomy	

## **Phase II –Strengthening of the Government**

The Philippines’ second phase of governance transition took place from 1950s up to 1970s. During this period, the Philippines being a newly established republic had to undergo a great deal of political, economic, and social transformations. It had to focus on the strengthening of the government to expedite the process of post-war reconstruction and national recovery.

The government had to establish a wide range of basic institutions and recruit a large number of civil servants to man nation-building programs. Hence, “a big government” was the major distinguishing feature of this transition phase. One important reform during this phase to strengthen the government was the Presidential Survey on Government Reorganization that sought to reorganize the bureaucracy for good governance (ADB, 2000). The administration during this phase implemented several domestic reform programs and established good relations with its Asian neighbors.

The country projected a strong state with initiatives on shortening the US bases lease from 99 to 25 years under the Bohlen Serrano Agreement, the Filipino First policy, which favored local enterprises and products over foreign counterparts, the strong attempt to immobilize insurgent groups through the Republic Act 1700<sup>5</sup> or the Anti-Subversion Act of 1957; and the fight against graft and corruption.

**Table 2. Key Milestones in the Strengthening of the Government**

Strengthening of The Government	Key Governance Milestones	
	Philippines	Cambodia
Public administration and civil service	<p>1950s – National rehabilitation and basic infrastructure programs with focus on urban industrial development</p> <p>Introduction of public administration as an academic discipline</p> <p>1960s – Shift to rural development programs</p> <p>1960s – Attempted to reorganize the bureaucracy for good governance</p> <p>Fight against graft and corruption in the government</p>	<p>1980s - Strengthening of the government- administrative, political, legislative, judicial, economic, social and financial systems under the People’s Republic of Kampuchea (PRK)</p> <p>Established schools and healthcare system</p> <p>Started sending students to other countries to capacitate its human resources.</p>
Politics	<p>1957 – Republic Act 1700 or the Anti-Subversion Act of 1957</p> <p>Late 1960s – cold war politics. The Philippines supported the US during the Vietnam war in exchange for economic support.</p> <p>Shortening the US bases lease from 99 to 25 years</p> <p>Filipino First Policy</p>	

<sup>5</sup> This was later repealed by Republic Act 7636 in 1992 as part of the Ramos Administration’s commitment to national reconciliation.

In Cambodia, much of the reforms under the second phase of governance transition (1979 – 1989) took place during the era of the People’s Republic of Kampuchea (PRK). It was during this period, although under the Vietnamese rule, when more pronounced reforms to strengthen the government were made compared with the other stages in Cambodian history. Under the Vietnamese occupation, considerable progress was made in restoring a degree of social normalcy (Beresford *et. al.* 2004). The Vietnamese allowed the people to move freely while minority groups were also recognized and their rights were revived.

Under PRK, Cambodia rebuilt its administrative structure. Provincial and local governments were established to extend the control of the Government down to the local levels making PRK stronger as a government. As a semi-socialist government, PRK owned key economic assets including factories, land, industrial crop plantations, and the banking sector. The PRK also rebuilt the education and health systems. It reestablished schools and basic medical care facilities throughout the country and started sending students to different countries for training and/or technical education. Nevertheless, strengthening the efforts was eroded by the external aid embargo imposed by the West throughout the 1980s.

### Phase III – The Government as the Problem

Government as a Problem	Key Governance Milestones	
	Philippines	Cambodia
Public administration and civil service	1970s – 80s – Era of Big Government - a centralized government providing much of the public goods and services  1970s – Marcos’ inward oriented economic policies	1990s - rent-seeking, corruption among government officials and political figures; incompetence of the bureaucracy (e.g., “peace dividend”)
Politics	1970s – Martial Law, suspension of democracy, nepotism, corruption, rent seeking, and violation of human rights  2004 to present- A strong republic was the centerpiece vision of the Arroyo government. A strong center despite decentralization in 1991 was espoused.	1990s – Failure of power sharing between rival political parties. Continuous dominance of political parties in managing the nation’s affairs.

The third phase of governance is the idea where the government was seen as the problem. The third phase of governance pathways in the Philippines’ (from 1970s to 1980s), is the era of “big government” where government was challenged to produce much of the public goods and services. However, satisfaction to fully deliver services considering both quality and efficiency is questionable. The inefficiency, incompetence, and corruption in the bureaucracy could no longer be concealed by previous economic and social gains. This era while it has distinct prominence on certain period is a continuing anxiety.

It became apparent to many legislators and politicians that much of the country's seemingly intractable problems stemmed in no small measure from the government's highly centralized structure (Quizon *et. al.* 2003). Reforms were undermined by Marcos' Martial Law (1972-1981), which was his own version of the Philippines' second governance phase, the strengthening of the government. However, in this version, democracy was virtually suspended and all powers were consolidated under the national government.

This was the peak of the third phase of governance in the Philippines. Within the next several years, the government satisfied three conditions<sup>6</sup> for citizen dissatisfaction: (i) when citizens believe the government is using their powers against them; (ii) when citizens find policies and services to be ineffective, inefficient or problematic; and (iii) when citizens feel ignored or misunderstood by the government. Nepotism, corruption, rent seeking activities and human rights violation by the government became more evident.

Meanwhile, the third phase in Cambodia extends from 1990 up to the present day although there are indications of positive public management reforms taking place. Views that the government is the problem root from several governance-related issues<sup>7</sup>, which arise from Cambodia's intricate political and social landscape.

First is the rent seeking or corruption among government officials and political figures. In a study<sup>8</sup> conducted by the World Bank (2000), surveyed households and enterprises considered corruption as the second most serious problem hampering development in Cambodia. Most international enterprises surveyed chose corruption as their leading constraint.

Second is political instability. Incidentally, this was among the top three responses of domestic enterprises in the World Bank's survey in 2004. Although the sharing of power between rival political parties in Cambodia seemed to signal political stability beginning 1993, the succeeding years witnessed the opposite, which means that political instability is an ongoing problem in Cambodia.

Third, are the questions on the competencies of the bureaucracy. The so-called "peace dividend" assured former Khmer Rouge fighters positions in the bureaucracy. However, more than a few of them are effective. Many of them only presented themselves and reported to receive payment (Beresford *et. al.* 2004). Further, the capacities of the bureaucrats are questionable and the educational system and structures were in distraught.

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<sup>6</sup> See Berman (1997) as cited by King and Stivers (1998).

<sup>7</sup> The issues presented herein built upon the assessments of Beresford *et. al.* (2004) that identified five governance-related problems affecting both the formulation and implementation of macroeconomic policy in Cambodia.

<sup>8</sup> The study was "Cambodia Governance and Corruption Diagnostic: Evidence from Citizen, Enterprise and Public Official Surveys"

## Phase IV –Public Management Reforms

Public Management Reforms	Key Governance Milestones	
	Philippines	Cambodia
Civil society governance and participation	1995 – Ratification of the Republic Act No. 7951 adding sectoral representatives “representing a significant minority of society” in the lower house of the National Congress	2002 – Civil society participation in the development of the National Poverty Reduction Strategy
Public administration and civil service	<p>Initiatives on privatization:            1986 – Asset Privatization Act            1987 – Executive Order No. 215 privatized the energy sector            The Build-Operate-Transfer (BOT) Law</p> <p>2001 – Passage of Republic Act No. 9160 or the Anti-Money Laundering Law</p> <p>2001 - Passage of the Government Procurement Act (Republic Act 9184)</p>	From 1999 - Removed ghost workers and ghost soldiers from the civil service payroll
Politics	1986 – Created national awareness on Philippines 2000—the Philippines medium-term development plan, leapfrogging through industrialization	<p>1999 - Opening of the economy</p> <p>2003 – Rectangular Strategy- “growth rectangles” namely: (1) enhancement of the agricultural sector; (2) private sector development and employment generation; (3) continued rehabilitation and construction of physical infrastructure; and (4) capacity building and human resource development.</p>
Public financial management	2000 – Public Expenditure Management Improvement Program (PEMIP)	From 1999 – Implemented a series of initiatives to focus public expenditure on priority sectors
Decentralization and local governance	<p>1991 – Enactment of the landmark Local Government Code (LGC)</p> <p>In 1986, there was a recorded 14,000 NGOs registered with the Securities and Exchange Commission.</p>	<p>2002 – Cambodia held its first local (commune council) elections to strengthen local participation in the governance process.</p> <p>296 NGOs, including both international and Cambodian, were involved in more than 500 projects in 1998 (Council for Development database).</p>

The fourth phase of governance in the Philippines (1990 and onwards) features contemporary public management reforms. This included social entrepreneurship, which capitalizes on “the right of the people and their organizations to effective and reasonable participation in all levels of social, political, and economic decision-making.”

A significant achievement along this policy is the enactment of the Local Government Code (LGC) of 1991, which consequently implemented decentralization in the country. One of the

outstanding features of this code is its recognition and encouragement of the active participation of the civil society in the process of local governance. Meanwhile, the ratification of the Republic Act No. 7951 in 1995 provided for the addition of sectoral representatives “representing a significant minority of society” in the lower house of the congress (Barns 2003). However, the translation of this policy into the governing structure and operations proves to be elusive for many local government units.

Privatization policies shifted the government’s role from a provider of goods and services to managers of contracts. In 1986 under the Assets Privatization Trust (APT) the government allowed the selling of non-performing assets to the private sector. Executive Order No. 215 in 1987 privatized the energy sector. The Build-Operate-Transfer (BOT) Law allowed BOT and other schemes such as bill transfer, bill lease transfer, Build-Own-Operate, Build-Rehabilitate-Operate-Transfer and build-transfer-swap. As of 2005 however, only .88% of the 1,696 or 15 local government units in the Philippines have ventured in BOT projects (BOT Center, 2005 as cited by Mendoza and Javier, 2006).

Control of corruption is also a prominent feature of this phase. In 2001, the Philippines passed Republic Act No. 9160 or the Anti-Money Laundering Law. The Government Procurement Act (Republic Act 9184) was passed to incorporate transparency and accountability in the government procurement process. Despite these initiatives, corruption is still a serious concern. The Philippines ranked 39<sup>th</sup> in the World Bank study of 175 countries in terms of corruption.

In 2001, the Philippine Government introduced in the budget process the Public Expenditure Management Improvement Program (PEMIP) to improve the organizational performance of government agencies through the integration of planning and budgeting processes and ensuring that priority programs are funded at least for the next three years through improved budget planning.<sup>9</sup>

Even then, there were indications that the Philippines is progressing backwards in terms of governance. Apparently, the direction is to roll back the powers of the central government because of a strong republic vision of governance. For example, Executive Order (EO) 40, which was later formalized into law known as Republic Act 9184 (RA 9184) mandates all National Government Agencies (NGAs), Government Owned and Controlled Corporations (GOCCs), Government Financial Institutions (GFIs), State Universities and Colleges (SUCS), and Local Government Units (LGUs) to use an electronic centralized procurement system. In addition, the Philippines Department of Budget and Management centrally procure all common supplies for all agencies of government.

Meanwhile, Cambodia, although predominantly under the third phase has already started on public management reforms since the end of 1980s. The Government’s Governance Action Plan (GAP), which was approved in 2001 provides a consistent and transparent approach to coordinate efforts in eight priority areas: (i) the legal and judicial reform; (ii) administrative reform and deconcentration; (iii) decentralization and local governance; (iv) public finance

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<sup>9</sup> See the Public Expenditure Management Manual of DBM (2000).

reform; (v) anti-corruption; (vi) gender equity; (vii) demobilization and reform of the armed forces; and (viii) the reform of natural resources management (land, forestry and fisheries) (NPRS, 2002).

To address economic reforms and accelerate growth, the Royal Government of Cambodia (RGC) took up a so-called “Rectangular Strategy.” This strategy establishes the country’s development agenda and sets out directions for growth, employment, equity, and efficiency through well-planned and in-depth reforms that are coordinated and consistent across all levels and sectors.<sup>10</sup>

As the term implies, the rectangular strategy is composed mainly of “growth rectangles” namely: (1) the enhancement of the agricultural sector; (2) private sector development and employment generation; (3) continued rehabilitation and construction of physical infrastructure; and (4) capacity building and human resource development.

On the expenditure side, since 1999, Cambodia has undertaken a series of actions to focus public expenditures on social and economic sectors, reducing defense and security spending; and introducing the Priority Action Programme (PAP) to increase budget disbursement to the priority sectors (NPRS 2002). Encompassing the country’s rectangular strategy framework is the agriculture sector’s development strategy, which is similarly based on four key pillars: (1) improved productivity; (2) land reform and de-mining; (3) fisheries reform, and (4) the forestry sector reform.

Increasing agricultural productivity is a major goal of the Government to enable the agriculture sector to serve as the dynamic driving force for economic growth. Economic reforms, since 1999 have been earning considerable success. Cambodia’s macroeconomic framework has focused on maintaining macroeconomic stability, strengthening the banking and financial institutions, implementing fiscal reform measures, ensuring a sound management of public property, and increasing public investment to develop the physical and social infrastructure and human resource of our nation (NPRS, 2002).

Cambodia has moved from being one of the most closed economies in the world to one of the most open. Its accession to the World Trade Organization is a significant milestone towards market-oriented economy. It has also made impressive achievements in re-integrating itself into the international community. Since 1993, the Cambodian government has become outward looking, as reflected in its foreign policy. The country joined the Association of Southeast Asian Nations (ASEAN) in 1999. In 2002, Cambodia, as chair of ASEAN hosted the ASEAN Summit meetings, and the ASEAN Regional Forum and ASEAN Post Ministerial Conference meetings in 2003.

Other government reforms that took place were the imposition of value added tax, curtailing illegal logging and canceling concession contracts that violated the contract terms,

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<sup>10</sup> Address delivered by Prime Minister Samdech Hun Sen of the Royal Government of Cambodia during the First Cabinet Meeting of the Third Legislature of the National Assembly at the Office of the Council of Ministers held in Phnom Penh on July 16, 2004.

eliminating ghost employees and soldiers and initiation of military demobilization with registration of soldiers, and amending the Implementing Regulations for the Law on Investment to further tighten exemptions.

Cambodia has also made considerable progress towards participatory governance. During the on-going PRSP process, significant participation from government ministries, donors, NGOs, communities, the private sector, and other civil society were observed. In 2002, Cambodia held its first local (commune council) elections signaling the government's effort to strengthen local participation in the governance process.

Much as there are initiatives for reforms, the growing aspects of good governance as per advice of international donors like the World Bank has remarkably increased from 45 in 1997 to 116 in 2002 (Grindle, 2004). This makes both Cambodia and the Philippines and other developing countries to be pressured on how current reform realities can match what is demanded of good governance because of increase in indicators to be performed. This makes the problem of the governance of poverty reduction even more complex and the developing countries always playing catch-up.

## **Conclusion**

The historicity approach taken by both Kooiman and Kaufmann is central to the current discussions of the trekking of good governance from an evaluative perspective. When applied to both countries, Cambodia and the Philippines, the analysis is not a simple one. Grindle call this complexity as a good enough governance which is the path taken by developing countries as she argued. She has maintained that the good governance agenda is taking so long for developing countries and lumping good governance up with the poverty discourse makes the problem compounded (2004).

The historical narratives in this two countries offer three lines of thought. First is on the emergence of both political radicalism and passivity on the uncertainties brought about by political credibility and authority. Second, is the increasing and latent discontent of citizens and third, is the capacity of public sector institutions to perform. These three thoughts are central to the demands for good governance for poverty alleviation.

In the Philippines, despite the reform initiatives, specifically in the procurement process, the recently controversial supply contract entered into by the Department of Transportation and Communication (DOTC) in behalf of the Republic of the Philippines with the Peoples Republic of China for a national broadband network, raised the issue of corruption in high places. The issue on the national broadband deal was exposed to the public. The losing bidder bared the bribery and corrupt practices in the negotiation. High-ranking officials and the President's husband were implicated in the issue as guilty party. Thus, notwithstanding systems improvement through the New Government Procurement Reform Act, government personnel capacity to perform is influenced politically by those in power. Further, few weeks after the Philippine Senate investigation, local government officials attending a union of leagues meeting in Malacanang Palace were given half million pesos each (Philippine Daily Inquirer, October 12, 2007) for unknown reasons and in time for the village elections.

Other executive orders have downbeat implications on good governance. One is the controversial EO 464 issued by President Arroyo. This prevents cabinet members, police, military, and national security official and "such other officers as may be determined by the President" to attend congressional hearings unless consented and permitted by the President. This executive privilege is now used as a shield to cover up confidential transactions so as not to be scrutinized by a co-equal branch of the government which is congress exercising its oversight privilege. The executive order has been declared unconstitutional by the Supreme Court but the executive branch is defying such directive and thus challenging the democratic institutions in the process.

In addition, the minority margin by which the President won the elections in 2004 had the continuing questions on her legitimacy. A wiretapped conversation with a Commission on Election official and her eventual admission prior to the 2004 presidential elections uncovered the subject of her authority. Despite this, the executive branch took no actions on these declared illegal acts of wiretapping. These events led opposition Senator Panfilo Lacson to quip, "the current administration is operating like a syndicate masquerading as a government" (DZMM, 2007). The grant of executive clemency to former president Joseph Estrada is yet another signal negating accountability for those convicted of wrongdoings.

In Cambodia, the increasing agricultural productivity should be a major goal of the Government as it comprises 85% of the population. This will enable the agriculture sector to serve as the dynamic driving force for economic growth. While garments and the services sector particularly tourism are on the increase, the agricultural sector remains to be a major contributor for development, particularly forested land areas, inland and marine fisheries and its cheap agricultural labor (Cambodia Economic Watch, 2004).

However, as Turton (2000) as cited by Sarak (2007) claims, a successful liberal economic system requires not only strong economic institutions but a well-educated workforce as well. The modernization of agriculture in Cambodia depends on the creation of new skills required by policy change to the market oriented economic reforms. However, the encroachment of political parties in deciding whom to position in government agencies will hamper this goal in the long run. In fact, the Asian Development Bank (ADB, 2000:14) as cited by Sarak (2007) considers the poor quality of human resources in Cambodia a principal long-term constraint on its economic development. Low productivity and low wages characterize the labor force. This is further compounded by the civil service as strongly influenced by membership in political parties in power, which in the long run may create the governance vacuum as positions are filled up but the required outputs for the job may not be delivered due to questions on competencies.

Moreover, the military and civil service are overstaffed with low-skill, low-wage personnel that must now be integrated into the private sector labor force. The quality of the labor force is affected by high rates of morbidity and mortality. In another aspect, the proportion of the population with disabilities is high. About 40% of the Cambodian population has never attended school, 32% are illiterate, and less than 1% has had any training beyond high school. Thus, Cambodia lacks even the skilled personnel to effectively improve its administrative, legal, educational, and medical institutions. Furthermore, public expenditures on education

are very low, 10% of total expenditure in 1998, not quite 1% of GDP. The government share of total educational expenditures is as low as 25%, with informal private payments contributing significantly to user costs (ADB, 2000:14 as cited by Sarak, 2007).

Further, the Cambodia Economic Watch (2004:ix) advocates a fairer reward system that will feed the virtuous cycle of improved public services and improved revenue collection feeding the fair compensation of public servants. This is the reason why many public servants hold other jobs either as faculties of universities or staff of NGOs. In the rural countryside, many women are also lured to become garments factory workers, as salaries are even competitive than in the bureaucracy.

The historicity approach points to an evaluative perspective, which in the case of the two countries is largely seen by the people as not a means of trekking good governance to lead them out of poverty but an object of the administration and political parties to stay largely in power further fuelling latent discontent in government institutions as an effect. This consequence has now become a stage for the people in inquiring the fundamentals of country governance. The lessons from history of both countries were painful.

These perceived governing deficits and the resurgent ironical consequence of political radicalism and passivity, maybe exploited by other vested interests' groups and costs government more for enforcement compliance (Javier, 2005). However, this identification of deficits also presents the inherent actions necessary for future directions. On the downside, the perceptions maybe reinforced further if people cannot recognize a maximized operation of governmental systems where in their involvement will lead them out of poverty but see politicization as a result. These questions on the institutions performance may lead to further disappointments if proposed change strategies and problem diagnosis will not be clearly addressed and established.

Thus, it is primordial in both countries, to mount the hazards in engaging in anti-corruption activities, develop accountabilities for service delivery, and improve civil service management and capabilities through decreased politicization to improve its poverty alleviation efforts. These are lessons from history.

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