

Cambodia 2013



Total: 43.03

Quick facts

Population:	15.21 million
Population growth:	1.67 %
Unemployment rate:	0.1 %
GDP:	37.25 billion \$
GDP growth rate:	6.5 %
GDP per capita:	2400 \$

Political Freedom

Free and Fair Elections : 2.14

Cambodia canâ€™t be considered an electoral democracy, even though elections are held regularly. Cambodia has a bicameral legislative system with the prime minister holding executive power. The king is the ceremonial head of state, and the monarchy is still strongly revered by the population.

Through coercion, intimidation, and fraud prime minister Hun Sen has managed to cling to power for more than 25 years, making him the longest serving leader in Southeast Asia. However, a recent general election in July 2013 saw the oppositional Cambodian National Rescue Party (CNRP), a new alliance of the two biggest opposition parties, gain momentum, carrying off 55 seats in the 123-seat parliament. Hun Senâ€™s Cambodian Peopleâ€™s Party (CPP) won 68 seats (down from 90 in 2008), allegedly only after pulling off considerable poll trickery.

Freedom of assembly and social activism are significantly restricted in Cambodia. In 2012 a number of protests took place, mainly over land disputes and forced evictions. In one instance, authorities opened fire on demonstrators during a labour rally, killing three people. Nonetheless there are numerous civil society organisations, mainly running on foreign funding. While organisations working on health and social issues are able to operate quite freely, those addressing human rights face regular harassment by state authorities.

Absence of Unconstitutional Veto Players : 2.5

Over the past two and a half decades the CPP and Hun Sen have ruled the country with a firm hand, not leaving any space for unconstitutional veto players in the traditional sense. Although the constitution is actually very liberal, with clear civilian control over the military and a system of checks and balances, the quasi one-party system has more or less eradicated the division of power. The extent to which the CNRP's strong performance at the ballot box will weaken the CPP's iron grip on Cambodian politics remains to be seen.

Freedom of Press : 3.4

Although the 1993 constitution guarantees freedom of the press and expression, the decade-long CPP rule has effectively eliminated these liberties. Broadcasting stations, which are the main source of information for two-thirds of the population, are mostly controlled either by the CPP or Hun Sen's family and business partners. The number of foreign language newspapers has constantly decreased in recent years. Furthermore, libel and defamation cases to silence critical journalists have increased in the last years. In one of the most prominent cases, Mam Sonando, a radio station owner, was sentenced to 20 years in prison for insurrection against the state. His radio station had broadcasted critical news concerning the fatal shooting of a 14-year-old girl by the army during a forced eviction.

Physical attacks against journalists are also on the rise, spiking before the 2013 election, hand-in-hand with censorship of the internet. Even though only a fraction of the population actually has access to the web, the government deems it a pesky playing ground for the political opposition. More and more restrictions have been introduced, including mandatory registration of internet café users.

Rule of Law

Independence of the Judiciary : 3.76

In theory the constitution provides for judicial independence and emphasises that the legislative and executive branches of government shall not have judicial power. But the absence of practical safeguards means that the weak judiciary often operates as an extended arm of the CPP. Cambodia suffers from a severe shortage of legal professionals. Judges often lack proper training and are paid poorly, making them susceptible to bribes. Cash payments often replace proper criminal prosecutions.

Corruption : 2.2

Corruption in Cambodia remains rife and is mainly concentrated within the public sector. Almost all interactions with government, from contesting illegitimate traffic offenses or procuring permits, often require bribery. The Business Anti-Corruption Portal warns that companies will encounter excessive red-tape and solicitation of bribes when it comes to licenses and permits, especially construction applications.

In 2012, in an attempt to eradicate entrenched public sector corruption, Cambodia's National Assembly passed its first law on public procurement in line with the United Nations Procurement Capacity Development Centre (UNPCDC). The bill received unanimous support on behalf of the opposition Sam Rainsy party boycotting the vote. Similar legislation has been enacted in the last few years carrying heavy punishments for bribe solicitation. However, the implementation and enforcement of these new laws have not yet materialised.

Protection of Human Rights : 3.16

Cambodia has been slowly increasing the standards of its human rights over the past few years. Cambodia repealed the death penalty for all crimes over two decades ago. That being said, the country still suffers greatly when it comes to people trafficking, child labor and arbitrary arrests and detention. Cambodia is also a source, transit and destination country for human trafficking. Cambodian men, women and children are trafficked for labor and sexual exploitation in Thailand, Malaysia, Taiwan and Macao, as well as hosting Vietnamese victims of trafficking.

The government was placed on the Tier 2 of the watch list in the 2013 US Department of State's Trafficking in Persons Report for not fully complying with the Trafficking Victims Protection Act, but trying to do so. Child labour also plagues the country, encouraged by economic growth and poorly enforced laws. Arbitrary arrests remain the governments chosen way of intimidating dissenters and civil rights activists.

Economic Freedom

Security of Property Rights : 4.76

Property rights are not effectively protected. Land owners can be expropriated by government agencies if it is in public interest (which is often rather broadly defined). The land titling system is deficient, in many cases land owners can't prove their ownership. Land grabbing and forced evictions happen at an alarming rate and often leave whole communities homeless. Perpetrators are rarely prosecuted. A consultation project with the World Bank was meant to find a solution to this problem, but the Cambodian government decided to withdraw in 2010.

The protection of intellectual property rights is equally lacklustre. Counterfeit goods such as car parts, electronic equipment, pharmaceuticals and apparel are readily available. Relevant laws are rarely enforced.

Size of Government: Expenditures, Taxes, and Enterprises : 7.88

Government spending (which includes consumption and transfer payments) equals 19.7% of GDP. Despite increased spending during the past year, Cambodia manages to maintain a balanced budget.

Cambodia's income and corporate tax rates are set at 20%. Other taxes include value added tax, excise tax, accommodation tax, and a (recently introduced) tax on immovable property. Overall tax revenue accounts for about 8% of GDP.

Regulation of Credit, Labour, and Business : 6.2

As of 2012 (the latest data available), 31 commercial banks operated in Cambodia. Additional financial services are offered by 7 specialised banks and 32 micro-finance institutions. The recent opening of Cambodia's first private credit bureau has improved access to credit information.

Starting, running and closing a business are subject to a number of regulations. In its 2013 Doing Business report, the World Bank ranked Cambodia at the 133rd position out of 185 countries. Starting a business takes 9 procedures and 85 days. Getting a license is a time-consuming process of 21 procedures, which on average take 652 days.

Inflexible and ineffectively enforced labour regulations thwart job creation and productivity growth. The non-salary cost of an employee is low, but regulations regarding work hours are rigid.

Freedom to Trade Internationally : 7.03

The weighted average tariff rate stands at 5.5%. Cambodia's trade regime has undergone two decades of gradual trade policy liberalisation. An ASEAN member-country, Cambodia also joined the ASEAN Free Trade Zone which has led it to reduce tariffs on imports from other member countries. A number of non-tariff trade barriers have been removed, but some import bans and restrictions, non-automatic import licensing, a weak intellectual property rights protection system and an inconsistent customs administration still pose obstacles to international trade.