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Political Decentralisation and Local Economic Development: Findings on the pro-poor responsiveness in 5 Cambodian communes

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NICO WESTPHAL

POLITICAL DECENTRALISATION AND LOCAL
ECONOMIC DEVELOPMENT
- FINDINGS ON THE PRO-POOR RESPONSIVENESS
IN 5 CAMBODIAN COMMUNES -



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Nico Westphal

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- FINDINGS ON THE PRO-POOR RESPONSIVENESS IN 5
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Abstract

Decentralisation and local economic development (LED) are two major development strategies that both have an explicit or implicit focus on poverty reduction.

Political decentralisation offers principally two channels that allow to better orient policies to the needs of the poor, either through electoral processes at the local level or through direct participation. Local economic development is widely based on the assumption that interventions need to be tailored to the specific local characteristics. Governance mechanisms are inherent to both concepts, considering that especially participation is an important element in policy-making. This research project analyses the voice-responsiveness mechanism, which is based on direct citizen participation in a governance-setting rooted in the context of a decentralisation reform.

Analysing the Cambodian decentralisation process, this study finds that the legal framework and the resulting participation of poor economic actors gives them significant influence on defining the strategic outline for local economic development policies and that these opportunities are largely exploited by them. Such an inclusive decision-making process leads to policies that largely reflect the poor's needs.

Nonetheless, the results show a clear location- and actor-specificity regarding the inclusion and voice of poor people in policy-making and of the resulting LED-policies. It thus supports the argument that political decentralisation can be a driving but not a decisive factor for pro-poor oriented local economic development policies.

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LIST OF ACRONYMS

BDS	Business Development Services
CARERE	Cambodian Repatriation and Resettlement Project
CC	Commune Chief
CDP	Commune Development Plan
CIP	Commune Investment Programme
CPP	Cambodian People's Party
CSF	Commune/Sangkat Fund
CSO	Civil Society Organisation
DoLA	Department for Local Administration
ILO	International Labour Organisation
KHR	Khmer Riel
LAMC	Law on the Administration and Management of Communes/Sangkats
LED	Local Economic Development
MEF	Ministry of Economy and Finance
MoI	Ministry of Interior
MoP	Ministry of Planning
MSME	Micro-, Small- and Medium Enterprises
NCDD	National Committee for Sub-National Democratic Decentralisation
NCSC	National Committee to Support the Communes/Sangkats
NGO	Non-Governmental Organisation
NPRS	National Poverty Reduction Strategy
OECD	Organisation for Economic Cooperation and Development
PBC	Planning and Budgeting Committee
RGC	Royal Government of Cambodia
UNDP	United Nations Development Programme
UN-HABITAT	United Nations Human Settlements Programme
VC	Village Chief
VDC	Village Development Committee
VGL	Village Group Leader

1 INTRODUCTION, CONTEXT AND JUSTIFICATION

For the last few decades, poverty reduction has been the top priority in development co-operation and development activities are expected to contribute to achieving this objective. While for a long time, the discussion was mainly related to a lack of financial assets, the view on poverty became more multi-faceted over time and today most analytical frameworks and poverty concepts emphasise at least three main dimensions of poverty: the economic, political, and human dimension (World Bank 2001; OECD 2001). The reduction of poverty in at least one dimension is either explicitly stated or an expected side effect in most development projects and plans.

The focus of this study is on the economic and the political dimensions of poverty. On one hand people are short of financial resources, since they lack adequate employment or an economic activity that generates sufficient income. On the other hand the poor lack representation and participation because they have no 'voice' and thus no influence on decisions that affect them directly or indirectly. As a result, they do not benefit from (distributive) policies and interventions that would allow them to improve their livelihoods and lead them out of poverty (OECD 2001; World Bank 2001).

Considering the economic dimension of poverty, it has to be acknowledged that also as a result of globalisation, the business environment is characterised by increased pressure on economic ventures down to the local level. For that reason, responses to this pressure must be tailored to the local context by focussing on the locally available resources and potentials (Rücker/Trah 2007). Local economic development (LED) is one possible answer to this challenge by trying to integrate people into economic life and leading to a larger financial assets base. In contrast to macro-economic and industrial development, LED is a rather pragmatic approach (Cunningham/Meyer-Stamer 2005) built on local multi-actor partnerships and encompassing various activities and strategies either directly (e.g. through Business Development Services (BDS)), or indirectly (e.g. through infrastructure development) targeting economic development.

The strong focus of LED on the local level reflects the general shift away from central government planning and the expectations for possible trickle-down effects. Approaches today focus on the fulfilment of basic needs, and directing growth to increase equality within society, and they emphasise people's participation in development. Decentralisation became an essential process approach to increase forces for self-help (Cheema/Rondinelli 2007). The academic discussion is thus centred on politics creating enabling environments for political participation, setting incentives, and building opportunities for increasing people's active role in development. The major of doing this is by giving the population the chance to build institutions that are responsive to their needs and priorities (Hydén/Court/Mease 2004). This institutionalisation of citizens' participation in development planning and management aims at catering the often heterogeneous, local needs and to circumvent local elites who are often insensitive to the needs of the poorer groups (Rondinelli/Cheema 1983). It is widely assumed that through decentralisation, governments are better informed, more responsive to the needs of the people, and

therefore producing pro-poor policies and outcomes. Though, decentralisation is not in and of itself reducing poverty but it helps alleviate poverty based on processes suited to locality specific social, economic, political and institutional factors (OECD 2004) by increasing “(...) chances of successfully implementing policies for the poor that depend on local communities to take ownership of poverty-alleviation programs” (Cheema/Rondinelli 2007: 7)

Poverty reduction is thus definitely taking an immensely important role in both policy fields. This can be traced down to the following link: decentralisation offers the possibility for poor people to voice their needs, integrate them in the policy making process and thus adjust the policies to them, while local economic development policies need to be oriented along the preferences and wants of the poor in order to produce poverty reductive effects.

The objective of this research project was to assess if political decentralisation offers poor economic actors an increased influence on decision-making, and how this translates into the design of LED-policies that aim at improving their economic situation.

The work is based on a case study of the decentralisation process and the established local development plans and strategies in five communes in Battambang Province, Kingdom of Cambodia. The case of Cambodia is especially relevant since (1) the process of decentralisation comprises different channels and instruments for participation and citizen involvement, (2) it has a clear orientation towards socio-economic development and poverty reducing effects; and (3) the process of political decentralisation coincides with transferred powers for local economic issues to the sub-national level and thus local policy-making for LED. The results are also of special interest in view of the upcoming Commune/Sangkat Council elections scheduled for 2012 and which are to be held for the third time after 2002 and 2007 in order to elect the Commune Councillors of the coming 5-year term.

The focus of this exploratory study was on participation as one of the voice-elements of political decentralisation and did not focus on measuring the specific pro-poor effects of local economic development; it was process- and not impact-oriented.

The aim was to assess the possibilities and the degree of citizen participation resulting from the decentralisation policy with regard to the policy field “Local Economic Development” and in how far the policies for LED respond to the poor economic actors’ expectations and needs. Thus, not ‘pro-poor’ in terms of ‘poverty reducing effects’ was the focus, but ‘pro-poor’ in terms of participation of poor economic actors and responsiveness of local governments which translates into an orientation of local economic development policies towards poor people’s needs.

2 DISCUSSION OF THE CONCEPTUAL FRAMEWORKS AND EVIDENCE

2.1 The concept of decentralisation

The main underlying rationale for decentralisation is that “development is a complex and uncertain process that cannot be easily planned and controlled from the centre” (Rondinelli/Cheema 1983: 14). The discussion nowadays still evolves around the definition of Rondinelli (1980), which has been refined and reworked e.g. by Mills et al., who define it as “the transfer of authority to plan, make decisions or manage public functions from the national level to any organisation or agency at the sub-national level” (Mills et al. 1990 cited in: OECD 2004: 16).

A distinction of different forms of decentralisation can be made with regard to the *amount of autonomy* that is transferred to the local level. ‘Deconcentration’, is nothing more than transferring duties to the local level by redistributing administrative responsibilities without simultaneously transferring decision-making power. ‘Delegation’ describes a situation in which responsibilities are transferred to a semi-independent authority to fulfil specifically predefined functions and responsibilities. The most far-reaching form of decentralisation is characterised by the creation of new units of government outside the direct control of the central government - ‘devolution’ (Rondinelli 1980; Rondinelli/Cheema 1983). Litvack, Ahmad & Bird (1998), assume that it covers the “transfer of authority for decision-making, finance and management to quasi-autonomous units of local government” (Litvack/Ahmad/Bird 1998: 6).

Decentralisation concepts can further be distinguished with regard to the *kind and extent of authority* transferred. It distinguishes financial authority (degree of revenue-raising and –spending authority), administrative authority (degree of civil servants’ influence on distributive decisions in their administrative area), and political authority (degree to which political institutions have the power to transfer the variety of citizen interests into political decisions) (Litvack/Ahmad/Bird 1998).

Whatever the specific form of decentralisation, in its very basic nature it is first and foremost a legal regulation about the transfer of power and responsibilities.

2.2 Political decentralisation

As they share a widely common ground, *delegation* (*amount of autonomy*-perspective) and *political decentralisation* (*kind and extent of authority*-perspective) are thus overlapping categories. Political scientists mainly focus on the articulation and introduction of interest into public decision-making and the institutionalisation of these processes in the political system; these two forms represent the process-oriented and the institution-oriented perspective. Both refer on their most basic level to the issues of ‘voice’ of the people and ‘responsiveness’ of governmental agencies and bodies, but two major strands of discussion can be identified in how this mechanism is working.

The one strand is strongly bound to a traditional democracy-centred perspective emphasising the role of local governments and their functions. Wolman (1990) for example ar-

gues that political decentralisation “implies that subnational units of government have discretion available to them to engage in effective [...] decision-making regarding policies affecting their area, for example which policies to pursue, how much to spend on them, etc.” (Wolman 1990: 30). Another important aspect is the need of political representation of these sub-national units achieved through elections at the local level (OECD 2004).

On the other side, it is nowadays often interpreted in a broader way, going beyond formal election-processes and assigning some supplementary role for decision-making, finance and management to the people or to bottom-up institutions that act as their representatives (see Kaiser 2006). This new trend emerged especially under the influence of the governance-discussion led by UNDP, broadening the notion beyond the government-focussed perspective, and including all actors in society by sharing authority and resources that are essential for shaping public policy (Cheema/Rondinelli 2007).

Summarising both views, political decentralisation is about decision-making autonomy for lower levels of government with regard to sectoral resource allocations. It is built on electoral institutions and other bodies for decision-making that ensure accountability. Beyond voting, other processes are in place to ensure citizen participation, including participation of the poor.

Political decentralisation reforms and processes are most commonly justified either from an economic or a socio-political perspective.

Economic justifications in favour of (political) decentralisation can be found abound in the literature. From the *ex-ante* perspective, Oates’ decentralisation-theorem emphasises the spatial characteristics of most public goods and the necessity to direct the production of the public good to the same level as its consumers (Oates 1972). Thus, the argument is that decentralisation increases the allocative efficiency of public service delivery due to better availability of information for local governments and because rewarding and punishing the political leaders is easier and thereby increases their responsiveness (Grindle 2007a). Tull (2001) also emphasises the practical aspect of the efficiency argument. He points to an increased efficiency and effectiveness of public services since the exploitation, functionality and maintenance of infrastructure are improved, resulting in lower costs per unit (Tull 2001). In ‘decentralisation reality’ however, the production and provision of a public good frequently become inefficient either due to the actor-variety at the local level or because the relevant units are divided along historical and cultural lines and not along efficiency criteria (Metzger 2000).

From the *ex-post* economic perspective, the Tiebout-model suggests that the mobility of citizens increases efficiency of service provision through higher competition between constituencies to attract taxpayers. However, most of the theoretical assumptions still lack empirical evidence today (Metzger 2000). Some argue that the Tiebout-model in general lacks relevance in developing countries, since the citizens (or in this case the taxpayers) do - under normal circumstances - not migrate between the different constituencies as a result of differences in local tax structures (Bardhan 2000).

In addition to these arguments, decentralisation can also be a factor in finding creative and innovative ways to better respond to the citizens’ needs (Cheema/Rondinelli 2007).

This is relevant since people within a locality can be expected to possess more knowledge and ideas how to solve their specific problems by using local resources and capacities (Olowu 2006).

The more people-centred justifications for political decentralisation evolve around questions of building or sustaining political stability and increasing ownership through participation (improved integration of citizens) and/or through elections (increased accountability and legitimacy of political actors). This line of argumentation is especially relevant since people whose needs are not voiced and not heard might not be interested in sustaining the political system and they would not have the opportunity to exchange knowledge and ideas. The process of increased citizen involvement is therefore expected to empower the people and to foster active political engagement. In addition, decentralisation can have a positive effect on the development of civil society and associational activity since local actors might be encouraged to organise and exploit the newly opened democratic space (see Tull 2001).

Although these two theoretical lines of argumentation seem incongruent on first sight, most arguments for decentralisation are rather a combination of efficiency and empowerment arguments. Several scholars see decentralisation as an element in making participation more attractive to the local citizens, increasing the allocative efficiency for the delivery of public services, and therewith also improving accountability (see Metzger 2000).

Thus political decentralisation can – in theory – be seen as a concept that can help in solving a large array of persisting problems in developing countries in general, and in development interventions more specifically. It can contribute to better responsiveness to the needs of the local people and increase efficiency of public goods and service delivery while guaranteeing their quality and provision. At the same time it is expected to further strengthen the civil society and empower the people to play an active role in development processes.

2.2.1 Preconditions and hindering factors for effective political decentralisation

Participation of the people is often taken for granted and as a result of spatial and institutional proximity between local governments and citizens it is expected that the authorities will try to seek people's active contribution in decision-making, thus becoming more knowledgeable about their needs and responding to them. However, "(i)n societies where social, economic, and political inequalities prevail, it is unlikely that local institutions for civic participation will simply emerge as a natural consequence of decentralization reforms" (Andersson/Gordillo de Anda/van Laerhoven 2009¹: 163). This is especially relevant with regard to the poorer actors in society who are excluded from politics that are dominated by elites (ibid.; Crook 2003). National-level political elites can also be opposed to reforms and local action since they fear losing influence at the local level, while local

1 Further cited as Anderson et al. 2009.

elites might opt for the provision of specific services that are most beneficial to them (Olowu 2006). Capacities are another decisive factor, as local actors often lack the relevant knowledge and information to actively participate in decision-making or in the provision of the demanded development services.

One key idea to solve or mitigate negative effects is to integrate decentralisation in a larger local institution-building process that aims at networking and integrating state and non-state institutions (Tull 2001). This includes the direct involvement of civil society organisations (CSO) at the local level, since they can probably bridge the capacity-gap through their involvement in the production and provision of services (Andersson et al. 2009). Such bottom-up organisations can also mobilise the citizens to participate in decision-making processes and thereby make local governments more responsive. Grindle (2007) illustrates that areas with a dynamic civil society produce comparatively faster and better services because the identified needs are more tangible, although the process is in most cases initiated by the local government (Grindle 2007b). This can be fostered by central government monitoring and financial incentives as well as an institutional mechanism to oblige local elites to fulfil their obligations in ensuring information flow between them and the local citizens (Andersson et al. 2009).

The local institutions must also be enabled to exploit the new opportunities and to work effectively. A major means is to ensure the availability of a self-administered budget that is large enough to cater to the needs of the population, a clear separate legal status, the possibility to distribute resources, clearly defined competencies and tasks, as well as bodies and committees with representatives from the local population (Mahwood 1993 in: Tull 2001).

Whereas the institutional context can be conducive for responsive and accountable political processes, the decisive factor remains an increase in effective chances for participation (Tull 2001).

2.2.2 Political decentralisation and its pro-poor effects

It is assumed that the poor lack political power and therefore services are delivered to them in an unsatisfactory manner, and institutions as well as political and social structures have to be reformed in order to achieve change in attitudes towards the poor. Decentralisation gives the poor political power through increased participation in decision-making processes. Based on the aforementioned arguments for decentralisation, two linkages between decentralisation and poverty reduction can be identified.

The first line of argumentation focuses on efficiency considerations. More complete and better information as well as an increased commitment of the administration to the issues of the poor can lead to more effective decision-making and more efficient outcomes. Such coalitions can therefore help improve the allocation of scarce public resources that prove beneficial for the poor (see von Braun/Grote 2002).

A second argument is that through decentralisation the poor become politically empowered by allowing increased participation and giving them possibilities for a stronger supervision of their local governments. At the same time, the local government is expected to make use of the better information and increase its responsiveness to the needs and preferences of the poor (see von Braun/Grote 2002).

Thus, efficiency and empowerment arguments are interdependent and suppose that the poor have a certain position within the local structures that already allow their voice to be heard.

However, a clear distinction is rarely made in the scientific discussion between the different groups of actors and their decision-making powers within the local citizenry. This is also reflected by several empirical studies. Crook & Manor (1998) for example show that decentralisation led to improved performance in service delivery but it could not increase the responsiveness to poor and vulnerable layers of society. Blair (2000) shows that it might even lead to higher participation of the poor but does not necessarily support their empowerment and has no direct impact on poverty reduction, and Crook & Sverrisson (2001) do also not see any direct effect on more pro-poor oriented policies or poverty reduction.

Blunt and Turner (2007), who offer a detailed overview over the empirical studies on decentralisation and its benefits, conclude that decentralisation lacks direct links to the objectives for poverty reduction as it does not increase the probability that uninterested political elites orient their policies to generate increased pro-poor effects. (Blunt/Turner 2007). Yet, the optimists argue that the successful implementation of decentralisation reforms must be supported by a decrease in asymmetric power relations in order to finally increase local ownership. Even within representative bodies such as CSOs, the poor themselves must be the leaders if they want to make their concerns heard and not be dominated by minority elites (Singh 2007).

Due to mixed empirical evidence it remains therefore unclear to what extent political decentralisation actually leads to policies and outputs that are more beneficiary for and responsive to the poor.

In general, measuring responsiveness goes beyond assessing the outputs of governmental actions and looks at the similarity of citizen preferences and the public policies put in place by the local government (Crook/Sverrisson 1999). Thus, pro-poor responsiveness in the context of political decentralisation combines efficiency considerations with the idea that institutions and processes for policy-making are driven by and responsive to the poor.

Hence, political decentralisation, which sets the framework for a participation of all actors in local decision-making, can be interpreted as an institutional approach² to poverty reduction.

2.2.3 *Voice-channels and their relevance for pro-poor policies*

Following the optimists for political decentralisation, the focus of this study was therefore on the institutional mechanisms that are underlying the relationship between the orientation of local policies to the needs of the poor and political decentralisation.

Some argue that political decentralisation, based on the basic democratic voting and accountability mechanisms, does actively impede the state from bypassing the poor. This is based on a political economy argument assuming that the problem of poverty is locality-specific and thus the median voters' needs are served since goods and services are better tailored to these specific needs due to relative strong voting power of the poor (von Braun/Grote 2002). This argumentation for relating the political decentralisation process to the pro-poor orientation of specific policies is to be questioned, since a voting process does not specifically focus on one policy field but on all policy fields that are under the decision-making power of the local government and all activities during one legislative period.

However, in the scientific literature the 'democratic' model is an important research subject. For example both Crook & Manor (1998) as well as Bardhan (1997) refer to the democratic accountability mechanism: politicians' incentives to use local information are increased due to the direct public pressure, and less because of the people's active participation (Crook/Manor 1998), assuming a functioning party system, monitoring and supervision from the upper levels, free media, good resource situation, as well citizens who are sufficiently educated and politically sensitised (Bardhan 1997). This shows a limitation to the approach: it relies on high 'entry conditions' to be effective, which is especially critical in developing countries.

In addition, voting is not exclusively related to the content of programmes and policies but rather focuses on the personality or ethnicity, and after the elections accountability is often low (Devas/Grant 2003).

Still, since local governments lack perfect information, active participation of the citizens is the crucial element for integrating local needs and preferences into the decision-making process and enhancing efficiency through increased pro-poor choices of public investments. Thus, only under the assumption that the people have influence on the decision-making process, can they influence the policies. This study therefore focussed less on the ordinary 'voice-responsiveness-mechanism' through 'representation,' but took a broader view on political decentralisation in development processes. It was oriented along

2 Tull (2001) even refers to Simons' (1993) argument that decentralisation is the 'institutional precondition for poverty reduction', he refers to the importance of 'self-help' and the reduction of institutional impediments (see Tull 2001: 44).

the position that emphasises the participation of citizens and their organisations as an input to the local development process. However, the role of the local governments is still seen as a decisive factor in the policy- and decision-making process and political decentralisation remains the major element since it provides the policy framework for polities that allow such participatory decision-making.

The ability of the poor to influence the decision-making process at the local level has a significant impact on the ‘pro-poorness’ of local planning, priority setting and the allocation of funds. Therefore, the “progress in poverty reduction depends on the quality of the participation of the (...) poor in the decisions affecting their lives and on the responsiveness of urban planning and policy-making processes to the needs of the (...) poor” (UN-HABITAT 2002: 11).

2.3 Local Economic Development

Decentralisation is in many aspects linked to economic considerations, not exclusively from the political economy perspective, but also with regard to increased income generation and an improved economic situation of the local citizens.

Obviously, decentralisation is based on the recognition of a varied and mixed actor composition, an element that can also be found in many definitions and interpretations of the term ‘local economic development’. Helmsing (2001) broadly defines it as a

“(...) process in which partnerships between local governments, community-based groups and the private sector are established to manage existing resources to create jobs and stimulate the economy of a well-defined territory.” (Helmsing 2001: 64).

UN-HABITAT relates LED even specifically to poverty-issues by defining it as “a way to help create decent jobs and improve the quality of life for everyone, including the poor and marginalized” (UN-HABITAT 2005: 1) and Vilorio-Williams (ILO) emphasises the active role of local actors by assigning them ownership of the activities, interpreting LED as

“(...) a locally-owned, participatory development process in a given territory, which encourages partnership agreements between local, private and public stakeholders and enables the joint design and implementation of a common development strategy, stimulating the use of local resources and the creation of comparative advantage” (Vilorio-Williams 2007: 11).

This demonstrates the relevance of processes that are rooted in political decentralisation, and emphasises the importance of it for the poor. Its focus on governance-based LED interventions was the basis for this study.

The diversity of approaches assembled under the term LED is a result of the evolution of the concept. Starting from attracting investments especially by building hard (economic)

infrastructure, the focus shifted to more targeted measures such as training, credit and Business Development Services (BDS). During the last 15 years LED-approaches became more holistic – creating conducive framework conditions for businesses, building soft infrastructure, creating networks between actors in the economic sphere, developing clusters and improving the overall quality of life (Davis/Rylance 2005, Rücker/Trah 2007). Hence, nowadays it is a multi-actor process that encompasses a variety of activities at various levels.

LED today is built on four major principles: (1) the territorial aspect, (2) the integrated, balanced approach, (3) the promotion of good governance and empowerment through opportunities for voice, horizontal cooperation and vertical coordination, and (4) sharing economic benefits both quantitatively and qualitatively (Viloria-Williams 2007).

The impacts of LED on growth, income, employment or any other direct outcome are hard to determine (Meyer-Stamer 2003), but the diversity of approaches within this concept facilitates to diversify the sources of income, to achieve a sustainable contribution to poverty reduction and to decrease vulnerability. The LED-process is embedded and dependent on the territorial characteristics, as different areas have an ‘economic identity’ with regard to their productive, natural, physical, human, entrepreneurial and political assets, potentials and resources (van Boekel/van Logtestijn 2002). Therefore tailored interventions are an essential element for overall improvements of a country’s economic situation.

2.3.1 Political decentralisation & LED – rationale and expected benefits

However, as LED is a normal policy field, it is characterised by competition, resistance and diverging agendas of the actors (Meyer-Stamer 2004). Hence, it must be supported by a high degree of willingness of the local governments and the private sector to cooperate and to accept participatory approaches in order to be effective in poor regions. Basic capacities for planning policies and processes and a significant economic potential as well as a working institutional structure are equally essential to successfully implement LED activities (Höcker/Becker 2006). This needs to be substantiated by suitable and functioning participatory mechanisms and policy networks that are adapted to the context. The activities are necessarily based on an LED-strategy that is part of a community-wide and multi-sector development planning that is supported by a specialised body for LED, which is able to spontaneously exploit upcoming opportunities for economic development (Rücker/Trah 2007).

Moreover, political decentralisation and LED interventions are often combined with regard to the areal specificity of economic development policies and the need to respond to varying contexts. The territorial argument of LED supports the point of view that participatory and dialogue processes are essential to LED since local actors have superior knowledge about their needs and resources. Thus, proximity (geographical and cultural) facilitates social, economic and political interaction and creates the basis for growth, innovation, as well as cohesion and trust between the local actors (van Boekel/van Logtestijn 2002). The integration of different stakeholders and inclusion of economic,

political and cultural factors can thus lead to a better match between outputs and citizens' interests, so that costs and benefits are distributed accordingly within the local community (Beyer/Peterson/Sharma 2004). Economic development strategies that foster cooperation between local governments and the civil society can therefore lead to an increase in local employment, enable small enterprises to grow, and integrate social, economic, cultural and institutional aspects.

Due to the importance of micro- small- and medium-enterprises (MSME) in the local economy, it is crucial to develop and strengthen institutions, legal frameworks and mechanisms, that allow these enterprises as well as workers to participate in decision-making regarding economic reforms (Lamotte/Herr 2005). Small-scale infrastructure projects such as irrigation systems, roads, sub-contracting for the delivery of public goods, water supply, transport infrastructure et cetera are important investments for improving the lives of the poor. Decentralisation has the potential to not only increase the allocative efficiency but also the productive efficiency, due to better prioritisation and need-orientation in the use of local resources (Wekwete 2007).

Local economic development is usually initiated and steered by the respective local government, based on multi-stakeholder processes, and emphasising the need for participatory approaches (Cunningham/Meyer-Stamer 2005; Wekwete 2007). Local authorities are most suitable for the coordination of local actors under the premise of a long-term perspective in poverty alleviation (Pieterse 2000 in: Rogerson 2002). In addition, it is a major role of the local governments to develop and manage projects that aim at addressing and mitigating inequalities between citizens (Matovu 2000 in: Rogerson 2002).

Local government can thus mainly set incentives for attracting and supporting businesses. In collaboration with the local economic actors (or their associations) it can achieve a better design of specific interventions for improving the general local business environment by building capacities, increasing the locality's attractiveness, and actively promoting the locality or developing clusters that increase the local economies of scale. This would also set incentives for the creation and attraction of new firms, and lead to improved competitiveness and innovation of existing MSMEs. Since such support services as well as (economic) infrastructure are public (collective) goods, they also necessitate collective (public) action, which in the end constitutes the major element of LED (Helmsing 2001).

2.3.2 Local actors' diverse roles and power in LED

Local governments take the role of driving forces behind LED processes as they are the only institution that is legally, politically, and democratically legitimated to implement policies that imply structural changes. CSOs are seen as a facilitator or intermediaries with limited powers over decisions. This is a fundamental change in traditional political mechanisms since this approach focuses on horizontal 'policy networks' that allow to use synergies, valorise endogenous resources and local knowledge through participatory pro-

cesses (Horr 2001). Although local governments have the responsibility to initiate and drive local economic development processes, they cannot do it alone and therefore they need collaboration with businesses and the civil society. Local governments can set favourable background conditions and mitigate market failure, but the private sector needs to articulate its interest, exploit the upcoming opportunities and create employment and income (Rücker/Trah 2007).

Local government's role in LED is mainly to provide guidance, improve the regulatory framework, direct investments to economic infrastructure that fits the specific needs of the local businesses, promote credits and loans et cetera. The reality in developing countries nevertheless shows that only few local governments are actually able to adequately fulfil these responsibilities due to the absence of well-defined legal frameworks and a lack of resources (Shawa 2008). They often also lack the capacity to valorise upcoming opportunities and make use of synergies (Wekwete 2007). Helmsing reduces the role of governmental bodies and argues that their major role is to provide services and infrastructure and to facilitate the contribution of other actors to the LED process (Helmsing 2001). Others challenge the importance of public participation since LED decision-making is rather consultative and in the end the local government takes over the legal responsibility for defining the strategy (Beyer/Peterson/Sharma 2004).

Little attention is often paid to the specific role and power of the poor and marginalised in LED. A major reason is that most of the literature originates from developed countries, where mainly 'well-off' entrepreneurs and companies are the direct partners of the governments. Traditionally, marginalised groups are not in the focus of economic and employment promotion due to their rather passive role. However, in developing countries the poor and the economic actors are often not separate groups, and should therefore be in the focus of discussion.

The poor, normally MSMEs in the informal sector, suffer from strong competition as they do not have the opportunity to exit the market, innovations are often copied, and entrepreneurs have low technical and managerial competences. Hence there is a special need for capacity building and other support to the poor entrepreneurs (Meyer-Stamer 2001). Local MSMEs need to be actively involved in LED processes so that they can identify and voice their common interests, demands and solutions. For this reason, more attention has to be paid to the participation and voice of owners and workers/employess in small enterprises. This goes beyond 'pro-poor' approaches where the poorer levels of society participate in LED by contracting out public services to local MSMEs or offering employment opportunities to local workers e.g. in construction and maintenance works.

Thus, the direct benefit and the necessity of local economic development for the poor are clear. Due to limited resources and the important role of local markets in poor's daily lives, changes can best be triggered by investments into infrastructure, training, access to credit, networking et cetera. (Rücker/Trah 2007).

2.3.3 *The 'pro-poorness' of LED*

Although most scholars mention the importance of multi-stakeholder processes, the rationales behind these partnership-based and participatory approaches are manifold. Some take a more locally oriented perspective for increasing efficiency of LED – the instrumental perspective –, others assign more importance to a pro-poor orientation for reasons of poverty reduction – the transformative perspective.

The major rationale is that governments need to provide different solutions for the economic development of the different localities that fit the specific local context. This is expected to be achieved by means of increased ownership and the use of local knowledge and capacities. Thus, in the end, it is always a mixture of empowerment aspects and need-orientation, as well as efficiency considerations that lay the foundation for possible poverty reducing effects.

Davis & Rylance (2005) condensed this to the following statement:

“LED reduces poverty through local empowerment, improving the quality of local services and, enabling access to productive assets with the main methodologies centred on the sustainable extraction of natural and cultural resources, adding value to local products and, the use of new technologies to improve rural competitiveness in the market.” (Davis/Rylance 2005: 8).

In conclusion, political decentralisation and the related participatory processes are rarely exclusively seen as an instrument for orienting local economic development directly to the needs and preferences of the poor. It is rather a means to enhance the appropriateness of public investments in the economic sphere to the local necessities and context variables in order to increase their allocative efficiency and effectiveness, without explicitly intending to ‘serve the poor’.

A difficulty for the pro-poorness of LED is that the involvement of local citizens - including the poor - is crucial to successful LED. It comprises measures of social and economic policy, while its focus is on competition and business rather than supporting the weak (Meyer-Stamer 2003). At the same time most market failures can be addressed in a more effective and efficient way at the local level (Rücker/Trah 2007). Thus, there is no reason to exclude the poor from participating, introducing their needs and benefitting from public interventions in the economic sphere.

Local economic development is thus widely regarded as a multi-stakeholder process based on and rooted in decentralisation processes. In contrast to the specific legal regulations for political decentralisation, the local government is assigned a rather inexplicit, passive role as service provider and for steering the LED multi-stakeholder process. Hence, the concept of political accountability does not seem to be a suitable one for analysing decision-making processes in LED-policy making within this study.

3 PRESENTATION OF RELEVANT CONCEPTS

The quite varied characteristics of *political decentralisation* and *local economic development* lead to the assumption that the theoretical framework needs to refer to multi-stakeholder processes that assign an active role to both the local authorities and the citizens. Moreover, the underlying concepts need to go beyond an increase in the efficiency of service delivery for local economic development, but they must be supportive to the integration of poor's needs in the decision-making process.

3.1 Governance – the underlying concept behind political decentralisation

Kauzya (2007) emphasises that political decentralisation can be divided with regard to the different possible channels of influence – ‘vote’ and ‘voice’. The ‘voice’-channel implies that structural arrangements are set up to allow local governments and communities to influence decision-making, as well as the implementation, monitoring, and evaluation of decisions that are related to their ‘socio-politico-economic well-being’. This goes beyond the installation of government-structures, but combines vertical and horizontal transfers of power (Kauzya 2007).

As outlined above, this principle is guiding the application of both concepts, *political decentralisation* and *local economic development*. It can be reassembled under the umbrella-term ‘governance’ and understood as: “...the system of values, policies, and institutions by which a society manages its economic, political, and social affairs through interactions within and among the state, civil society, and the private sector.” (Work 2003: 195).

In the context of this research project, the governance-concept is of outstanding importance. It emphasises the active role of those actors in society who have the requisite information and who also take the responsibility for the political and economic consequences of their decisions. This is widely congruent with the devolution of decision-making power to the local level and underlines the importance of the (poor) people in local decision-making processes (Bardhan 1997). Governance and political decentralisation are therefore overlapping concepts that have in common a broader notion of government. Both refer to processes that allow actors to influence policies and decisions concerning economic and social development.

With regard to the orientation of local decisions along the needs of the poor, the UNDP-definition of good governance is one of the most specific. It takes the perspective that good governance needs to assure “that political, social and economic priorities are based on broad consensus in society and that the voices of the poorest and the most vulnerable are heard in decision-making over the allocation of development resources” (UNDP cited in Nurrochmat 2005: 21)

Governance values, in contrast to efficiency values, are thus one main argument for decentralisation, since they include (1) voice, responsiveness and accountability (mainly based on the *a priori* argument that higher responsiveness leads to closer congruence between public preferences and public policy); (2) diversity offering a wider choice for the citizens; and (3) the opportunity to debate and decide on local issues by means of political participation (Wolman 1990). However, some governance concepts do not draw a clear line between efficiency criteria and institutional aspects, but relate the above-mentioned governance values to the efficient and effective use and management of public resources and public needs in response to the interest of society (see Metzger 2000). Dethier (2000) for example assumes that – especially regarding the allocation of public goods – one major effect of governance is that it increases efficiency by reducing transaction costs and information advantages of certain actors and thus reduces common agency problems occurring in multi-actor environments (Dethier 2000).

The main lines of argumentation for categorising the governance concept are along the questions whether governance is about steering activities in the public sphere, or if it is mainly about setting rules to activities in the public sphere. The other line is separating the discussion between a more process-orientated view and the interpretation of governance as direct action leading to results (Hydén/Court/Mease 2004).

This study is clearly anchored in the tradition of an analysis from the perspective of public administration emphasising that developments cannot be achieved by single measures, but that they must build on the continuous cooperation between governments and non-state actors (process). From this perspective the state is not the only actor for securing the welfare of its citizens, but it is the society (governments in collaboration with the citizens) as a whole with its needs and capacities that are the driving force to increase performance (steering).

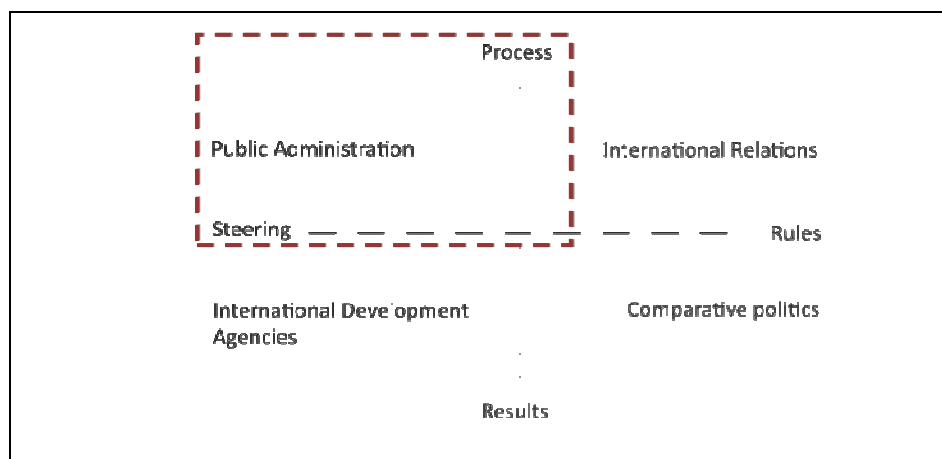


Fig. 1: Uses of the governance concept, based on Hydén, Court & Mease 2004: 13

Or in short: “Governance is a process that brings administrators into new collaborative relations in which the prospect for results is deemed to be better than within conventional organizational settings” (Hydén/Court/Mease 2004: 14). This stands in contrast to the

government-oriented perspectives most international donors take on governance. From their understanding, governance is about the exercise of authority, the management of resources, and the implementation of policies (see *ibid.*), which is also widely reflected in the LED literature.

3.2 Governance and the voice-responsiveness mechanism

As it has been depicted in the chapter on decentralisation, two different channels are possible: polls and participation in local affairs. Democratic elections and accountability have two major shortcomings. First, they offer *indirect* voice to the people and due to a low voter turnout (see Burns/Hambleton/Hoggett 1994) it can result in unrepresentative and comparatively anonymous bodies. Moreover, periodic elections do not provide the opportunity to have a direct connection to budget decisions and explicit policy formulation (Devas/Grant 2003).

Therefore, in this study participation – the voice-element – is the relevant channel. Since governance processes are the relevant mechanisms within political decentralisation, the degree of participation decides to what extent the citizens – and in the context of this study the poor – are able to voice their needs and make the government respond to their preferences.

Participation contributes to the exchange of information that is needed for effective decision-making and the legitimacy of decisions (Work 2003).

In the context of governance, it facilitates communication between different stakeholders such as the government, citizens, interest groups, and businesses regarding a specific tasks; political decentralisation is the institutional basis that helps in fostering the communication process and guarantees that the variety of ideas is voiced (see Beyer/Peterson/Sharma 2004). This is important since the recognition of peoples' needs by the local government depends on voicing the needs and weighting the preferences (Metzger 2000).

A participatory process should involve different stakeholder groups: the affected people and those who are affecting the process outcomes as well as those actors who have the necessary information, resources, and expertise for the policy making and implementation process, and those who directly control the implementation (see Beyer/Peterson/Sharma 2004).

It is hard to determine what degree of participation is the appropriate one for a specific participatory process in order to achieve the expected result. Many scholars directly or indirectly refer to Arnstein's 'Ladder of Citizen Participation' or adopt it to their purpose; defining different possible levels of participation, their characteristics and expected out-

comes. A general challenge when using Arnstein's concept is its initial design, which aimed at the relationship between citizens and specific programmes.

Burns, Hambleton & Hoggett (1994) adapted the 'ladder-concept' with regard to the control of citizens over local issues and thereby reflects a general shift towards issues of empowerment. This 'ladder' is especially directed to the three interrelated main areas of decision-making that are relevant for this study:

- (1) decisions on operational practices such as the quality of public services, their design et cetera,
- (2) expenditure decisions, e.g. the allocation of the local budget to specific interventions, and
- (3) the formulation of policies at the local level such as the definition of strategic objectives or the establishment, prioritisation and formulation of local development plans.

Within this concept, one form of participation that gives people direct influence on decisions is labelled 'decentralised decision-making'. It is based on a commitment of the local government to consider peoples' views before decisions are taken. 'Decentralised decision-making' can take several degrees leading either to limited citizen influence (local authority takes citizens' views into account without necessarily committing to them), or to significant citizen influence where citizens have genuine bargaining influence (Burns/Hambleton/Hoggett 1994).

CITIZEN CONTROL	Interdependent control	
	Entrusted control	
CITIZEN PARTICIPATION	Delegated control	
	Partnership	
	Limited decentralised decision-making	Limited but real control over operations and/or resources within a specified framework
	Effective advisory bodies	Influence possible over operational, resource and even strategic decisions, but actual control over none
CITIZEN NON-PARTICIPATION	Genuine consultation	
	High quality information	
	Customer care	
	Poor information	
	Cynical consultation	
	Civic hype	

Fig. 2: Classification of the relevant level of participation in the ladder-concept of Burns, Hambleton & Hoggett, based on Burns, Hambleton & Hoggett 1994

Based on this framework, a medium degree of participation is suitable and sufficient for the purpose of orienting LED policies closer to the needs of the poor citizens. The existence of committees and councils that have influence on operational and strategic deci-

sions or even limited control over operations is a good indicator for 'significant citizen influence that includes a genuine bargaining influence'. Such a level of citizen participation can be sufficient, assuming that the bargaining power is strong enough to outweigh other actors in the decision-making process.

Thus, 'voice' must go beyond the consultation and include direct influence on decisions about budget allocations and policy decisions. However, this does not necessarily mean that the citizens actually have control over the operations as such, but they have the power to influence the decisions that are taken. The application of this concept emphasises that, for the decisions in a single policy-field, consultation via elections or polls – as argued by the advocates of the democratic accountability mechanism – will not lead to a suitable and necessary level of participation.

In order to make participation most efficient, it should be practiced through institutional channels or informal mechanisms that have legitimisation as well as a definite commitment by all stakeholders. However, it is not only a matter of institutional arrangements but also of interest and people's capacity to participate (Pasha 2003).

With special regard to the group of the poor, the problem is that councillors are often not automatically willing to take the poor people's concerns into account and pro-poor interests need to be attended through alternative means. Crook & Sverrisson (2001) suggest different solutions such as the participation of poor representatives in formal governmental bodies, specific quotas, or the use of sympathetic elites from supportive associations and organisations that specifically target the poor (Crook/Sverrisson 2001).

On the other hand, the degree of people's interest to take part in participatory decision-making as well as their capacities are additional points to be considered. In order to increase their willingness and interest, it is important to provide channels of communication and avoid free-riding by increasing the social recognition and by generating benefits via the participatory process (see Metzger 2000). This is especially important with regard to the specificities of the poorer layers of society who are often marginalised in daily life. Thus, responding to their needs might have a positive effect on their motivation to further participate in local decision-making.

3.3 Pro-poor responsiveness

Empirical assessments of poor people's direct or indirect participation in local decision-making and its effects on the orientation of policies along the poor's needs are rare and often limited to general assumptions about enhanced responsiveness of government institutions due to proximity and improved information flows (see Manor 1999). In general, it is extremely difficult to clearly measure the outcomes of 'decentralised action' but if analysed, indirect measures, such as local expenditures for social and economic infrastructure, are often used for this purpose (see Crook/Sverrisson 1999). With specific re-

gard to the orientation towards the needs of the poor, the access to basic social services and the users' satisfaction can be major indicators in such an analysis (Kaiser 2006).

Some studies on the outcome of participatory arrangements were also qualitatively oriented, using semi-structured interviews to assess for example the way in which specific development interventions were planned and executed, if they responded to local needs, and how the representation was organised in local forums (Faguet 1997).

An approach which looks both at the tangible outcomes of a participatory decision-making process as well as its quality, is best suited to determine the responsiveness of local economic development to the needs of the poor economic actors. This study is oriented along the approach of Crook & Manor (1998) who measure responsiveness through an assessment of people's preferences, their satisfaction with the decision-making process and its outcome, thus the overall congruence of public policies with the needs of the population (Crook/Manor 1998).

Responsiveness therefore also includes people's personal assessments in how far they feel the local government is being responsive, since simple output measures neglect the perceived quality of services and goods and the impact on people's lives (Crook/Sverrisson 1999). This approach thus reflects both the efficiency and the empowerment arguments for political decentralisation. In order to measure the pro-poor responsiveness, the underlying processes must take into account especially the poorer strata of society. Responsiveness is not a result of participation, but the participants must be heard since "participation is a necessary but not sufficient condition for greater responsiveness" (Crook 2003: 79).

This approach corresponds best with the governance concept that is applied in this study, since it allows a better content analysis of a specific policy and also pays attention to participation outside the democratic area. In addition to the analysis of the process-outcomes, an important focus also needs to be set on the diversity of representation in order to assess who exactly represents 'the poor' (Beyer/Peterson/Sharma 2004). As a result, this interpretation of 'pro-poor responsiveness' at the local level, includes both the extent of representation of specific interests and the participation of the poor as well as the extent to which the composition of the public goods (as described in the policy) corresponds to poor people's preferences.

Threats to this 'pro-poor responsiveness' are especially rooted in the local system and context, as well as the existing social structure and are thus not easy to overcome. Important factors are elite capture and the influence of vested interests. In LED-processes, which are normally steered by local leaders, this can have the effect that either the poor are worse off at the end of a specific decision-making process or that the local governments' role is undermined. In general, participation happens in a predefined social setting, so that costs and benefits are distributed following the existing local power structures, which is especially a barrier for the concerns of the marginalised and poor (Beyer/Peterson/Sharma 2004).

CSOs are widely seen as a means to overcome these structural barriers. However, an increase in the participatory activity of local associations and organisations does not automatically result in a higher degree of representation of the poor, since those organisations can be directly run by the local elites and reflect the existing hierarchies (Crook 2003). Thus, a very important *a priori* condition in governance processes is the willingness of the powerful and/or well-off actors at the local level to make the majority of citizens participate more actively in decision-making.

Nonetheless, even if local stakeholders are offered a wider range of opportunities for involvement in decision-making, they often cannot take full advantage of them due to a significant lack in organisational capacities (Cheema/Rondinelli 1983). A significant lack of educated and politically informed citizens is widely observed in developing countries and in combination with their low socio-economic status, this inequality marginalises the poor especially (see Bardhan/Mookherje 2006). Participation can also be limited because opportunity costs of participation are high while the apparent returns are low, or because people are discouraged from participating since their voice is not heard (Burns/Hambleton/Hoggett 1994).

Findings from Vietnam show that poorer citizens often do not know about their role within new, externally created participatory decision-making bodies, and committee members are often not interested in organising meetings, motivating the villagers to participate or to inform them, and see their tasks as a burden. People therefore need to get acquainted with a new role: to voice needs and to negotiate them (Quaghebeur/Masschelen/Nguyen 2004).

Hence, it remains uncertain whether local economic development policies become more pro-poor due to decentralisation, just because the decision-making process is spatially closer to the poor and offers more potential for making the voices heard, while the obstructive institutional factors might be more significant at the local level (Devas/Grant 2003).

3.4 Hypotheses

Thus, theoretically political decentralisation – and the related governance processes via the voice-channel of participation – offers the opportunity to develop policies that are more responsive to the needs of the poor. However, several preconditions and factors exist that can hamper this process due to local politics. In addition, it is not clear if it is a major goal to direct the economic development policies stronger to the preferences and needs of the poor, or if the major rationale is to increase the allocative efficiency of public service delivery. However, the assumptions from the aforementioned concepts guided this study and are reflected in the hypotheses:

- (1) The devolution of political powers to the local level through the legal provisions laid down in the respective decentralisation laws offers the opportunity for poor economic actors or their representatives to have a genuine bargaining influence by voicing their needs and priorities in political decision-making processes.
- (2) The articulation of poor people's needs in local decision-making processes leads to an orientation of the local economic development policies towards these needs and priorities and reflects them.

4 RESEARCH DESIGN - METHODOLOGY AND DESCRIPTION OF SELECTED CASES

For the empirical assessment, 5 villages in 5 different communes in Battambang Province were selected as units of analysis. This extended case study approach thus focuses on one specific policy framework in one specific national boundary, but in contrast to the traditional case study approach it is not limited to a single, specific location. The mixture allows a broad interpretation of the ‘case’ with the need to collect data from the most specific unit of analysis possible (Bernard 2000). This fits the study’s purpose of analysing underlying factors and framework conditions rather than to generalise the findings made through the hypothesis-testing. It is an exploratory study design that focuses on the ‘how’ and ‘why’ political decentralisation influences the pro-poor responsiveness of local economic development policies rather than definitely arguing ‘if’ or ‘if not’ such a relationship holds true.

4.1 Sources of data and the units of analysis

4.1.1 *Legal opportunities for participation - polity perspective*

The foundations of the Cambodian decentralisation process have been assessed on the basis of legal texts and reports of scholars and research institutes. The resulting dataset was purely qualitative and allowed deeper insight in the institutionalised background variables for political decentralisation. Besides the content analysis it was complemented by interviews with key informants in order to gain an in-depth understanding of the processes, identify ‘invisible’ factors such as possible limitations that are inherent in the legal documents, and understand the general policy environment at the local and national level.

The data allows to determine to what extent legal regulations in combination with and under the influence of external conditions influence the level and form of opportunities for participation. This allows conclusions about the degree to which political decentralisation allows the poor to voice their needs and preferences in the policy-making process of local economic development.

4.1.2 *‘Voice-responsiveness’-mechanism - politics perspective*

Decentralisation policies are a national concern and thus the analytic perspective is a nation-wide one, while for the assessment of the voice-responsiveness mechanism the units of analysis originate exclusively from the local level.

4.1.2.1 *The poor economic actors*

One major actor group are the local citizens, both as active participants in the local development process and as beneficiaries of policies and public services. The focus in this study is on the ‘poor economic actors’ – those citizens who are economically active, generating at least a marginal income from self-employment or as labourers. They are the ones who are directly affected by local economic development measures that might result from participatory processes in which they had been actively involved. Within this study ‘poor economic actors’ are (1) active actors in the economic sphere either as informal or formal entrepreneur, labourers, or household members that are contributing to the generation of the household income, and (2) they dispose of a net-household income (combination of monetary and in-kind assets) of less than 3.200.000 Cambodian Riel (approx. USD 770) a year³.

The poor economic actors were the major source of information for assessing the structure and design of the participatory process from the citizen perspective, to what extent they had influence on the discussions and used these opportunities, and to assess their needs and priorities in terms of local economic policies.

4.1.2.2 *The civil society organisations*

Another source that possesses important information for this research were associations and organisations that have a genuine interest in economic issues, especially credit groups, water user groups, farmers’ associations, associations of livestock breeders, and community fisheries that are locally active (having a local representative) in the sample villages. These organisations are expected to act on behalf of their members. In the context of this study, a special focus was on organisations that specifically claim to also represent the poorer layers of society.

Parallel to the poor economic actors, the civil society actors are a source of information for assessing the structure and design of the participatory process, their role in and influence on the participatory process, and for assessing the perceived needs and priorities of the poor.

3 Estimation based on poverty line calculations of the World Bank, and the average family size in Battambang Province (4.8 household members) based in the General Population Census 2008 of Cambodia see: <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/EASTASIAPACIFICEXT/CAMBODIAEXTN/0,,contentMDK:20720197~pagePK:141137~piPK:141127~theSitePK:293856,00.html>, last accessed: 12.12.2011; and National Institute of Statistics 2009

This poverty line marks the separation between extreme poverty and higher income levels. The line is interpreted in terms of consumption poverty, thus calculated on the basis of net money income and the estimated monetary value of the in-kind production that is available to the households for consumption.

4.1.2.3 The representatives of the local government and adjacent bodies

The Commune Chief (CC), in his function as the chief of the Commune Council, the Village Chief (VC) as the informal representative of the villagers in public affairs, and representatives of the village in the Planning and Budgeting Committee (PBC) constitute a final very important source of information. These actors⁴ are relevant, since they represent (1) the legally or traditionally appointed representatives of the entire population in local development processes especially with regard to the final decision-making for economic development measures, and (2) in many cases they are the political and economic elite within the local society.

Collecting data from these actors is important to compare their perceptions about their role and the citizens' role in local decision-making, and their ideas about policies for local economic development that are in the interest of the poor.

4.1.3 Responsiveness - policy perspective

Data for analysing the results of the decision-making process – the policies – is derived from the Commune Development Plans (CDP) of each commune. These plans offer an overview of the major perceived problems, the development strategies and development priorities for a period of five years, as well as a documentation of the major meetings. This allows assessing the needs of the local citizens which are reflected in the development priorities. In combination with the other data sources, this makes it possible to determine if and to what extent the priority list for economic development measures corresponds to the needs of the poor economic actors.

The representatives of the local government and adjacent bodies are an additional source of information, since they give insight in the applied strategy and in changes and developments as well as the specific actions taken in on the basis of the CDPs.

4.2 Data collection

The decentralisation laws that have been adopted in 2001 and 2002 and that lay the foundation for the Cambodian decentralisation process were the focus of data collection for the polity element. A specific focus was on the analysis of the 'Inter-ministerial Prakas on Commune/Sangkat Development Planning' which sets the regulatory framework both for the institutions that are relevant in the establishment of the CDPs and the roles and responsibilities of all relevant actors and the specific procedures for local development planning.

4 In the following sections it will also be referred to this group of actors as 'local government / local representatives', or the like.

In addition, informal semi-structured interviews with development experts were used in order to guide the research process before going to the field and to identify additional features of the decentralisation reform as well as the preconditions for LED in Cambodia.

One major purpose was to analyse the relevant actors' perceptions, opinions, and ideas about the development planning process in their locality and their needs and preferences for local economic development. Questionnaire-based in-person interviews were the major tool for data collection from all relevant groups: the poor economic actors, representatives of associations and organisations, as well as the actors at the level of the local government and adjacent bodies. For the ranking of the people's needs and priorities a participatory instrument was used. Respondents had to independently attribute ranks to specific support measures on a sheet of paper that contained images and Khmer⁵ words describing 12 major LED support measures⁶.

For each commune, the recent CDP has been translated and analysed with regard to the LED-strategy and the priorities for economic development measures in the commune.

The survey results were complemented by unobtrusive, semi-structured observation, which allowed gathering additional information on underlying factors by taking notes of respondents' comments during the interview without biasing people's behaviour (IPDET 2006).

This mixed method research design, producing both qualitative and quantitative data, reflects an approach that is widely applied in social science research: a combination of structured and semi-structured data collection (IPDET 2006). It corresponds to the methodology that had been applied earlier in similar research projects on this topic (see Crook/Manor 1998) and also reflects the complexity and vagueness of the analysed concepts.

Moreover, it allows a methodological triangulation of the findings and – together with the triangulation by different data sources (individuals, organisations et cetera) – it increases validity of the findings (Mabry 2008; Gerhold/Eierdanz 2009), and “allow(s) for research to develop as comprehensively and completely as possible” (Morse 2003, cited in: Gerhold/Eierdanz 2009: 222) and to gain deeper insight into the underlying factors of success and failure for the pro-poor responsiveness of local economic development.

Triangulation was done in a ‘one-phase design,’ not assigning specific weights on the quantitative or qualitative methods and applying them within the same period. Both for testing the hypotheses and for exploring underlying factors and context variables, the qualitative data was partly transformed into quantitative expressions and later merged to validate the purely quantitative data model and explain qualitative assessments in detail (see Creswell/Plano Clark 2007).

5 ‘Khmer’ stands for the ethnic group that makes up approx. 90% of the Cambodian nationals. The word is therefore commonly used as a synonym for ‘Cambodian’ and does also stand for the culture, language and writing system in Cambodia.

6 See also chapter 4.3.2.2.

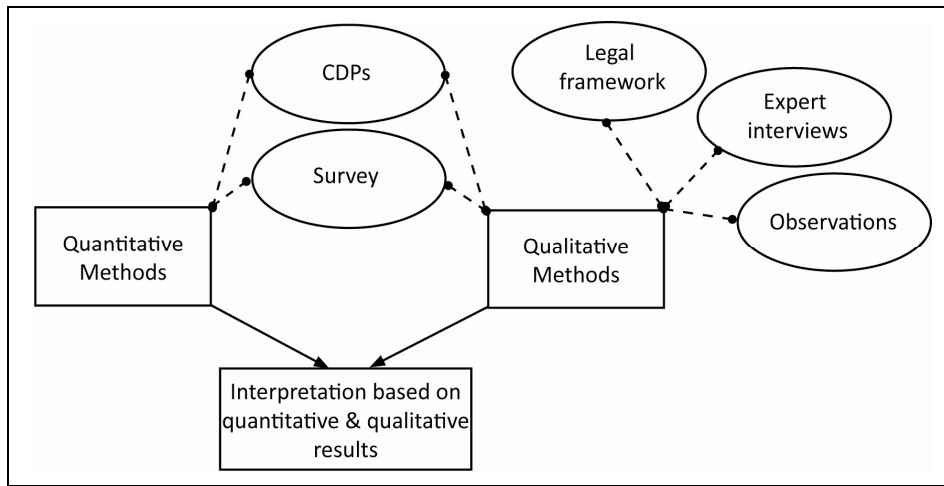


Fig. 3: Triangulation Design and Data Sources, based on: Creswell/Plano Clark 2007

4.3 Operationalisation of the theoretical concepts

4.3.1 *The legal opportunities*

The legal opportunities offered by the decentralisation reform for increased pro-poor responsiveness through participation were measured with regard to the following elements:

- (1) The extent to which the local level has decision-making power in the field of local economic development. This is measured through a qualitative assessment of the legal texts, and differentiates three levels (no/limited/full decision-making power), by analysing if such a transfer is mentioned in the decentralisation laws, and if there is interference from upper government levels (e.g. by an obligatory approval from upper government tiers).
- (2) The degree of obligation of the local governments to include citizens and their representative organisations in policy-processes for local economic development. This is also based on a content analysis of the legal texts, and looks for measuring if the participation of local citizens is only recommended to the local authorities or if they are explicitly obliged to include local citizens in the decision-making process. It therefore also assessed if specific institutional structures are in place in order to allow citizens to influence operational and strategic decisions.
- (3) In order to assess if the poor economic actors are targeted, it was assessed if they are specifically mentioned in the provisions that aim at allowing local citizens to participate in local decision-making for local economic development.

4.3.2 *The voice-responsiveness mechanism*

In a first step, the voice mechanism, meaning the channels for poor actors to exploit the legal opportunities offered by the decentralisation laws, were analysed. In a second step, the responsiveness-mechanism was measured by comparing the people's needs and the

perceived needs respectively with the policy contents reflected in the Commune Development Plans.

4.3.2.1 The voice-mechanism

In order to be able to assess if people and associations were able to exploit the offered space for participation, it was determined

- (1) if people were aware of the opportunities to participate,
- (2) if they participated in such a meeting,
- (3) if this participation lead to a significant bargaining influence of the citizens, and
- (4) if they were able to articulate their interests and if they also made use of it.

From the literature no specific threshold could be defined where awareness is high enough to be interpreted as 'sufficient'. Therefore, the threshold was set to 50% of the people in the sample being informed about the possibility to participate in the local decision-making process.

For the second indicator, it was measured who exactly from the household (or the civil society respectively) participated. This was divided between the participation in meetings at the village level and at the commune level.

The third indicator reflecting the significant bargaining influence was measured on a three level scale. Only when people felt that they had possibilities to articulate needs freely and define priorities, it was assumed that the people had the chance to influence the participatory process. A distinction was made between meetings at the village and the commune level and the threshold for 'significant influence' was set at 50% of the participants mentioning that they could articulate their needs freely and set priorities.

The last indicator is about the use of the opportunities that came up with the participatory process. The question is if they expressed their needs and priorities during the meetings, and if they did not, why they remained silent. Again, this indicator is measured at both the village and the commune level. Only if at least 50% of the citizens who participated in the meetings also voiced their concerns, it was assumed, that the voice-channel was not only allowing the citizens significant bargaining influence on paper, but that it was also exploited in reality. This is especially important, since traditional and societal factors might – as shown above – often hamper the active participation of the people.

4.3.2.2 The responsiveness mechanism

'Responsiveness' is to a large extent the alignment of the policies, defined in the Commune Development Plans, along the needs and priorities of the poor economic actors.

Therefore, people were asked first in an open-ended question to name the 3 most important things they expect the Commune Council do for them in order to improve their economic/business environment. In a second step, they were asked to rank 12 major support measures along their personal preferences. Based on the expert interviews and the literature review, predefined measures (or 'needs categories') that occur most frequently in local economic development activities are:

- (1) Training in Sales and Marketing,
- (2) Training in Accounting,
- (3) Provision of Equipment/Credit,
- (4) Transport infrastructure,
- (5) Irrigation/Drainage infrastructure,
- (6) Training in Production Techniques/Vocational Training,
- (7) Market infrastructure,
- (8) Production, Processing and Stocking infrastructure,
- (9) Energy supply infrastructure,
- (10) Creation of networks/cooperatives,
- (11) Locality promotion/marketing, and
- (12) *Improvements of the legal framework* (land rights, tax regulations, et cetera).

Ranking these measures from '1' (for what the people perceive as their most urgent need) to '12' (for the less urgent need) clearly shows people's priorities for specific measures.

At the policy level, the Commune Development Plans were also analysed with respect to the prioritisation of local economic development measures. In the plans, the communes rank all activities along the priorities that have been mentioned during the meetings, and specify for which villages within the commune these priorities apply. In order to allow comparison between the people's needs and the policy document, these priority measures were re-ranked on the 1-12 rank scale based on (1) the median rank for each measure, and (2) the rank for the number of times each measure is named within the priority list, with an equal weight for each of these values. These two rank scales were then tested with regard to a statistically significant rank correlation (Kendall's-Tau-b⁷) between citizen needs and the needs reflected in the CDP.

4.4 Study region, cases, sample and sampling methods

4.4.1 The study region – Battambang Province

The study was conducted in Battambang Province, a predominately agrarian region in the north-western part of Cambodia. From the perspective of ecologic preconditions and their economic exploitation, 6 major agro-ecological zones can be identified within the province: Battambang district as an urban settlement area, a seasonally flooded zone in the north-eastern part, at the lakeshore of the Tonlé Sap Lake, a dry-season rice production zone, an agro-industrial and forestry area in the south-west, an agro-industrial zone,

7 Due to the fact that for some analyses 'n' is comparatively small and some of the variables have tied ranks, Kendall's-Tau-b is preferred in order to mitigate possible distortions due to outliers and tied ranks and increase the quality of significance tests (see Bortz/Lienert 2008; <http://www2.jura.uni-hamburg.de/instkrim/kriminologie/Mitarbeiter/Enzmann/Lehre/StatIKrim/Korrelationskoeffizienten.pdf>, accessed 12.12.2011)

mainly used for cash-cropping, and a high-potential irrigation area characterised by dry- and wet-season rice cropping.

The economic activities largely reflect these ecological preconditions, orienting the activities in the eastern district toward rice cropping and fishing, in the southern and northern districts towards rice cropping, and in the south- and north-western districts economic activities are dominated by cash-cropping and forestry activities. This is supplemented by non-farming activities, which make up a considerable share of the household income in the north-eastern districts due to the comparatively low productivity of agriculture in these areas. Taking a closer look at the income structure of poor and very poor households (two lowest quintiles), common-pool resources such as fishery and forestry take an important role, added by agricultural activities. Non-farming activities and livestock breeding on the contrary are mainly exercised by the better-off (RPC 2009).

This distinction is especially important since in Battambang Province 27% of the households are below the national poverty line, and thus live in extreme poverty (less than 770USD/year) and 32% of the households fall into the two poorest national quintiles⁸.

Battambang Province is of special interest for this study, since a decentralisation pilot programme was implemented in this region in the mid-1990s. Therefore it can be argued that the decentralisation process in this region has largely passed the learning stage. This was especially relevant for this research project, since it allows excluding ‘starting problems’ as an influencing factor.

4.4.2 *The Cases – the five selected communes and villages*

As already explained above, Battambang Province is characterised by specific agro-ecological zones, influencing people’s income-structure.

When analysing poor economic actors’ needs in terms of local economic development measures, this background becomes especially relevant, since it can largely determine their specifically needed support-measures (e.g. a fishermen might show lower interest in road construction or irrigation systems than a cash-cropping or rice farmer). In order to also allow cross-commune comparisons for the exploratory study design, it was therefore necessary to take this agro-ecological factor into account. In addition, cross-commune comparisons allow checking for a general influence of political decentralisation or to rather argue in favour of context-dependency.

Five study localities were defined one from each agro-ecological zone:

- (1) Locality 1⁹ in Samlout district, cash-cropping and forestry zone,
- (2) Locality 2 in Kamrieng district, cash-cropping zone,

8 <http://www.foodsecurityatlas.org/khm/country/provincial-Profile/Battambang>, accessed 12.12.2011.

9 The selected communes and villages were anonymised in order to ensure respondents’ privacy. This is especially relevant since in some cases, responses cited in the following chapters could otherwise be traced back to specific persons within each commune.

- (3) Locality 3 in Koas Krala district, dry-season rice zone,
- (4) Locality 4 in Banan district, two-season rice cropping zone, and
- (5) Locality 5 in Sankae district, fishery and wet-season rice zone.

In a common meeting with the Commune Chiefs the further selection of the study villages (1 village per commune)¹⁰ was done. This was based on considerations to select villages that are most representative for the entire commune in terms of their economic structure.

4.4.3 *The units of observation and sampling techniques*

Within the villages interview partners from each of the aforementioned actor groups (poor economic actors, associations & organisations, local government & adjacent bodies) were selected.

For collecting data from the group of ‘the poor economic actors’ judgemental (or purposive) sampling was applied (as a substitute to the ideal: a stratified random sample). In a first step, suitable households were identified assessing their style of housing, visible physical assets (such as farming machinery or a water toilet), as well as the general surroundings of the housing area. In a second step, the people were asked in detail about their net money income and their in-kind income generated during the last calendar year in monetary values. At this point it could be clearly determined if the selected interviewee fits the criteria.

Sample size for the group of the ‘poor economic actors’ was 20 per commune, accounting to 100 units of observation in total.

With regard to the income structure, the sample method led to a representative sample. As shown above, the poor are mainly dependent on self-employment in the agricultural sector and common pool resources. For the entire group of poor economic actors, this makes up 65% of the money and in-kind income, ranging from 47% in Locality 4 to 88% in Locality 1. If calculating the income structure including the income from hired labour (mainly as workers on the fields of landlords), the mean for all communes is at 78%.

Commune Chiefs and the Village Chiefs were sampled through expert sampling, since they are clearly defined actors that hold a specific position and are the relevant experts in the local decision-making process. In addition, one villager representing the village at the commune level was sampled purposively depending on his/her availability. This leads to a sample size of 3 ‘local government / local representatives’ per commune, accounting to 15 in total.

For the group of associations and organisations sampling was done purposively, selecting from a list of organisations with an economic purpose that are active within the com-

¹⁰ The term „locality“ stands both for the study commune and the specific study village in each commune.

mune. The selected representative was a member of the respective village. The determinants for the selection of organisations were:

- (1) purpose of the organisation's activities to support local economic actors,
- (2) members from the village under investigation who are 'poor economic actors',
- (3) at least 20 households/100 individuals as members within the commune,
- (4) knowledge of the decision-making process for the Commune Development Plan.

Per commune two organisations were interviewed (except for Locality 3 where the active organisations recently stopped their activities and were no longer involved in local decision-making), resulting in a total sample size of 8 organisations.

4.5 Limitations to the study

The results of this study are not representative and fully generalisable. First, the study focussed on a very small sample of 100 individuals which is far below the necessary minimum sample size of 385 units of observation (Krejcie/Morgan 1970 in: IPDET 2006). In addition, the specific local framework does not allow transferring the results directly to other cases.

The high degree of vagueness within all relevant concepts in this study makes it difficult to exactly operationalise the concepts. They have therefore been broken down to their very basic elements in order to translate them into a feasible research design. However, this leads to a loss of (perhaps relevant) information.

As explained above, this study clearly leaves out voting as one of the two channels that are offered through political decentralisation. This could produce misleading results e.g. if those who are not participating in the planning process of the CDP base their participation on formal voting. However, the observations revealed that voting alone is not perceived by the citizens as being a very important instrument to influence policy decisions.

Finally, this study exclusively focussed on the voice-element of political decentralisation and did not aim at an assessment of the specific pro-poor effects of local economic development. LED-policies need to be very context-specific and the applied techniques and instruments may therefore vary over localities and over time. For reasons of generalisability, this aspect was therefore left out completely in the analysis, but may be an important further step for investigation.

The design of the study and its limitations reflect the major purpose of the study: being a guideline and giving food for thought about possible underlying factors and influencing variables in making local economic development policies responsive to the needs of poor economic actors.

5 ANALYSIS OF THE DECENTRALISATION PROCESS AND THE PROVISIONS FOR PARTICIPATION

5.1 Introduction to the decentralisation process in Cambodia

Cambodia's new constitution in 1993 outlined the administrative structure, dividing the country into provinces, districts and communes¹¹ (in urban areas: municipalities, sectors and sangkats). At that time, the Communes/Sangkats were merely administrative layers that helped central government communicate with the local level (Smoke 2006).

One year before, the UNDP-initiated Cambodian Repatriation and Resettlement Project (CARERE) was implemented in four northwest provinces (inter alia Battambang Province). With its emphasis on socio-economic infrastructure and participatory development, it was continuously altered towards a local development programme based on decentralised decision-making and implementation (Rocamora 2007). The continuation of the CARERE II in 1995 under the new name 'SEILA' (meaning 'foundation stone' in Khmer language), was then changing the focus on building representative bodies, the so-called Village Development Committees (VDC), and fostering multi-actor communication at the local level (Pellini 2007). It contained provincial-level capacity-building operations, transfers of funds and spending-responsibility, as well as the establishment of local development plans (Smoke 2006).

Starting from this point and experience, in 2001 the Royal Government of Cambodia (RGC¹²) passed the two major laws that laid the foundation for decentralisation in Cambodia: The Law on the Administration and Management of Communes/Sangkats¹³ (LAMC) and the Law on the Election of Commune/Sangkat Councils. These were complemented in 2002 by Sub-decrees and Prakas¹⁴ specifying the different roles of the Commune Councils, the establishment of a Commune/Sangkat Fund (CSF), or – especially relevant in this context – the Inter-ministerial Prakas on Commune/Sangkat Development Planning.

The two main decentralisation laws were the cornerstones for the first Commune Council elections held in February 2002 and the second commune level elections in 2007.

In 2008, this process of political decentralisation to the commune level was complemented by an additional focus on de-concentration (the transfer of administrative tasks) to the provincial and district level. Although this adds a new upward accountability for the

11 Communes are the lowest administrative entities in rural areas. In urban areas, the corresponding level is named 'sangkat'. Since in this study only communes are represented, in the further analysis the term 'commune' will be exclusively used. However, the legal regulations and provisions apply correspondingly to the 'sangkats'.

12 All documents issued by the Royal Government of Cambodia will further be cited as 'RGC'.

13 Cited as RGC 2001a.

14 Sub-decrees are regulations prepared by line ministries regarding the implementation of specific provisions within laws, then adopted by the CoM and signed by the Prime Minister and countersigned by the relevant Minister; Prakas are (technical) regulations adopted by a Ministry/several Ministries and used to specify the implementation of higher level legal documents, they are also often used to create specific guidelines (Oberndorf 2004).

Commune Councils, the participatory (or ‘voice’) aspects are exclusively based on the 2001 decentralisation laws, so that only these will be at the centre of this research project.

5.2 Objectives of the decentralisation reform in Cambodia

The underlying rationale for these reforms in Cambodia can be interpreted from two different perspectives. One is mainly political, interpreting the reforms as aiming at strengthening stability by showing more presence of the state at the local level and increasing its legitimacy – or more critically - to strengthen the position of the ruling Cambodian Peoples Party (CPP) at the local level (Romeo/Spykerelle 2003). A second argument definitely is the strong focus on political decentralisation by the donors and the international community following a global imperative for good governance and democratisation (Turner 2002). The government itself puts it in a less distinct way, focussing on two major goals of the decentralisation reforms:

- (1) strengthen and increase democracy at the local level and
- (2) achieve poverty reduction and strengthen local development (RGC 2005).

Within the National Poverty Reduction Strategy (NPRS) these objectives are further specified, emphasising the role of the local level in service delivery and the expected effects on marginalised groups:

- Enhance and promote democracy based on participatory principles; enhance accountability and responsiveness of elected representatives in order to orient the delivery of services to the needs of the people;
- Promote participatory development such as citizen involvement in planning and management at the local level;
- Contribute to poverty reduction and improve the service delivery to the benefit of the poor and marginalised (RGC 2002c).

Local economic development, citizen participation, and a pro-poor focus are explicitly mentioned in the reform’s long-term objective. The government states that the reform aims to

“(...) achieve broad-based and sustainable development and strengthen vibrant local economic foundations so that every citizen has equal opportunity to participate in local development, (...) and delivery of quality public services to meet the needs of citizen and poverty reduction by focusing on vulnerable groups (...)” (RGC 2005: 6).

These objectives reflect the major elements from definitions of political decentralisation – an institutional perspective for citizen participation in decision-making, a needs-orientation of policies and the transfer of powers for service delivery to the local level.

5.3 Elements of the decentralisation reform and the institutional setting

5.3.1 *The national level institutional setting*

The management of the decentralisation process is dispersed over different national line ministries and specific agencies. The Ministry of Interior (MoI), The Ministry of Economy and Finance (MEF) and the Ministry of Planning (MoP) manage the process, while the implementation of projects and programmes and the further development of the devolution process is ensured by the National Committee for Sub-National Democratic Development (NCDD¹⁵) (Smoke 2005). The NCDD (formerly NCSC) is composed of representatives from several ministries and is – assisted by a secretariat, the Department for Local Administration (DoLA) – responsible for drafting laws, designing strategic plans and monitoring progress (see Rusten et al. 2004).

5.3.2 *At the local level – actors and their roles in decentralisation*

At the commune level, the Commune Council exercises authority over the local administration. In each commune there are five to eleven councillors, depending on the size and demographic composition of the constituency (RGC 2001a: Article 12). Besides serving as the representative body of the citizens and acting in the people's interest (ibid.: Article 9), the councillors' role is also to mobilise funds and human resources, to identify production-oriented projects within the commune, to ensure the delivery of infrastructure and services, and to distribute relevant information to the people (Rusten et al. 2004).

The Commune Chief, who is elected during the commune elections, is assigned the 'leader'-position of the entire council (RGC 2001a: Article 25 & 32), and advises the council in all matters relevant to the development and proper conduct of the commune's affairs, as well as in how to identify and mobilise internal and external support for developing the commune (RGC 2002b: Article 20). Two councillors (1st & 2nd Deputy) from the parties that received the second and third largest share of votes support him (RGC 2001a: Article 26 & 33) and are assigned specific areas of work. The first focuses on agriculture and other economic topics, while the second deputy is mainly occupied with public services, social order and security (RGC 2002b: Article 21). This system is set up in order to institutionalise and thereby increase cross-party cooperation, to build mutual trust, and strengthen consensus within the local government (Turner 2002). In reality, the deputies' role is limited, since the Commune Chief takes over most responsibilities.

The Commune Council has the right and the obligation to establish sub-committees for specific tasks within the commune. The only mandatory committee is the Planning and Budgeting Committee, composed of members from the local government and representatives of the population, including two representatives from each village and 2-4 ordinary citizens (men & women) selected by the Commune Chief (MoI/MoP 2002: Article 9). It is an assistance-body to the local development planning process, while additional commit-

15 On January 2007, responsibilities for policy development and implementation regarding decentralization and deconcentration reform were transferred from the National Committee to Support Commune/Sangkat (NCSC) and from the Inter-Ministerial Committee to Draft the Organic Law to NCDD.

tees can be created by the Commune Chief and be assigned other areas of work (RGC 2001a: Article 27).

The electoral system does not give the opportunity to each village to have a representative in the Commune Council (Romeo/Spykerelle 2003). In order to link the villages to the commune level, the council has to select a Village Chief for each village, who again has to nominate a deputy and an assistant (one of which must be a female) (RGC 2001a: Article 30; RGC 2002b: Article 22). They have to meet once a month for consultations and have a publicly accessible location in order to allow the citizens to enter into contact with them (Smoke 2006; RGC 2002b: Article 25 & 26). Although the villages are not legally recognised by the law as proper administrative units (Rocamora 2007), the Village Chiefs and their deputies have clear administrative functions and the obligation to report to the commune level and represent their populations at the higher level. The Commune Council shall consult the Village Chief in all matters referring to the respective village (RGC 2002b: Article 23), and the Village Chief shall distribute any information from the commune level (especially with regard to the development plans and budgets) to the villagers (ibid.: Article 27). The Village Chiefs form an integral part of the local development process, i.e. by ensuring the socio-economic development within the village (RGC 2001a: Article 31). The 'Sub-decree on Decentralization of Powers, Roles and Duties to the Commune/Sangkat Councils' is very explicit on the exact responsibilities of the Village Chiefs. They are inter alia responsible for enhancing citizen participation in the village, bring up their needs and priorities at the commune level, and monitor and evaluate the implementation of the development plans and budget in their village (RGC 2002b: Article 24). However, this monitoring role as well as other tasks, such as collecting data at the village level and motivating people to participate in the local decision-making process, are often executed by the VDCs, but these committees are not an integral element of the decentralisation reform and therefore do not exist in every commune (Rusten et al. 2004).

The law also explicitly mentions the communes' residents, giving them opportunities to attend every meeting of the Commune Council, ask questions, give advice or voice criticism, while the council is obliged to respond to the citizens in these matters (RGC 2002b: Article 31). Also without the active participation of the residents, the council 'shall' pass information about council decisions regularly to the citizens (ibid.: Article 33). Thus, the council has discretion to decide in which way it passes information, possibly resulting in a circumvention of specific groups.

5.3.3 Major functions of the communes - is decision-making power transferred?

No mandatory sectoral functions are transferred to the communes' administration, but the law sets a framework that allows communes taking decisions inter alia with regard to

- arranging and managing public services;
- enhancing public contentment and welfare;
- promoting socio-economic development and improving the standard of living; and
- responding to citizen needs (RGC 2001a: Article 43; RGC 2002b: Article 61 & 63).

In addition to these non-mandatory functions, the communes may be obliged by the upper levels to deliver services, and will in this case be supported with financial means and capacity-building in order to be able to fulfil the tasks (RGC 2001a: Article 44; RGC 2002b: Article 56). Hence, a delegation of powers and responsibilities needs to go hand in hand with a transfer of financial and human resources.

Thus, the devolution of tasks remains vague; the communes are asked to provide and properly implement necessary services and thereby meet the needs of the people (Turner 2002; Pellini 2007), while the emphasis within these vaguely defined functions clearly lies on social and economic aspects of local development (Romeo/Spykerelle 2003).

The communes are entitled and encouraged to pass their own by-laws (Deikas) on local issues and thus to further steer the local development process on the legal level (RGC 2001a: Article 48). This wide spectrum of functions and responsibilities must be seen critically and should not be overestimated as a driving factor of local development. Even after the achievements of the earlier development programmes and years of decentralisation experience, a possible lack of capacities within the Commune Councils may still hamper the full exploitation of opportunities offered by the decentralisation laws.

The framework for development planning is further elaborated in a separate Inter-ministerial Prakas. It is important to mention that the resulting CDPs and budgets (Commune Investment Programmes (CIP)) have to be approved by the MoI, and the latter can give instructions on methodology, the chosen projects, and implementation strategies (RGC 2001a: Article 65, 68 & 70). The MoI is also responsible for the general supervision of the communes while the regulation remains inexplicit about its exact power; since the MoI itself 'shall establish criteria' for when and how to intervene in commune issues (RGC 2002b: Article 51).

Incentives for compliance with the LAMD-regulations are limited. The only disciplinary actions are either to issue a verbal reprimand during a meeting, or in case of continuous non-compliance with the rules, a deduction of the councillor's allowances (RGC 2001a: Article 84).

The general performance incentives are in close connection to the financing of the communes. The communes are highly dependent on external grants and are therefore supported through the CSF, alimanted by transfers from the national budget (RGC 2005). It is a formula-based grant, delivered on the basis of poverty incidence in the recipient commune (Smoke 2006). These financial resources remain comparatively modest and are mainly supposed to serve basic local needs and allow the local governments to raise their credibility and build capacity for budget management and service provision.

As the communes are not assigned substantial tax raising power (only fees and minor local taxes), CSF-transfers are of major importance (Smoke 2005; RGC 2001a: Article 73 & 74).

Payment of funds aims at promoting good governance within the communes (National Committee to Support the Communes/Sangkats¹⁶ 2002b: Article 2), and transfers depend on an expected efficient use of the funds (ibid.: Article 13) and especially on the proof that development planning and budgeting has been done in a participatory manner, documented properly, and intends to mobilise local resources (ibid.: Article 17). The degree of citizen participation in the budget preparation process needs to be proven by the Commune Chief when sending the budget for approval to the provincial level (NCSC 2002a: Article 13). The commune budget itself is adopted during a public meeting (ibid.: Article 11). Beforehand, the budget must already be made public for review, the preparatory meetings of the PBC as well as the Commune Council deliberation need to be accessible to everyone, and the Commune Council can put in place any measures to increase public participation in budget planning (ibid.: Article 12).

In conclusion, the reform does not aim at the complete and mandatory transfer of responsibilities to the local level, but rather to allow for addressing basic needs and thus fostering ownership and learning processes within the communes (Romeo/Spykerelle 2003). At the same time, the MoI remains the ultimate decision-making body, which is justified by low capacities and the interest of the national government to guarantee a basic standard in development planning, and the correct use of financial contributions from the national budget.

The communes have relative autonomy for decision-making on local issues, which are to a large degree relevant in the context of local economic development. However, as local governments still have to cope with the low capacity of the decision-makers, they are still deprived of complete powers and funds to independently respond to the needs and priorities of the local population.

5.3.4 Political decentralisation and citizen participation

The Cambodian decentralisation reform is composed of the two political decentralisation-elements described earlier. On one hand, there is the democratic aspect of decentralisation based on the election of representatives. This is explicitly expressed in the Law on the Election of Commune/Sangkat Councils. On the other hand, various mechanisms for citizen participation are part of the decentralisation reform.

In general terms, the Commune Councils are urged to promote democratic procedures at the local level, especially by establishing consultation procedures with the local civil society (Smoke 2006). In the law it is therefore mentioned that the Commune Council is responsible for promoting democratic processes within the commune boundaries and installing proper mechanisms that allow the citizens and the civil society to be at least consulted. A major means to accomplish this is to ensure accessibility to all meetings and to announce all decisions (RGC 2002b: Article 12). Therefore, the Commune Council is requested to hold public meetings at least once a month with more than 50% of the council-

¹⁶ Further cited as NCSC.

lors present (RGC 2001a: Article 21-23). During these public council meetings, citizens are allowed to ask questions and have the right to get answers from the local government. In addition, the communes are obliged to install information boards on which they have to display the relevant public information (Smoke 2006).

As shown above, the Commune Council is 'assisted' by the Village Chief in promoting a participatory governance system. Although the Village Chief is asked to consult with his villagers and transfer their needs and priorities to the commune level (RGC 2002b: Article 24), the relevant sub-decree remains unclear and unspecific with regard to the form of consultation, the frequency, and the actors that need to be involved. Hence, it can be argued that the Village Chiefs have a recommendation rather than a clear obligation to promote participation. This argument is further strengthened due to the fact that they are explicitly deprived of any means of power to act on behalf of their population outside of their 'constituency' (RGC 2002b: Article 25).

These provisions are quite vaguely defined and mainly aim at offering interested citizens the possibility to assist in meetings and to gather information about council activities.

5.3.5 *Legal regulations for local development planning*

The Prakas on Development Planning sets the major rules of how to involve all stakeholders in the design and supervision of development projects within the commune (Wong/Guggenheim 2005). It is supposed to (as an addition to the LAMC) open spaces for citizen participation. In congruence with Article 30 of the Prakas, these regulations are supplemented by specific guidelines¹⁷ on the process of development planning¹⁸ which describe in detail the participatory elements of the development planning process.

The major responsibility that is transferred to the commune level through the Prakas is the preparation and execution of Commune Development Plans (CDP) and the respective Commune Investment Programmes (CIP) (MoI/MoP 2002: Article 5 & 6). Their purpose is to mobilise resources for local development and to serve the general interest of the residents within the constituency. The CDP guide all major strategic decisions within the commune for the 5-year legislative period and are the basis for the Commune Investment Plans. CDPs/CIPs have the status of legal documents and hence need to be published for the constituents. Besides publishing the final document, the Commune Council is explicitly asked to promote citizen participation in the execution of the CDPs/CIPs (*ibid.*: Article 1-4). In the introduction to the Guidelines on CDP planning, the Commune Councils

¹⁷ Following the argumentation of Oberndorf (2004), besides laws, sub-decrees, and prakas, other documents also form part of the legal framework. These include guidelines and manuals that can be interpreted as binding, especially since guidelines are regularly enacted through prakas.

¹⁸ Further cited as RGC 2007.

are reminded of their role and the need to consider people's participation and contribution in developing and implementing the CDPs (RGC 2007).

From the first step of the planning cycle, multi-actor cooperation and decision-making constitute essential elements within the relevant laws and regulations.

The overall framework for development planning emphasises the importance of the PBC as a representative body of all residents in the commune, which is reflected in its actor composition. The mandatory members are the Commune Chief, three councillors, two representatives from each village (selected by the council), 2-4 male and female residents (also selected by the council) and the commune clerk (ibid.: Article 9). If a VCD exists in the commune, the PBC must be enlarged by two VDC-representatives (male and female) (ibid.: Article 29). However, since the council has the final say over the selection of citizens, the independence and representativeness of this body is not guaranteed. Another system, e.g. based on voluntary candidatures and voting would democratise the selection procedure. In addition, it is not required that the residents shall represent specific groups, such as the poor and marginalised. This stands in contrast with Article 8 of the Inter-ministerial Prakas on Development Planning, which specifically assigns an active role to the CSOs in their function as representatives of distinct groups, stating that:

„Every civil society organization may participate in the preparation of the commune/Sangkat development plan and investment program, and shall be responsible for:

- Representing the interests of local communities and specific stakeholders such as women, youth, the poor, minority, etc;
- Contributing knowledge and ideas to the preparation of commune/Sangkat development plan.“ (MoI/MoP 2002: Article 8)

The PBC thus takes the most important role as the representative body and link between local government and citizens. In the first phase of the CDP/CIP planning cycle, its members have to assess the current level of development and the major problems within the commune, especially with regard to economic and social issues at the villages level. This step is (or rather 'can be') supported and accompanied by 'officials' as well as representatives from NGOs (RGC 2007).

The PBC plays an extension and advisory role vis-à-vis the formal councils and due to the composition with 2 representatives from each village, it is an important element in the local governance setting and for increasing citizen participation (Romeo/Spykerelle 2003).

Besides this advisory role, the PBC is asked to organise village workshops in order to gather the village-specific priorities, identify possible contributions from residents and CSOs, and transfer the collected data to the commune level planning (MoI/MoP 2002: Article 13). For these meetings, the Guidelines give a clear indication that 60% of the village's households 'should' participate in the workshop, and 30% of participants should be female (RGC 2007).

At the beginning of the village workshops the villagers in conjunction with the PBC-members "(...) should list out the problems, location, causes of problems, needs, con-

straints and solutions (...)” (ibid.: 9). This forms the basis for a structured approach for citizen participation, suggesting for example to divide participants along gender or to create separate groups for vulnerable actors. In addition, the PBC is requested to apply tools and approaches to facilitate the discussion for identifying problems, needs and possible solutions. These results are retransferred by the PBC to the commune level and further developed into development strategies and priority activities (ibid.)

Based on this, the PBC is urged to develop a long-term development vision for the commune and set specific development objectives for the legislative period. In order to foster participation of the population, a consultative workshop ‘shall be organised’ at the commune level (MoI/MoP 2002: Article 14), which is however not reflected in the respective Guidelines (RGC 2007).

In the next step, the strategic outline is further specified and tested for feasibility with the help of technical staff from the provincial level (MoI/MoP 2002: Article 15). This lays the foundation for a large-scale workshop at the commune level at which the general framework of the CDP and the envisaged budget allocations can be discussed. As the major aim is to receive “public comment from citizens and relevant stakeholders for improving the draft” (RGC 2007: 12) the Commune Council is explicitly requested to ensure that representatives from each village and from specific groups (such as women, children, the vulnerable) and CSO-members are present during the meeting. The Commune Chief is therefore obliged to publicly announce the meeting by help of a predefined template (ibid.). During the meeting “(t)he chair should lead the discussion by asking and encouraging participants to give comments(...)” (ibid.: 13), express their ideas to revise/delete elements or give their agreement (ibid.).

Starting from there, the PBC has to elaborate on the specific policy documents and guide the preparation of a first proposal for a CDP (MoI/MoP 2002: Article 16). The comments from earlier meetings should be aligned with practical activities and representatives from NGOs and other stakeholders are explicitly allowed to contribute to this process (RGC 2007).

At this point, the CDP and CIP planning processes slightly differ. While the CDP is independently drafted within the commune, the investment projects identified for the CIP are presented during a District Integration Workshop (DIW) in order to align the communal plans with projects of other stakeholders (provincial departments, NGOs, donors, etc.) and to mobilise resources. Hereafter, the PBC prepares the investment budget and presents it during village meetings. Participants are asked to share their ideas and encouraged to actively participate in the project implementation. The final CIP is finalised by the PBC and approved during a meeting of the commune council (RGC 2007).

Before the final approval of the CDP, the council is urged to get feedback from the provincial authorities, to include these comments into the plan, and to organise public hearings that allow citizens to contribute to the final draft (MoI/MoP 2002: Article 17; RGC 2007). The document needs to be reviewed by the provincial governor with regard to the consistency and compliance with national law and national development plans (MoI/MoP 2002: Article 18).

In the following years, the CDP as well as the CIP need to be reviewed annually, following the same steps for public participation (ibid.: Article 20). In addition, the Commune Council needs to ensure a continuous monitoring of the CDP/CIP implementation through M&E focal persons and to use the results for the design of future projects and plans (RGC 2007). 6 months before the end of the 5-year-term of the Commune Council, the people involved in planning and implementation as well as the beneficiaries are requested to evaluate the effectiveness of CDP implementation (RGC 2007).

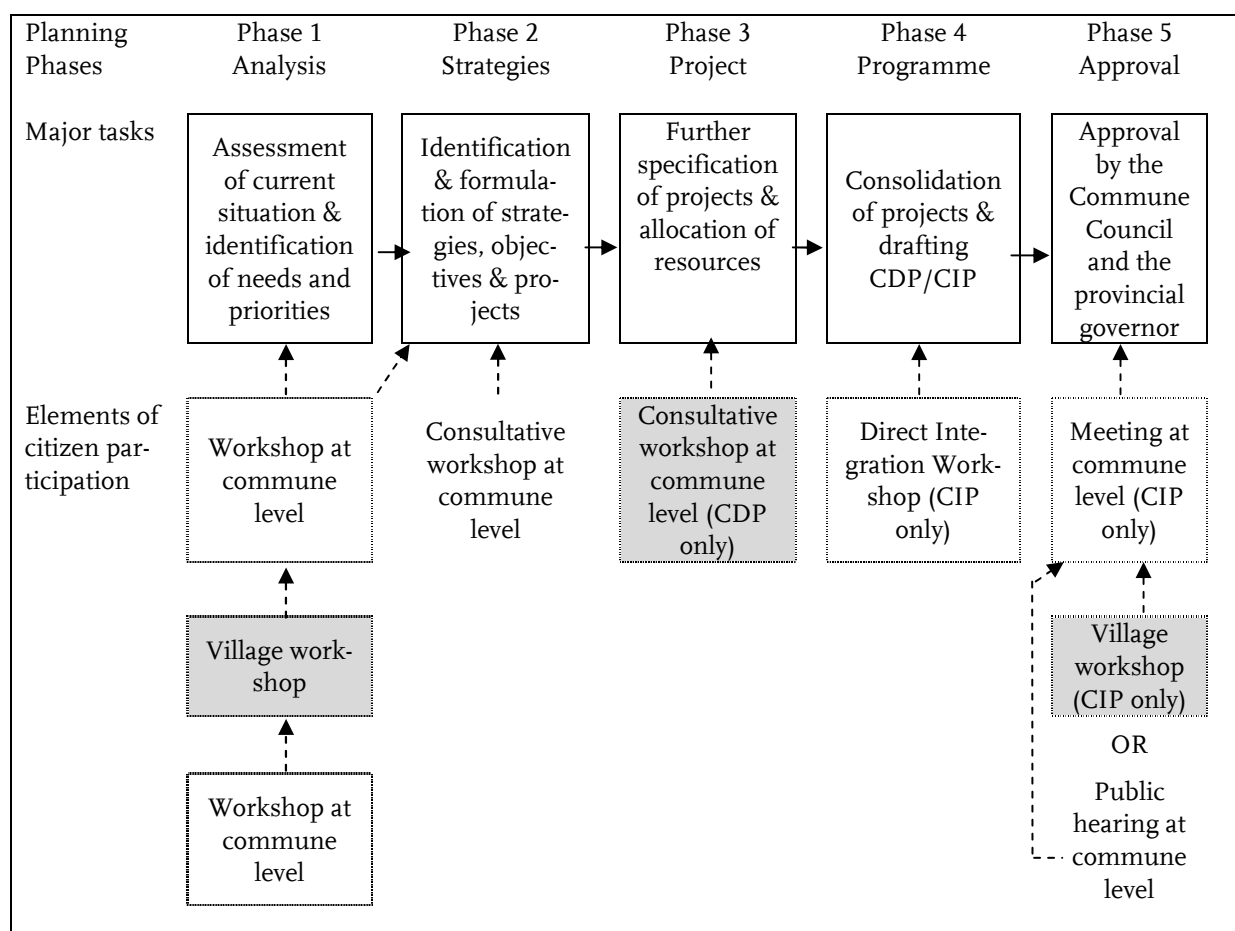


Fig. 4: The Development Planning Process in Cambodia. Elements of participation (simplified model, based on MoI/MoP 2002 & RGC 2007).

Grey filling = participation of villagers explicitly mentioned;

No outline = process mentioned in MoI/MoP 2002 but not clearly reflected in RGC 2007

5.4 Intermediate conclusion and additional insights

The extent to which decision-making power in the field of local economic development is transferred to the local level cannot be clearly determined. First, the responsibilities are not mandatorily devolved and these non-mandatory functions encompass various aspects of the decentralisation reform. However, the focus is especially on fostering the communes' position in socio-economic development. From this point of view it could be argued that the local level has 'full decision-making power' over local economic development.

However, several provisions that allow the upper levels to intervene in local decision-making mitigate this unlimited decision-making power and these provisions remain vaguely defined. This is further amplified by the high dependency of communes on external funds and the powers of upper levels to approve or reject plans and budgets. In conclusion, it can be argued that the legal provisions for decentralisation do grant 'limited decision-making power in the field of local economic development' to the commune-level.

The second question is to what degree the transferred responsibilities are actually in the range of citizen participation, i.e. to which extent the local government is urged to put in place measures that allow citizens to have an influence on the decision-making process.

Citizen participation is explicitly mentioned in the legal framework. However, it remains largely unclear if it is only recommended to the local government to promote and steer participatory processes or if there is an obligation to give the citizens a say over the decisions. The following elements have to be emphasised:

First, the approval of the CDP and CIP are both dependent on the provincial governor, whose task is also to evaluate the participation of local citizens in the planning process. Second, the planning process is mainly driven by the PBC, a body that is partly composed of ordinary citizens.

Without their participation, no planning process is possible, and thus no funds can be disbursed to the commune. From this point of view it must be concluded that citizen participation is an obligatory process in local decision-making, supervised and sanctioned by an upper level government.

Moreover, the Guidelines on Development Planning set a clear and easily applicable framework for the planning process. They encompass various elements that are aimed at including ordinary citizens and the civil society in the planning process and that are supposed to facilitate the exchange of ideas. Even quantifiable thresholds are set with regard to the level of participation during village workshops.

However, several aspects weaken this mechanism: On one hand, it remains unclear to what extent the Guidelines are legally binding and thus have an obligatory character for the local government. In addition, the 60%/30% threshold for participation at the village level for example is very ambitious and if properly implemented would have considerable effects on the level of participation. However, the wording ('should') suggests that there is

no legal obligation to achieve this number and during the approval process at the provincial level their relevance is therefore thwarted.

On the other hand, the village level and the commune level are partly disconnected. This is especially relevant since the Village Chief is assigned the task to foster participation of his villagers, while there is no accountability mechanism in place that would encourage him to do so, or to do so in an equitable manner.

It is therefore one of the major challenges to integrate the informal governance structure without undermining the integrity of the states' formal structures (see Olowu 2006).

Another issue undermines the clear obligation to integrate all layers of society in the process. The law remains unclear about the actor composition of the PBC with regard to socio-economic backgrounds and thus opens the door for elite capture, especially since it is selected and appointed by the Commune Council. This is especially relevant when considering that in the context of this study, 58% of the poor economic actors mentioned that they do not know about the PBC or could even not respond to the question. 16% argued that their social status as a poor actor would not allow them join such an official body and 12% had heard about it but remained passive, either because they were not interested or nobody asked them to join. Neither the PBC nor the Village or Commune Chief necessarily represent the interests of the poor economic actors in the local decision-making process. Most of the interviewed local representatives perceive their role as being rather of an administrative nature (33.3%), or to pass information to the village level and facilitate the conduct of the workshops (33.3%). Only one third – and these were exclusively Village Chiefs or PBC-representatives – saw themselves as representatives of the villagers at commune level. Only one out of these 5 clearly mentioned the necessity to represent the interests of the poor.

As shown above, the poor are mentioned as an exemplary actor group that should be represented by civil society organisations in the local planning process. It can thus be argued, that the poor are recognised as an important group of actors and will necessarily be integrated in local decision-making processes. However, considering that they are mentioned in only one single case and only with regard to a representation via CSOs, it can be assumed that the decentralisation law does not assign any distinct and proper position and importance to this group. It has therefore to be concluded, that the poor are not assigned any specific power over decision-making. The survey results confirm this interpretation: only 19% of the individuals in the sample were members of an association/organisation with an economic purpose¹⁹.

The specific historical background in Cambodia can explain this low interest in organisational structures. 'Angkar', the Khmer word for organisation, was used during the Pol Pot era for the clique around the leader (Mehmet 1997), and thus still creates reluctance by the people to adhere to such an 'organisation'. In addition, the long-lasting system of espionage between the citizens still creates mistrust even between villagers, and the past existence of 'krom samaki' (groups for agricultural production) that had been established

19 36.8% in a water user group, 31.3% (6 respondents) in a savings group, 3 more in a livestock breeders association (cow bank etc.) and one in a community fishery.

during the 1980s planned economy are possible supplementary factors that create aversion against citizen cooperation. However, some positive developments are underway. During the last 15 years, a vibrant civil society emerged (Curtis 1998) and if organisations are built externally, in most cases they are and remain operational.

Representation via organisations is further challenged since they widely lack established mechanisms that ensure that they identify members' needs and priorities. Half of the interviewed organisations did not have any mechanism in place, 37.5% a weak mechanism (e.g. a general annual meeting), and only one mentioned that the organisation's members meet directly before the village workshop in order to gather information.

Thus, the assumption that the poor are integrated in the decision-making processes through civil society organisations does not hold true, and in the context of this study, the actors as individuals are most relevant to voice their needs and priorities and transfer them into the planning and decision-making process.

6 THE USE OF THE 'VOICE' CHANNEL – FINDINGS FROM THE FIELD

From the above analysis of the legal framework, we know that there are opportunities for poor economic actors to voice their needs and priorities in order to gain genuine bargaining influence over the decisions on the development of the local economy. Nonetheless, the laws and regulations are not explicit about local actors' participation and to what extent they grant real decision-making power to the local population.

Based on findings from the field it was therefore found necessary to further analyse if the people actually made use of the opportunities and if they actively influence the decisions.

6.1 People's awareness about the participatory planning process

The first question is related to the level of people's awareness about the possibility to participate in the local decision-making process.

88% of the 100 interviewed individuals had already heard about the CDP-planning process in general. The majority of them, 93.2%, also knew that they had the possibility to participate in a workshop or meeting for designing the CDP, thus the overall awareness about the opportunity to participate in these meetings was 82%. However, being aware of the opportunity and being knowledgeable about the relevance for improving one's own livelihood is something different, and this is where the picture changes: Only slightly more than half (58.5%) of those who knew about the possibility to participate in the planning process were also aware what was going to be on the agenda of the respective meetings. Still, this means that nearly half of the interviewees (48%) were not only informed about the opportunity to join a meeting, but were also conscious about the content, which is an outstanding result.

Considering that the general threshold was set to 50% (for being aware of the possibility to participate), the overall awareness level can be regarded as sufficient.

No substantial differences could be found between the study areas in terms of people's awareness about the local planning process and the possibilities for citizen participation. Differences across communes however became obvious with regard to the knowledge about the content of the meetings. Levels varied from 70% (Locality 2 & Locality 3) to 40% and 35% respectively (Locality 1 & Locality 5) and in Locality 4, only 25% of the respondents were aware of it.

These results are also confirmed by the local associations/organisations which – by law – are expected to serve as the representatives of the poor and marginalised. All 8 of the interviewed organisations had already heard about the planning process of the CDP and participated in a meeting or workshop. 6 of them (75%) also knew the subject of discussion before the meetings. Both in Locality 1 and Locality 4, one of the interviewed organisations was not aware of the workshops' contents, which reflects the comparatively low degree of concrete information at the individual level.

6.2 Information flows as a factor for raising awareness

By law, different actors are supposed to deliver information to the citizens about the existing institutionalised participatory mechanisms.

The Commune Council meetings are to be held publicly, but billboards are the only mandatory direct measure to disseminate information to the constituents. Along with the Village Chiefs, the council is also abstractly asked to ‘promote participation’ and the PBC’s role is to organise village meetings. Due to the vagueness of these regulations, it is important to have a closer look at the realities on the ground.

All PBC-representatives, Commune Chiefs and Village Chiefs state that the people in their ‘jurisdiction’ have been informed about the possibility to participate in the planning process, only the communication channels differ. In most cases the residents have been informed orally (stated by 8 out of 15 respondents), or information was passed both in written (e.g. via billboards and invitation letters) and orally at the same time.

Poor economic actors themselves are largely dependent on oral information. Of those who felt sufficiently informed, 98.6% were informed verbally, only one interviewee received the information via an invitation letter. The major source of information was the village group leader (VGL)²⁰. 51.4% of those who felt informed had received the invitation to join a meeting through this channel, while the Village Chief himself only accounted for slightly more than one third of the cases (34.3%). Only in 3 cases (exclusively in Locality 5) the interviewed stated that the Commune Chief had also informed them directly.

These numbers illustrate the importance of the informal governance system and thus the role of the village group leaders. The characteristics of this system seem to vary between the communes. Whereas in Locality 1 and Locality 2 most of the poor economic actors received information from the village group leaders, his role was less important in the other three study areas where the Village Chief informed the actors directly.

²⁰ A village group leader is a traditional instance in the informal local governance system. He is appointed by the Village Chief and responsible to deliver and gather information from a specific number of households (the village group) within the village, mainly those households neighbouring his premises.

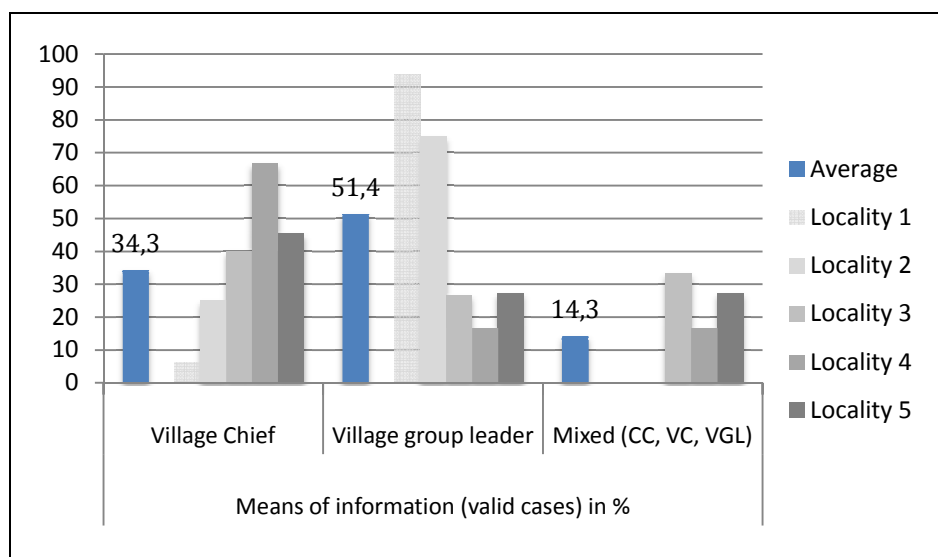


Fig. 5: Means of information in % of informed poor economic actors

The CSOs in contrast are largely informed either directly by the Commune Chiefs or the Village Chiefs. Nonetheless, even in this group two of the interviewed organisations have not been informed officially, but learned about the process informally via other members of society.

This shows that an important factor for passing information to the poor economic actors – the informal village governance system – is not included in the legal framework. However, the high level of information about the participatory process suggests that it is not relevant through which channels the information is passed, since it still reaches the villagers.

6.3 Meetings and workshops – the level and the way of participation

Knowing more about the actors' awareness of the participatory process does not tell anything specific about whether they ultimately joined the meetings, how and they participated, and at which level – in village and/or commune workshops.

In general, the awareness of poor economic actors also resulted in a high degree of participation at the village level: 66% of the people in the sample have either already been present in such a meeting or were represented (e.g. by another household member) in order to discuss their needs and priorities. This means that nearly 4 out of 5 people (79.5%) who knew about such a possibility were actually represented in meetings.

By far the majority (78.7%) of those who were represented at the village level joined the meetings personally, the remaining 21.7% were represented through another household

member. 78.6% of those who were represented through another household member were female, which might indicate, that women are either more reluctant to join the meetings and hand over responsibility to their husbands, or that the latter perceive themselves as the representatives for the household in such political matters.

Locality 5 makes up a special case: only 47.1% of the poor economic actors who knew about the opportunity joined the meetings at the village level. The opposite is the case for Locality 1, where 88.9% of the informed actors joined the village meetings, resulting in an overall participation rate of 80%.

This corresponds with observations made during the field study. In Locality 5, people were more individualistic and showed less interest in the village community. It could be argued that this is a result of the proximity to the national road N5 and a rather 'semi-urban' setting. Locality 1 was the most remote area in the sample and a retreat of former Khmer Rouge fighters. It seemed that - despite a large influx of new villagers during the last years - inner-community cohesion was significantly higher as there was a notion of 'everyone knows everyone'.

Analysing the commune level²¹, a large discrepancy between the participation at village level and at commune level becomes obvious. Only 8.3% of the poor economic actors ever joined a commune-workshop personally or through a direct representative.

These findings are also reflected in the lists of participants that are annexed to the CDPs for each commune level meeting. In the CDPs of Locality 2 and Locality 4 no ordinary villager (not being member of the PBC, VDC, or holding another 'official' position such as VC or VC-deputy) was listed. For Locality 4 the CDP showed a discrepancy between interviewees' responses and the official records. In Locality 3, 2 ordinary villagers participated, 3 in Locality 1 and in Locality 5 even 16. At the meetings of the PBC as well, the majority of participants were 'officials' from the commune and village level who are also holding positions within the PBC. Locality 4 and Locality 1 are an exception to the rule: 9 and 8 villagers respectively joined the meeting. However, with regard to the overall population of the communes this number remains marginal.

Hence it can be argued that the information that the poor economic actors received was probably mainly focusing on the village meetings (at the beginning of the planning process) and less on the continuous meetings that are scheduled during the later stages of the process. In addition, another factor is quite relevant in this context: Since the place of the meetings – mostly the commune halls – are rather remote from some locations within the commune, opportunity costs for joining the meeting could be too high.

²¹ Sample size is n=60, since the results from the individual interviews in Locality 1 and Locality 2 had to be excluded due to probably biased answers. In these locations commune meetings could not be clearly distinguished from other meetings at the commune hall. This unexpected situation had not been considered in the initial study design and had therefore not been explicitly assessed during the interviews.

Moreover, none of the interviewees who were members of associations with an economic purpose perceived these organisations as a representative of his or her interests in the meetings. Still, the share of people who were represented at the village level is very high, which supports the assumption that the meetings could serve as a means to gather the needs and priorities of the villagers.

The majority of the selected organisations were represented in the meetings both at village and commune level (62.5%). At the commune level, 40% did not join directly but were represented through an umbrella organisation, e.g. the organisation's headquarters. At the same time, most of them knew about other organisations that joined the meetings, so that we can assume a relative importance of this group in the workshops. It is worth mentioning that in none of the survey areas the interviewed organisations completely abstained from the meetings.

The perceptions of local representatives are by large reflecting the findings from the other interviews. At the village level nearly two-thirds (73.3%) of them saw a regular participation of the poor economic actors, while at the commune level 80% supported the view that this group of actors was either not participating at all (46.7%) or only occasionally (33.3%). In concrete numbers, they perceived 44.5% of the actors present at the village meetings were 'poor economic actors' while at the commune level this group only accounted for 35% of the participants.

6.4 What did the participation look like? Assessing the actors' influence

In order to be able to assess the participants' concrete influence on the decisions taken during these meetings, it is important to assess people's perceptions of to what extent they could voice their needs and priorities and define the outcomes of the participatory process.

Within the group of local government / local representatives, 14 of the 15 respondents mentioned that workshop participants had the opportunity to raise their concerns and introduce them in a way that ensures that they are reflected in the meetings' final results. Only one PBC-representative was more critical, emphasising that participants lack the capacity to understand the final purpose of the discussion and the data collection during the workshop. For that reason, participants were given predefined propositions and policy options as a basis for discussion.

The other interviewees were much more enthusiastic about the possibilities that were offered by an unstructured approach. They argued that none of the answers actually can be 'right' or 'wrong', and that an open discussion can also lead to new approaches and ideas for solving a problem. In two of the localities, male and female groups discussed separately during the initial stage of the meeting in order to allow women to also raise their voice and make their needs and priorities heard in the following open discussion.

All in all, from the perspective of the local government / local representatives the population had to a large extent the chance to articulate their needs and priorities and to define the CDP's content. In an identical closed question, 12 of the interviewed (80%) responded that both at village and at commune level meetings the participants could voice their needs and define the outcome of the process.

This perception also corresponds to the view of the poor economic actors. Regarding the village level meetings, 74.2% of those present (or represented by a household member) responded that they (or their representative) had the possibility to freely voice all concerns and define the final list of development priorities. Still, 4 participants (6.1%) felt that during the meeting they only received information and that no possibility was given to them to express themselves. 5 others (7.6%) felt that they could only choose between predefined policy measures and priorities. The 8 female respondents who had been represented by their husbands or another household member (12.1%) could not answer the question. Thus, a lack of information flow can be confirmed for this group of 'represented actors' and the form of 'household representation' might not be a suitable means to gather information from a broad range of citizens.

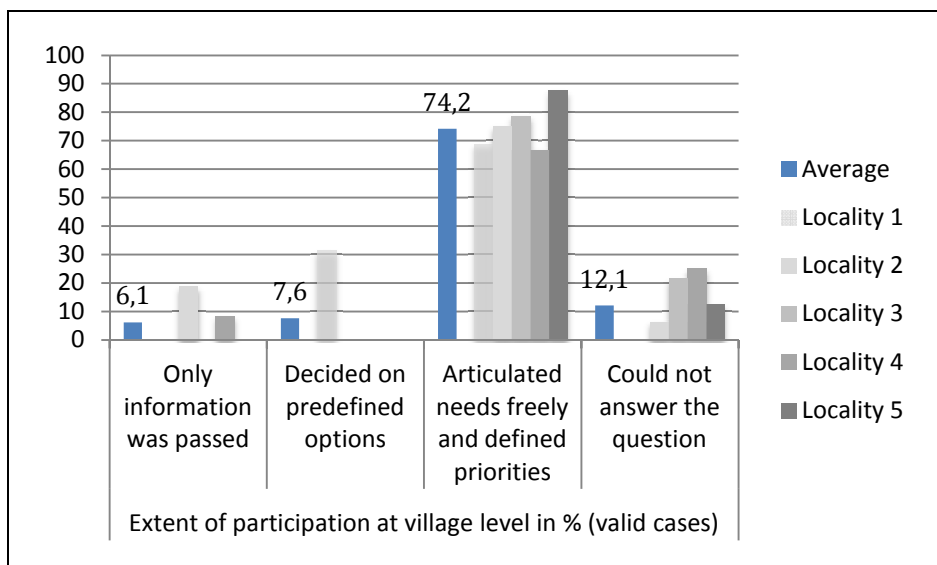


Fig. 6: Perceived extent of possible participation at village level in % of participants

In all the villages, more than 2/3 of those who attended personally or were represented perceived that they had influence on the decisions. Thus, at the village level it can be argued that the people perceive that they have the possibility to genuinely influence the outcomes.

Those few (5 poor economic actors) who participated at the commune level meetings largely agreed that they also had the possibility to influence the decisions at this level: they were allowed to raise their voice and set the priority list; only one of them could not remember the situation and therefore did not answer the question.

All organisations present at the village meetings perceived that they had genuine influence on the decisions and the possibility to express their needs and priorities freely. At the commune level only one representative mentioned that he felt the options that were discussed had already been set in advance. By and large, the perception of the poor economic actors that the people actually had space to articulate themselves and thereby also determine the priority list was confirmed by the representatives from the organisations.

In conclusion, the picture is clear: the vast majority of poor economic actors and organisations perceive that their participation – both at village and at commune level – was based on free voice and that they had the chance to directly influence the strategic decisions. Within our analytical framework, this confirms that people have a genuine bargaining influence.

Beyond the opportunities for genuine bargaining influence, it is important to analyse if this also resulted in the active participation of the people – if they made use of the voice-channel.

6.5 Going beyond participation – the use of the voice-channel

The Commune Chiefs, Village Chiefs and the PBC-representatives were unanimous in their perception, that the poor economic actors or their organisations raised their concerns and thus used the offered opportunities during the village meetings.

These meetings seem to be a place where the people who join in are also willing to contribute their ideas, needs and priorities for shaping the discussion and its outcomes. 63% of the participants say that they (or their representatives) articulated themselves during the workshops; the remaining 37% (20% of the sample) rather passively followed the meetings.

In none of the researched localities the share of people who articulated their needs during the village meetings dropped below the 50% threshold. However, especially in Locality 2 and Locality 3, the level of active participation was considerably lower (50% and 54.5% of the participants), while in Locality 1 the use of the voice channel was highest for all researched villages (75% of the participants, 60% of all interviewees). The survey results concerning the commune level workshops confirm that the attendance of meetings often resulted in an active contribution of the poor economic actors - 4 of 5 participants made use of the opportunity and voiced their needs.

Three major reasons can be observed for the passivity of some participants: either they did not see the necessity to actively contribute since their concerns had already been raised by others during the workshop (40% of the ‘passive participants’), they lacked the capacity to articulate their needs, or felt that that they were not able to do so (20%). Only

one person stated that she was simply not interested in participating. However, 35% of those who remained silent at the village level meetings explicitly referred to their social status as 'poor people' and that they were therefore afraid of raising their voice. This means that 7% of the entire sample of 'poor economic actors' perceived their status within the society as a hindering factor to an active participation.

Thus, lack in capacities and social status are important influencing factors in local decision making, since 20.4% of those who joined the meetings remained silent due to their status or low capacities. This overall assessment corresponds to the observation that the poor often referred to their lower social 'rank' as a reason for exclusion from certain political activities (see analysis of the PBC-membership in chapter 5.4). It reflects the 'social pyramid' that exists in the local culture, in which rural family workers are at the bottom (Mehmet 1997), and it also mirrors the traditional notions of hierarchy and authority as well as the aversion to conflict that may make people reluctant to voice their needs, challenge others, and loose in the public debate (Smoke 2006).

Nonetheless, all organisations that participated at the village level made use of the voice channel and articulated their needs and priorities in order to contribute to the decision-making process. During the commune level meetings, 4 of the 5 participating organisations were also active in the discussion. Hence, it can be concluded that the organisations feel less inhibited to speak out and therefore could also serve as a means to voice the needs of members who might be less willing to use the voice channel personally.

This would be a valid justification for the widespread optimism with regard to the important role of CSOs in local decision-making processes and it would be in accordance with the role assigned to them in the Cambodian decentralisation law. However, as none of the poor economic actors felt represented by an organisation, this remains only a theoretical option and is of no relevance in the 'participation-reality'.

6.6 Intermediate conclusion for Hypothesis 1

The results of the content analysis were ambiguous and did not allow for a conclusion about whether or not the voice-channels are in place and if they offer the people a genuine bargaining influence on the decisions. Several provisions are made with regard to the workshops that have to be set up and the responsibilities of the relevant actors and committees (especially Commune Council, Village Chiefs and PBC) to promote citizen participation. However, the system lacks an enforcement mechanism to make this inevitable and obligatory.

Nonetheless, the results from the field imply that the majority of people were not only informed about the possibilities to contribute to the local decision-making process, but most of them actually joined the meetings, at least at the village level.

All in all, the people and organisations had the possibility to freely articulate their personal or their members' needs and priorities. The majority of them made use of this oppor-

tunity and exploited the chances given to them to a large extent. Since the predefined 50%-level was passed, both at village and at commune level, it can be assumed that the people had genuine bargaining influence in the decision-making process.

6.7 Exploratory investigation – can some underlying traits be identified?

The purpose of this study is also to explore possible underlying factors that might be of interest for further analysis of the influence of political decentralisation on the participatory process and a possible pro-poor responsiveness of local economic development policies. Additional analysis was done on the effects of the variables ‘gender’, ‘income²²’, ‘income structure’, and ‘membership in associations or organisations’ on the participation of poor economic actors. These were each tested with a chi-squared test for a significant relationship with various variables related to the ‘voice-element’²³. Due to the small-n sample and the small number of actors that participated at the commune level meetings, these analyses were only conducted for the village level. The significance level was set at 5%, and in order to avoid cell values below 5, missing values have been recoded into ‘no’ for the dichotomous variables (*)²⁴, and the non-dichotomous variable (**) has been grouped²⁵.

The analysis showed that 66.7% of the men but only 45.8% of the women had knowledge of the meetings’ content prior to the event ($p=0.01$). However, as 77.7% of the female participants in village level meetings actively raised their voice during the workshop (men 48.1%) the proportion of the ‘active women’ is considerably larger. The chi-square test indicates that there is a significant relationship ($p=0.024$) between the respondent’s gender and the articulation of interests at the village meetings.

Women seem to be more willing to raise their concerns in the public debate, while they are prone to a lack of information from the side of the Commune Chief, Village Chief or other local representatives. For that reason, these are interesting subjects for further investigation, especially because the results are different for each variable, and not congruent with the largely assumed ‘weaker’ position of women in participatory processes.

For none of the chi-squared tests conducted with regard to the relationship between the variables ‘income level’, ‘income structure’ and ‘membership in an organisation’ and the ‘participation-variables’, a statistically significant association is indicated. These basic characteristics seem to be negligible factors with regard to actors’ knowledge and infor-

22 </≥ 1.5m Khmer Riel.

23 Variables: ‘heard about the CPD-planning process’, ‘knew about possibility to participate’*, ‘knew in advance about contents of the meetings’*, ‘informed by the CC/VC about the possibility to participate’*, ‘way of participation’**’, as well as the ‘perception of the extent of participation’** and the articulation of needs and priorities during the meetings.

24 This recoding is suitable since non-response in these cases is the equivalent to ‘not being informed’.

25 For ‘way of participation’: ‘not or not personally’, ‘occasionally’, ‘regularly’; for ‘perceived extent of participation’: ‘no or limited possibilities to articulate needs and influence outcomes’, and ‘possibilities to articulate needs freely and define priorities’

mation about the participatory process, their active participation, as well as their perception of the extent of decision-making power.

7 THE RESPONSIVENESS OF LOCAL ECONOMIC DEVELOPMENT POLICIES TO THE CITIZEN NEEDS

Evidently, the local actors largely exploited the opportunities for participation and for influencing the policies. Optimistic analyses assume too early at this point that this also leads to an orientation of the local policies along the population's needs and priorities.

Within this analysis it was therefore measured if and to what extent such responsiveness could be observed in reality; the study explored the various LED-strategies in the study communes, and looked for area or group specific patterns in responsiveness.

7.1 People's dynamism and their needs and priorities for local economic development

7.1.1 *A general idea of the dynamism in economic thinking*

The response rate to the open-ended question on LED-measures was used to gather a general idea regarding the actors' dynamism in economic thinking and their ability to develop ideas for improving their (or their members'/constituents') economic situation. The results show that most of the interviewees had an idea of their most urgent needs and were able to articulate them. Nonetheless, the number of those poor economic actors and organisations who had a distinct idea of how to tackle existing obstacles to their economic development remains small, while the local government / local representatives have a better idea of how to approach the problem in a multi-dimensional way.

7.1.2 *A snapshot of the needs and priorities*

7.1.2.1 *At the level of the individuals*

Based on the median ranks of the entire sample of poor economic actors, it is evident that 5 measures rank considerably high in their *priority list*. Of outstanding importance are

- (1) Transport infrastructure
- (2) Irrigation/drainage infrastructure
- (3) Training in sales and marketing,
- (4) Training in production techniques, and
- (5) Creation of cooperatives and networks.

Least important are *improvements of the legal framework* for doing business, the *promotion of the locality and its products*, as well as the *provision of production, processing and stocking infrastructure*.

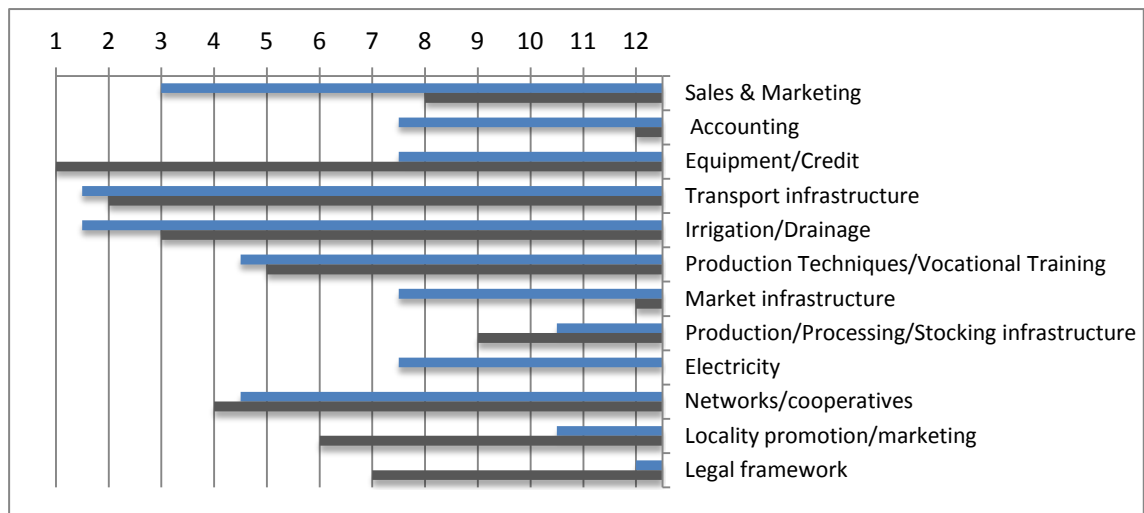


Fig. 7: Ranking of LED-measures by poor economic actors; closed (blue) and open-ended questions (grey), mean rank

This is largely confirmed by the responses to the open-ended question, although the provision of credit or equipment was most frequently mentioned as the most important measure followed by transport and irrigation infrastructure. Compared with the closed ranking, the open-ended questions showed that *improvements of the legal framework* and support through improved promotion of the commune and its products (*locality promotion/marketing*) seem to be on their agenda, too. However, with a non-significant ($p=0.157$) positive rank correlation of medium strength ($\tau_b=0.377$), no relationship of importance can be observed between the outcomes of the open-ended and the closed questions.

It could therefore be argued that giving people a more detailed idea of possible support measures (from closed questions) animates them to explore ‘new ways of thinking’ for tackling the factors that hinder their economic development.

Based on the calculation of deviations of village specific ranks from the sample’s mean ranks, differences in terms of the actors’ needs can be recognised between the localities. Locality 2 makes up a special case in terms of a higher demand for *transport infrastructure* ($r=1$)²⁶ and for *locality promotion/marketing* ($r=7$). The deteriorated roads within the commune can possibly explain the priority for road infrastructure. In addition, farmers in this area are highly dependent on Thai middlemen for marketing their products. This might explain that they have prioritised *locality promotion/marketing* in order to attract new buyers and investors and mitigate their dependency from the middlemen.

In Locality 3 the poor economic actors are largely interested in *training measures for accounting* ($r=3,5$) whereas they show low interest in the *provision of credit or equipment* ($r=11,5$). Analysing the general setting through observations, it became clear that this area is far better equipped in terms of physical assets, which could explain the lesser interest in financial support. Locality 3 is a sub-centre for trading and a considerable share of people

²⁶ ,r’ stands for ,rank’.

is working in the tertiary sector, which might explain the preference for training measures in accounting.

In comparison to the other villages, the interviewees in Locality 4 favoured meso-level measures (*improvements of the legal framework* (r 8,5)), while their interest in *transport infrastructure*

(r 3,5), *production techniques/vocational training*, and *market infrastructure* (r 8,5) was comparatively lower. This area is rather developed in terms of irrigated rice-cropping and has the necessary infrastructural preconditions in place, e.g. for stocking and marketing the harvest, so that there is no urgency to develop this sector. At the time of data collection, the main road was completely modernised, so that this basic economic need was largely fulfilled and thus ranked lower on the priority list of the poor economic actors.

Finally, Locality 5 stands out within the sample with regard to people's interest in investments in *market infrastructure* (r 4) and *production/processing/stocking infrastructure* (r 7,5), and their priority focus on the establishment of and support to economic *networks and cooperatives* (r 3). For the poor economic actors in this zone *locality promotion/marketing* (r 12) is of comparatively less importance.²⁷

7.1.2.2 At the level of organisations

Overall, the *provision of credit & equipment*, and large-scale infrastructure investments (*transport & irrigation*) are most important from the point of view of the organisations and associations. *Improvements of the legal framework* and *training measures for production and vocational training* are additional preferences for them, while especially the provision of *market infrastructure* and *production infrastructure* together with the support to creating *networks & cooperatives* are less important to them. Regarding the latter it can be argued that the organisations are either afraid of increased competition through new organisations on the playing field, or they feel that there is no further need for support to their own structures.

At a first glance, these results seem to be largely confirmed by the responses to the open-ended questions, with slight variations in ranks particularly for the *improvements of the legal framework* and *vocational training*. However, statistically the relationship between the ranks from the open-ended and the closed questions is not significant ($p=0.179$).

Further worth mentioning is the fact that in only one case the individuals' ranking and the organisations' ranking (Locality 5, closed question) correlate significantly ($p=0.04$; $\tau_b = 0.479$). This might indicate that the organisations' LED-agenda differs from the one of the poor economic actors and is thus not necessarily representative. Their 'status' as a proxy of the poor, as mentioned in the decentralisation law, is thus undermined and can be doubted.

²⁷ For further information about the exact ranks per village/commune, refer to Annex 9.1.

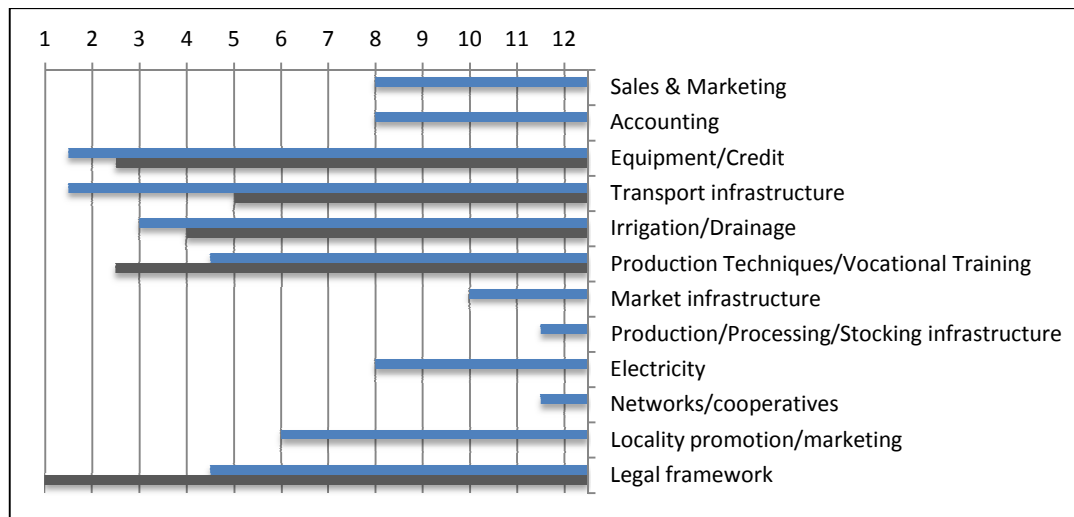


Fig. 8: Ranking of LED-measures by organisations; closed (blue) and open-ended questions (grey), mean rank

7.1.2.3 At the level of local government and adjacent bodies

Commune Chiefs, Village Chiefs, and PBC-representatives favour large-scale infrastructure investments in order to create enabling environments for the poor economic actors to improve their economic situation. Moreover, training measures figure high on their list (*production techniques/vocational training, sales & marketing*) as well as the provision with financial resources or other input factors. Of minor importance are measures such as *training in accounting*, as well as *improvements of the legal framework* and *investments in production/processing/stocking infrastructure*.

Considering the median ranks from the open-ended interviews, *training measures for improving productivity and skills training* rank first, and *improvements of the legal framework* also rank higher, while other measures such as *accounting-training*, *market infrastructure*, *production infrastructure*, and *electricity* are not mentioned at all.

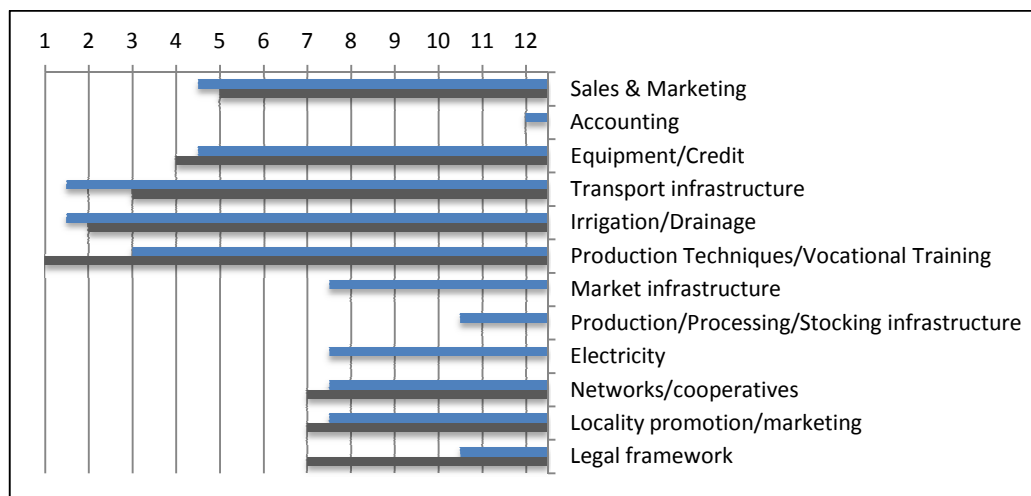


Fig. 9: Ranking of LED-measures by CCs, VCs, PBC-representatives; closed (blue) and open-ended questions (grey), mean rank

A comparison across study areas shows that in Locality 1, *drainage/irrigation* ranks lowest for the representatives of the local government and adjacent bodies (r 12), which can be explained by the topography and the highly fertile land in this area. Thus, irrigation systems are not as essential as they might be in other regions.

In Locality 2, the local government / local representatives ranked *training in accounting* (r 6) and '*provision of credit/equipment*' (r 1,5) higher than in other communes, while the need for *transport infrastructure* (r 3) and the support for creating *networks and cooperatives* (r 10,5) were perceived less important than in other communes.

The local representatives in Locality 3 perceive the creation of *networks and cooperatives* more important (r 4) than their counterparts in other locations. This stands in sharp contrast to the poor economic actors' preferences (r 9) in the study village while there is potential need for this measure (no CSO existed in Locality 3 at the moment of the study). A possible explanation for this divergence might be the fact that during the last years, two active organisations (savings group & cow bank) stopped operating due to a misuse of members' contributions and the lack of dynamism of the members. Looking at it critically and considering some of the observations made during the study, it can be argued that the support to CSOs is not in the focus of the local government, as it mainly serves the poor actors in society and is thus not in the interest of the leaders.

In Locality 4, the CC's, VC's and PBC-representatives ranked the need for *electricity* comparatively higher than in other areas (r 4), while in terms of *production/processing and stocking infrastructure* (r 12), *locality promotion/marketing* (r 9,5), and *legal measures* (r 11) they perceived less need. To the local government / local representatives in Locality 5, *vocational training and training for agriculture* (r 6), seems a less important LED-measure for supporting poor economic actors.

7.2 The reflected needs – the Commune Development Plans and their content

At this point we know about the needs and priorities of the poor economic actors and the judgment of the CCs, VCs and PBC-representatives as well as the organisations on what might be of interest for supporting these actors. In order to contextualise these findings, it is important to have a more in-depth look at the final policy document that is meant to reflect the development priorities in each commune – the Commune Development Plans.

7.2.1 The general content of the CDPs

As mentioned earlier, the CDPs are developed for a period of 5 years (the legislative term) and lay the foundation for all major development activities within the commune. In their basic structure CDPs focus on 5 dimensions of development: economic, social, natural resource & environment, administration & security service, and gender. They normally contain: (1) general information about the commune (population, area, literacy rates, birth rates etc.), (2) a map of the commune, (3) an analysis of the present situation along the above-mentioned 5 dimensions, (4) the development framework, stating the development

needs, goals, strategy, and priority activities with cost estimates, as well as (5) summaries of the commune level meetings.

The major focus of this study is on the fourth part, especially the priority activities. However, it is necessary to give a general outline of the other parts, in order to allow understanding the persisting lacks and shortcomings in the CDPs.

In most cases, the plans' introductions and prefaces do not offer much more than a repetition of a template, stating in general that meetings have been organised in congruence with the law, and that the CDP has the highest priority in Commune Council activities. Only in one commune (Locality 5) the effort was made to basically reformulate and extend this part of the CDP.

The presentation of the communes' actual situation is in most cases more elaborated, presenting facts and figures about irrigation systems, amount of harvested products, land use, statements with regard to transport problems during the wet season et cetera.

This is followed by a short summary of the priorities and needs voiced by the local population, which are also reflected in the list of priority activities. In some cases, they have been reformulated and broadened, and in other cases directly linked to a short description of the corresponding development goals. Nonetheless, in three communes the sections on development goals and the development strategy contained a template-phrase stating that: "The development strategies of (...) Commune are for the duration of 5 years in the second mandate" (CDP of Locality 1), or using similar wording. In two communes the attempt was made to formulate a strategy, even though the content was limited to general statements such as 'improving road infrastructure', 'improving irrigation system', 'encourage participation of women'.

Cross-checks with the results from the questionnaire substantiate this analysis. Asked about their idea of a suitable local economic development strategy in their commune or village, none of the interviewed local representatives had a clear and distinct idea how the policies and activities should be structured and sequenced in order to improve the business environment and foster economic development. Only 8 respondents had a limited strategic outline in mind, mainly stating separate support measures and prioritising them. However, none of these interviewees articulated a distinct approach on how to achieve these goals and where to obtain the necessary funding and external support. In addition, the interviewees did not express any clear-cut vision regarding the locality's future economic structure and which sectors might be the driving forces for economic development. The remaining respondents articulated no ideas for an LED-strategy. Either they did not understand the question, gave unstructured answers with general statements (e.g.: 'I will do my best for increasing the production'), or focused on single infrastructure investments.

Similar shortcomings can also be observed within the core-part of the CDP – the list of priority activities. While they are clearly structured and prioritised and also mention the exact location of the project, the extent (e.g. length of road, size of target group, number

of trainings, weight of provided seeds etc.), the related cost estimates are incomplete for some communes or similar activities have considerably diverging forecasted costs in different communes. In addition, the length of the priority lists as well as the estimated costs exceed by far the capacities and the available financial means of the communes. To some extent, these lists can therefore be regarded as ‘wish lists’ reflecting the hope that external actors such as NGOs or development organisations join in, in order to implement the proposed activities. The large number of items also shows that basic preconditions for economic development are widely inexistent and large investments are needed to achieve a level from where more elaborate development activities can be initiated.

Despite of the various shortcomings, the CDPs are suitable means to assess the responsiveness of local economic policies to the needs of the poor economic actors; they are the result of a participation process that is based on the decentralisation framework, they have legal status, and they are the major policy documents containing elements for LED at the level of the commune. Moreover, the main focus of the CDPs lies on the economic dimension of local development with a large number of proposed projects that aim at improving the environment for making business and increasing revenues.

7.2.2 The needs and priorities as reflected in the CDPs

Regarding the content of the CDP priority lists, some major characteristics become obvious. First of all, five measures that have been assessed during the interviews are not mentioned in any of the CDPs’ priority lists: the provision of market infrastructure, and of *production/processing/stocking infrastructure, electricity, training in sales and marketing*, and measures for marketing the locality are not mentioned.

Thus, the CDPs were focusing on 7 measures of which 5 appeared in all the documents: *provision of credit/equipment, transport infrastructure, irrigation/drainage infrastructure, training in production techniques/vocational training*, and the support to and the creation of *networks & cooperatives* – the ‘core-5’. *Training in accounting* was only mentioned in one CDP (Locality 3), and the *improvement of the legal framework* was explicitly stated in the CDPs of Locality 1 and Locality 2.

It should however not be ignored that these measures can have various characteristics in their application on the ground. Road infrastructure, for instance, can encompass the construction of roads or bridges from different material (laterite/sand; iron/wood), ‘vocational training’ might include training on the use of fertilizers or seeds, as well as training for people in mechanics, and the provision of input factors can reach from providing seeds, to credits up to the common use of machinery.

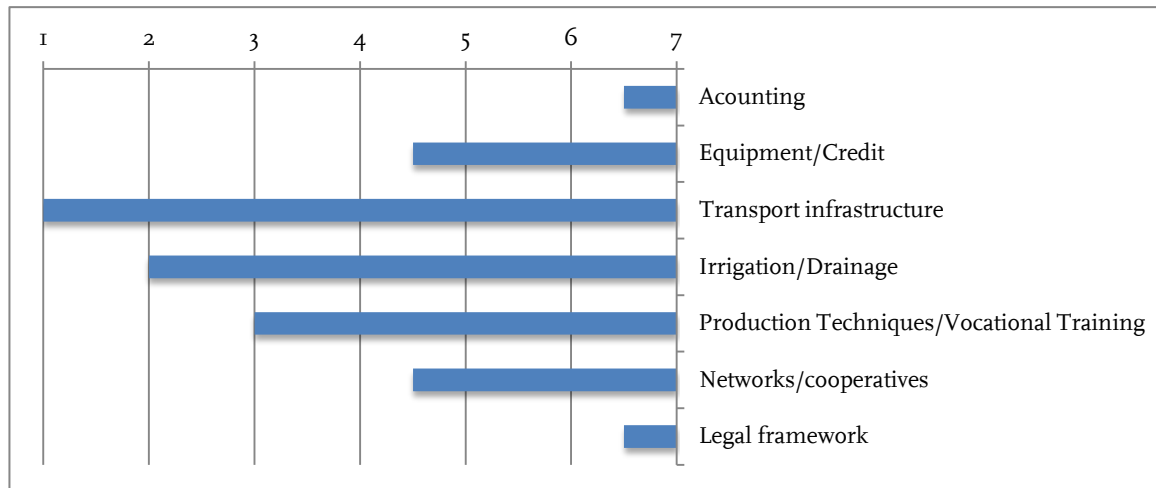


Fig. 10: Ranking of LED-measures in the CDPs; mean rank

While in all communes the main focus was on the 5 ‘core-measures’, their position on the priority list varies (*road infrastructure* ranks first, second or third). A qualitative assessment also shows that *vocational training measures* are rather low priorities in the CDPs of Locality 1 and Locality 4 (both r 5), while they rank highest in Locality 5 (r 2), where the CDP lists a large variety of both training for farmers, as well as group-specific *vocational training* measures (e.g. for women). The *creation/support of networks and cooperatives* ranks comparatively low in Locality 2 and Locality 5 (r 6).

Even though strong similarities can be observed, they do not lead to statistically significant rank correlations between the different CDPs, except for the correlation between Locality 1 and Locality 4 ($p=0.015$; $\tau_b=0.867$). Even with regard to the ‘core-5’, none of the ranks in the CDPs correlate significantly.

This reflects what is widely recognised in LED-literature: local economic development is especially justified with regard to the areal specificity of the business environment and the natural preconditions, which leads to different priorities and distinct approaches within the LED-policies.

7.3 Analysis of pro-poor responsiveness

7.3.1 The overall responsiveness

At first sight, a clear pattern that favours investments to *infrastructure for transport and irrigation/drainage* as well as *(vocational) training*, support to *networks and cooperatives*, as well as the *provision of equipment and credit* seems to characterise people's priority setting and the content of the CDPs. Only some discrepancies between interviewees' responses and the content of CDPs can be observed, e.g. *training in sales and marketing* was ranked high in all interviews but does not appear in any of the CDPs. This general perception is confirmed by the statistical analysis of the mean rank from CDPs and all individuals. Kendall's-tau-b rank correlation coefficient indicates a strong positive correlation between these two variables, which is significant at the 5%-level ($p=0.011$; $\tau_b = 0.865$). Thus, the general hypothesis that there is a responsiveness of the LED-policies in the CDPs to the needs of the poor economic actors can be accepted.

At the level of organisations and local representatives, the picture becomes more incongruent. The organisations' ranks and the CDP-priorities have a non-significant ($p=0.157$) positive relationship of medium strength ($\tau_b = 0.474$), while for the local government and local representatives' answers a very strong significant correlation is indicated ($p=0.005$; $\tau_b = 0.923$).

It thus can be assumed that the Commune Chiefs, Village Chiefs and PBC-representatives are comparatively well informed about what is demanded by and needed for the poor in order to develop the locality in a way that allows them to further strengthen their economic position. A test for rank correlation between these two actor groups also indicates a significant strong positive correlation ($p=0.004$; $\tau_b = 0.702$). Thus, they seem to have a common vision on how to develop the local economy to the poor actors' benefit.

An additional interesting aspect is the perception of to what extent the needs and priorities of the poor economic actors are reflected in the CDPs. While the majority of the CCs, VCs, PBC-representatives and the organisations felt that the needs are completely reflected in the CDPs, only 30% of the individuals actually knew about the final content of the CDP. 10% of them stated that they feel their needs and priorities are not being reflected, 53.3% said that their needs are partially reflected, and only 36.7% felt that the document represented their personal needs and priorities.

Only two local representatives in Locality 1 and Locality 4 mentioned that they have a mechanism in place to ensure that the needs of the population enter into the CDP (by checking the CDP-draft with the villagers), while the other interviewees emphasised that representative structures such as the PBC are sufficient for ensuring this. Besides gathering the information, it must also be guaranteed that the final results of the CDP-process are properly disseminated to the locals. This was not always the case in the study areas, as in two communes the final CDPs have not been presented to the villagers at the time when the interviews were conducted.

7.3.2 Responsiveness in the different study areas

When focussing on the responsiveness at the commune level, a significant strong positive correlation can be found between the people's priorities and the priorities in the CDP in Locality 1 ($p=0.015$; $\tau_b=0.867$). The same holds true for Locality 2 ($p=0.023$; $\tau_b=0.949$), while for Locality 4 ($p=0.064$; $\tau_b=0.730$), Locality 3 ($p=0.188$; $\tau_b=0.467$), and Locality 5 ($p=0.624$; $\tau_b=0.20$), there is no significant correlation between these variables and the correlations are less strong.

In order to test for possible 'elite-capture', the same analysis was conducted for the latter three communes, assessing the correlations between the local representatives' ranking and the CDP-priorities. For Locality 4 and Locality 5 a positive correlation between the two variables could be found (Locality 4: $\tau_b=0.501$; Locality 5: $\tau_b=0.20$), but they are statistically not significant ($p>0.05$). By contrast, for Locality 3 the test shows a perfect correlation ($p=0$; $\tau_b=1$) between local governments' / local representatives' priorities and the priority setting in the CDP.

The latter commune was also the place where 33.3% of the poor economic actors who knew about the CDP stated that their needs are not reflected in the document, while only 1 of them felt that his needs are completely reflected.

The different correlations over communes, and especially the perfect relationship between Locality 3's local representatives' and the CDP-ranking (as well as the correlation of medium strength in Locality 4) are widely congruent with the observations made in the field. Especially in these communes, several poor economic actors expressed discontentment and mistrust with regard to the role of the local government. In these communes, the communication flows between the constituents and the Commune Council were less well developed, especially with regard to the dissemination of results from the meetings and the content of the CDP. In Locality 3, one of the local representatives mentioned that the poor citizens voice 'inacceptable ideas' during the meetings while the VCs and CCs find the 'good solutions' to the needs that were voiced during the participation process. In one of the communes, it was openly mentioned that the local government / representatives *a priori* choose the people who are invited for the meetings.

Especially in Locality 1 the citizens were rather well informed and expressed their trust in the local government. Moreover, the Commune Chief gave the impression to be very dynamic and interested in the wellbeing of the entire population. While in Locality 2 no specific dynamism of both villagers and local representatives could be observed, the poor economic actors also did not mention any discontentment during the interviews. In Locality 5 the general perception of the local government's work was positive, while some actors mentioned that the promised investments did not take place. It could be observed that people in the remote areas (areas flooded during wet season) felt insufficiently informed.

As in other countries that undergo a decentralization process, improvements for a functioning feedback mechanism that ensures the continuous information flow between villagers and the commune level are necessary. It allows the people to better understand the local activities and constantly integrate their needs into local decision-making processes. The importance of such a feedback and communication mechanism became especially obvious when people were asked to what extent their needs are reflected in the CDP.

As an example, in two communes, many interviewees were knowledgeable about their needs and priorities being only partially reflected, due to a very limited commune budget. In the other communes, especially those where discontentment was regularly expressed, people were not aware of this limitation and therefore regarded the Commune Council as not responsive to their needs. A lack of such substantial information can either further increase mistrust or discourage people from actively participating in local decision-making in the future. As a result, it deprives the local government of valuable ideas of how to overcome a certain problem, to identify suitable solutions, and the ability to mobilise necessary resources from the citizens.

7.3.3 Responsiveness with regard to different actor characteristics

In order to allow some further comparisons of the extent of responsiveness, the rankings from different actor groups (separated by 'income level' and 'main source of income', 'gender', and 'membership in an association/organisation') were tested for significant correlations.

The extent to which priorities are reflected in the CDPs seems to be determined by differences of the income level within the group of poor economic actors. The rank correlation indicates a very strong significant correlation of the comparatively richer actors' priorities with the contents of the CDPs ($p=0.006$; $\tau_b=0.919$), while those of the poorer actors do not correlate significantly ($p=0.112$; $\tau_b=0.541$). There are different possible explanations to these findings: either the 'richer' are stronger in raising and introducing their needs into the CDPs, or the Commune Council assigns more importance to their needs and priorities. This is especially interesting as the CCs, VCs and PBC-representatives pointed to the fact that mainly people from poorer layers of society are participating in the meetings, while the better-off abstain since they do not expect benefits for them. Thus, even within the rather homogenous group of the poor, the comparatively richer seem to be an elite and dominate the process. Another factor could be that their interests and needs are closer to the median voters' preferences and thus are, for reasons of political economy, more probable to be ultimately represented in the CDP. If this interpretation holds true, the general function of the participatory process – serving as a platform for citizen involvement without being based on political considerations – would be undermined.

The source of income (from farming or non-farming activities) as well as the factor 'gender' seem to be less important variables with regard to the responsiveness of the local economic development policies ($p<0.005$; farming: $\tau_b=0.895$; non-farming: $\tau_b=0.811$; male $\tau_b=0.821$; female: $\tau_b=0.703$). People who are a member of an association are not

taking advantage of their membership and translating it into a higher degree of congruence between their needs and preferences and the policies ($p=0.418$; $\tau_b=0.278$).

Thus, specificities at the local level and the level of income of the poor economic actors might play a role with regard to the congruence of people's needs and priorities and the policies. Nonetheless, in general terms the hypothesis that participation of the poor economic actors in local decision-making processes leads to a responsiveness of the LED-policies to their needs can be accepted.

8 CONCLUSION AND ADDITIONAL REMARKS

From a broader perspective, political decentralisation offers possibilities to increase the responsiveness of policies to the needs and priorities of the poor with regard to local economic development. Although no tasks and responsibilities are explicitly devolved to the local level, the legal provisions refer explicitly to this layer of government as most relevant for the socio-economic development of the locality. The law remains equally vague with respect to an obligatory participation of the citizens. It defines channels for voicing citizens' needs and gives local government indications on how to proceed in the planning process. Additional legal documents give a clear outline for the specific design of the participatory process – and also refer to the role of the poor in this process. What these regulations clearly lack is an unambiguous legal obligation to reach a certain level of participation in conjunction with a specific enforcement mechanism.

Still, the local governments show willingness to integrate all groups within their locality in the decision-making process and the poor economic actors seem to largely take advantage of the 'new' opportunities to make their voices heard. Not only do they know about the process and join meetings just because it is possible for them or they are asked to do so, but they also largely exploit the opportunities given to them in order to voice their needs and priorities for improving their business environment and therewith their livelihoods. The – although rather vague – provisions in the decentralisation laws allow them to integrate their needs and priorities into the strategy for the development of their localities. Consequently, these needs are reflected in the policies that aim at developing the local economy. Thus, we can assume that political decentralisation can contribute to the pro-poor responsiveness of local economic development policies.

If development were as straightforward as delineated here, why do we still observe large shortcomings that result especially in persisting poverty and disintegration of the poor in the economic sector? This definitely is a question of the perspective from which the problem is looked at. Although, the positive result holds true from a general perspective, it gets tarnished when looking closer.

The level of citizen participation and their influence in the decision-making process as well as the responsiveness of LED-policies are strongly locality-specific. Elite capture and exclusion of the poor from the process seem to be influencing factors, as in many other policy fields. The vaguely defined legal framework plays a crucial role in this regard. It leaves space for specific groups to take over the planning process and thereby define the outcomes in their interest. This is further boosted by a strong disconnectedness of the poor economic actors' direct frame of reference – the village level²⁸ – and the level of policy-making – the commune level –, which is often out of their reach and therefore beyond their control and influence.

²⁸ It could even be argued that the village level as a frame of reference is of low relevance, since Cambodia can be interpreted a society that is loosely structured and where individualistic tendencies and unstructured personal relationships prevail (see Weggel 1997).

Legal provisions that create a stronger degree of obligation for the local government to integrate the poor economic actors, or the institutionalisation of the village level governance-system could be suitable means to close this gap. Efforts can be observed to link (poor) people's social environment, the village, to the upper levels of the policy-making process. The legal provisions contribute to this linkage by making the participation of village-representatives obligatory through the Planning and Budgeting Committee. However, this committee is widely unknown to the poor economic actors and many feel that their social status does not allow them to join such a body. This challenges the representativeness of such a committee. Informal bodies might prove more effective in (continuously) transferring their concerns in the decision-making process.

This study also mitigates the enthusiasm that is found abundant in the literature emphasising the important role of civil society organisations and associations. It might be a specific characteristic of Cambodia and rooted deeply in the country's history that organisations are considerably unappealing to the poor economic actors. Nevertheless, the findings of this study allow reject the assumption that organisations are considerably more effective in transferring needs and priorities in the decision-making process and that they per se are representative of their members.

In terms of group-specific patterns, this study could not explicitly confirm the widespread idea that gender has an influence on the level of participation as well as the degree of 'what people get out of the process'. More interesting is the finding that the better-off within the group of the poor economic actors proved to yield a higher degree of responsiveness of LED-policies to their needs. This emphasises that assumptions of a strong homogeneity within the group of the poor can be misleading and might fall short of what actually is at play in reality.

The major shortcoming of the study regions is a substantial lack of capacities and entrepreneurial thinking, both at the level of the individuals, their organisations and associations as well as at the level of local governments and committees. People tend to focus on small- and large-scale infrastructure projects while measures, such as trainings or locality marketing, are widely not considered to be beneficial. People show limited capacities to set a strategic framework for the economic development of their locality – a framework that includes a variety of interconnected measures that facilitate both developing the existing businesses and simultaneously enlarging the business sector. What does responsiveness bring about if projects are not creating more employment and income, and at the same time are rarely financeable from limited local budgets?

The local governments act as providers of public goods and services rather than supporting the local development process by building and enhancing a strategic framework that guides the discussions on local economic development.

The central government as well as the donors therefore need to create favourable conditions, which allow to go beyond the existing 'roads and irrigation'-mentality. The provision of basic infrastructure needs to be pushed forward, while capacities for local governments / local representatives and the citizens need to be built. Meyer-Stamer (2003)

puts it as follows: “(t)elling newcomers to LED that, before anything else, they have to formulate a strategy is as useful as asking continental Europeans to advise on tactics for a cricket match” (Meyer-Stamer 2003: 7). With the possibility to create specialised committees at the local level, the communes also have the possibility to institutionalise the LED-process and support it through such an expert body. This, in combination with the essential capacity building, could significantly improve LED-strategy formulation and implementation. People also need to pass the ‘newcomer stage’ and become active proponents of their development. The basic preconditions are largely there: the poor economic actors are willing to contribute to the decision-making process and in general, the local governments show their determination to respond to their needs.

The current situation, despite its many shortcomings, is an important element for mutual learning and its importance should not be neglected. All efforts need to be undertaken to exploit and use it as a foundation for ‘real’ local economic development.

Although the results are not fully generalisable due to the local specificities that are at play, the study shows that political decentralisation is a promising approach in order to make local economic development policies more responsive to the needs of the poor. Political decentralisation lays the foundation for a process that must be developed and valorised at the local level.

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10 ANNEX

A.1 Tables for mean ranks from closed questions

Mean ranks for support measures per commune (poor economic actors)

	Locality 1	Locality 2	Locality 3	Locality 4	Locality 5
Training in Sales and Marketing	1	4,5	6,5	1	7,5
Training in Accounting	6	10	3,5	11	10
Provision of Equipment/Credit	4	7	11,5	3,5	5
Transport infrastructure	2	1	2	3,5	2
Irrigation/Drainage infrastructure	3	2,5	1	3,5	1
Training in Production Techniques/Vocational Training	5	2,5	5	8,5	7,5
Market infrastructure	7,5	7	6,5	8,5	4
Production, Processing and Stocking infrastructure	11	12	9	12	7,5
Energy supply infrastructure	7,5	4,5	3,5	6	7,5
Creation of networks/cooperatives	9	10	9	3,5	3
Locality promotion/marketing	10	7	9	8,5	12
Improvements of the legal framework	12	10	6,5	8,5	7,5

Mean ranks for support measures per commune (organisations/associations)

	Locality 1	Locality 2	Locality 3	Locality 4	Locality 5
Training in Sales and Marketing	6,5	10	N/A	7	5
Training in Accounting	10	6,5	N/A	3	6
Provision of Equipment/Credit	12	5	N/A	1,5	1
Transport infrastructure	1	1	N/A	4	2,5
Irrigation/Drainage infrastructure	5	6,5	N/A	1,5	2,5
Training in Production Techniques/Vocational Training	6,5	12	N/A	5	4
Market infrastructure	9	3	N/A	11,5	10
Production, Processing and Stocking infrastructure	2,5	10	N/A	11,5	10
Energy supply infrastructure	4	8	N/A	10	7,5
Creation of networks/cooperatives	8	10	N/A	8,5	7,5
Locality promotion/marketing	2,5	2	N/A	8,5	12
Improvements of the legal framework	11	4	N/A	6	10

Mean ranks for support measures per commune (CCs, VCs, PBC-representatives)

	Locality 1	Locality 2	Locality 3	Locality 4	Locality 5
Training in Sales and Marketing	3	1,5	10,5	5,5	11
Training in Accounting	11	6	12	9,5	11
Provision of Equipment/Credit	9	1,5	8	7,5	3,5
Transport infrastructure	1	3	1	1	2
Irrigation/Drainage	12	4,5	2	2,5	1
Training in Production	2	4,5	3	2,5	6
Market infrastructure	4	10,5	8	5,5	11
Production, Processing and Stock-	7	8,5	6	12	new
Energy supply infrastructure	10	12	10,5	4	8
Creation of networks/	7	10,5	4	7,5	6
Locality promotion/marketing	7	8,5	5	9,5	6
Improvements of the legal	8	7	8	11	9

A.2 Questionnaires in English

Questionnaire for poor economic actors

Date: _____ District/Commune/Village: _____

Name of Interviewee: _____ Age: _____ Gender: _____ No.: I/ _____

1. What are your main economic activities, in the dry and in the wet season, and how much did you earn from it during the last year (net)?

Sector	Dry Season				Wet Season			
	Self-employed	Money income	In-kind revenue	Where V/C/D	Self-employed	Money income	In-kind revenue	Where V/C/D
AGRICULTURE								
<i>Rice farming</i>								
<i>Orchard (Chamcar)</i>								
<i>Livestock</i>								
<i>Fishing</i>								
<i>(Non-Timber) Forestry Products</i>								
INDUSTRY								
<i>Handicraft</i>								
<i>Manufacturing</i>								
SERVICES								
<i>Retail Trade + Wholesale Trade</i>								
<i>Restaurants</i>								
<i>Transport</i>								
<i>Other Services</i>								
<i>Labourer</i>								
<i>Other HH-Members</i>								

Income threshold approx.: 770USD or 3,200.000 Riel Khmer

2. Are you member of an association/organisation/cooperative/network with an economic purpose (formal as well as informal)? If yes, which one? If no, why?

Yes	No
1	2

If yes, name of the organisation: _____

If no, why? _____

3. Are you member of the Village Development Committee or the Planning and Budgeting Committee?

- a. Village Development Committee

Yes	No
1	2

If no, why? _____

- b. Planning and Budgeting Committee

Yes	No
1	2

If no, why? _____

4. What would you like the Commune Council to do for you to improve your economic situation? Please name 3!

5. From the following list of possible support measures, which ones would be the most important ones for you? Please rank them from “1” for the most important to “12” for the least important.

	Rank		Rank
a. Training in Sales and Marketing		b. Market infrastructure	
c. Training in Accounting		d. Production/Processing/Stocking infrastructure	
e. Equipment / Credit		f. Energy supply infrastructure	
g. Transport infrastructure		h. Creation of networks/cooperatives	
i. Irrigation/Drainage infrastructure		j. Locality promotion/ marketing	
k. Training (Production Techniques/VT)		l. Legal framework (land rights, taxes, etc.)	

6. Have you ever heard about the planning process of the Commune Development Plan?

Yes	No
1	2

7. If yes, have you ever heard about the possibility to participate in a workshop/meeting for designing the Commune Development Plan?

Yes	No
1	2

8. Did you also know at that time what was planned being discussed there?

Yes	No
1	2

9. Have you been informed (by the Commune Council or Village Chief or their direct representatives) about the possibility to participate in such a workshop/meeting?

Yes	No
1	2

10. If yes, how have you been informed? _____

11. Have you personally or someone who represents your interests (an organisation/association or a household member) ever participated in a meeting/workshop for designing the Commune Development Plan at the village level?

Yes	No
1	2

12. Have you personally or someone who represents your interests (an organisation/association or a household member) ever participated in a meeting/workshop for designing the Commune Development Plan at the commune level?

Yes	No
1	2

13. If yes in Q 11, how did you participate in the meetings/workshops for designing the Commune Development Plan at the village level?

I was represented by an organisation	I was represented by another household member	I personally attended meetings
1	2	3

14. Could the participants express their specific needs and priorities during these meetings/workshops?

No possibility to articulate needs; only information was passed	It has been decided on predefined needs and priorities	Possibilities to articulate needs freely and define priorities
1	2	3

15. Did you articulate your needs and priorities during these meetings/workshops?

Yes	No
1	2

If no, why? _____

16. If yes in Q 12, how did you participate in the meetings/workshops for the Commune Development Plan at the commune level?

I was represented by an organisation	I was represented by another household member	I personally attended meetings
1	2	3

17. Could the participants express their specific needs and priorities during these meetings/workshops?

No possibility to articulate needs; only information was passed	It has been decided on predefined needs and priorities	Possibilities to articulate needs freely and define priorities
1	2	3

18. Did you articulate your needs and priorities during these meetings/workshops?

Yes	No
1	2

If no, why? _____

19. Do you know about the final content of the Commune Development Plan?

Yes	No
1	2

20. Do you feel that your needs and priorities for improving your economic situation are reflected in the current Commune Development Plan?

My needs and priorities are not reflected in the CDP	My needs and priorities are partially reflected in the CDP	My needs and priorities are completely reflected in the CDP
1	2	3

Questionnaire for organisations/associations

Date:_____ District/Commune/Village:_____

Name of Interviewee + organisation:_____

Position:_____ Age:_____ No.: O/_____

1. How many members does your organisation have?

_____ Members/Households

2. In which village(s) (and communes) is your organisation active?

3. What are the organisation's main areas of activity with respect to the support of economic development?

Areas of activity: _____

4. What would your organisation like the Commune Council to do for the poor economic actors to improve their economic situation? Please name 3!

5. From the following list of possible support measures, which ones would be the most important ones from your organisation's perspective? Please rank them from "1" for the most important to "12" for the least important.

	Rank		Rank
a. Training in Sales and Marketing		b. Market infrastructure	
c. Training in Accounting etc.		d. Production/Processing/Stocking infrastructure	
e. Equipment / Credit		f. Energy supply infrastructure	
g. Transport infrastructure		h. Creation of networks/cooperatives	
i. Irrigation/Drainage infrastructure		j. Locality promotion/ marketing	
k. Training (Production Techniques/VT)		l. Legal framework (land rights, taxes etc.)	

6. Has your organisation ever heard about the planning process of the Commune Development Plan?

Yes	No
1	2

7. If yes, has your organisation ever heard about the possibility to participate in a workshop/meeting for designing the Commune Development Plan?

Yes	No
1	2

8. Did your organisation also know at that time what was planned being discussed there?

Yes	No
1	2

9. Has your organisation been informed (by the Commune Chief or Village Chief or their direct representatives) about the possibility to participate in such a meeting/workshop?

Yes	No
1	2

10. If yes, how has your organisation been informed? _____

11. Do you know any other organisation that participated in the meetings/workshops?

Yes	No
1	2

12. Has your organisation or an umbrella organisation ever participated in a meeting/workshop for the Commune Development Plan at the village level?

Yes	No
1	2

13. Has your organisation or an umbrella organisation ever participated in a meeting/workshop for the Commune Development Plan at the commune level?

Yes	No
1	2

14. If yes in Q12, how did your organisation participate in the meetings/workshops at the village level?

Our organisation was represented by an umbrella organisation	Our organisation attended meetings
1	2

15. Could the participants express their specific needs and priorities during these meetings/workshops?

No possibility to articulate needs; only information was passed	It has been decided on predefined needs and priorities	Possibilities to articulate needs freely and define priorities
1	2	3

16. Did your organisation articulate their members' needs and priorities?

Yes	No
1	2

If no, why? _____

17. If yes in Q12, how did your organisation participate in these meetings/workshops at the commune level?

Our organisation was represented by an umbrella organisation	Our organisation attended meetings
1	2

18. Could the participants express their specific needs and priorities during these meetings/workshops?

No possibility to articulate needs; only information was passed	It has been decided on predefined needs and priorities	Possibilities to articulate needs freely and define priorities
1	2	3

19. Did your organisation articulate their members' needs and priorities?

Yes	No
1	2

If no, why? _____

20. Does your organisation have a specific mechanism to gather the needs and priorities of its members before joining meetings/workshops for the Commune Development Plan?

21. Do you know about the final content of the Commune Development Plan?

Yes	No
1	2

22. Does your organisation feel that the needs and priorities of the poor economic actors for improving their economic situation are reflected in the current Commune Development Plan

Their needs and priorities are not reflected in the CDP	Their needs and priorities are partially reflected in the CDP	Their needs and priorities are completely reflected in the CDP
1	2	3

Questionnaire for CCs, VCs, PBC-representatives

Date:_____ District/Commune/Village:_____

Name of Interviewee:_____ Age:_____ Gender:_____ No.: LG/ _____

1. What is your position within the local government/village?

2. What was your specific role within the planning and decision-making process for the Commune Development Plan? How would you describe your responsibilities in this process?

3. By which support measures could the Commune Council best help to improve the economic situation of poor economic actors? Please name 3!

4. From the following list of possible support measures, which ones would be the most important ones from your perspective? Please rank them from “1” for the most important to “12” for the least important.

	Rank		Rank
a. Training in Sales and Marketing		b. Market infrastructure	
c. Training in Accounting etc.		d. Production/Processing/Stocking infrastructure	
e. Equipment / Credit		f. Energy supply infrastructure	
g. Transport infrastructure		h. Creation of networks/cooperatives	
i. Irrigation/Drainage infrastructure		j. Locality promotion/ marketing	
k. Training (Production Techniques/VT)		l. Legal framework (land rights, taxes etc.)	

5. Have the people in the commune/village been informed about the opportunity to participate in meetings/workshops for designing the Commune Development Plan?

Yes	No
1	2

6. If yes, how have they been informed?

7. And which actors have exactly been informed?

8. To what extent did poor economic actors or their representatives participate in the planning and decision-making process for the Commune Development Plan? How did they participate and how often?

9. Did poor economic actors (as individuals) participate in the planning and decision-making process for the Commune Development Plan?

a. At village level

Poor economic actors never participated	Poor economic actors participated occasionally	Poor economic actors participated regularly
1	2	3

b. At commune level

Poor economic actors never participated	Poor economic actors participated occasionally	Poor economic actors participated regularly
1	2	3

10. Did organisations that represent the poor economic actors participate in the planning and decision-making process for the Commune Development Plan?

a. At village level

Organisations never participated	Organisations participated occasionally	Organisations participated regularly
1	2	3

b. At commune level

Organisations never participated	Organisations participated occasionally	Organisations participated regularly
1	2	3

11. To which extent there was possibility in the meetings/workshops (at village and/or commune level) to express specific needs and priorities of the poor economic actors? Please briefly describe the process.

12. To which extent there were opportunities in the meetings/workshops at village level to express specific needs and interests of the poor economic actors?

No possibility to articulate needs; only information was passed	It has been decided on predefined needs and priorities	Possibilities to articulate needs freely and define priorities
1	2	3

13. To which extent there were opportunities in the meetings/workshop at commune level to express specific needs and interests of the poor economic actors?

No possibility to articulate needs; only information was passed	It has been decided on predefined needs and priorities	Possibilities to articulate needs freely and define priorities
1	2	3

14. Did the poor economic actors or organisations that represent the poor economic actors express their specific needs and priorities during the meetings/workshops at the village level?

Yes	No
1	2

If no, why? _____

15. Did the poor economic actors or organisations that represent the poor economic actors express their specific needs and priorities during the meetings/workshops at the commune level?

Yes	No
1	2

If no, why? _____

16. How do you ensure that the needs of the poor economic actors are sufficiently reflected in the Commune Development Plan? Is there any specific mechanism in place?

17. Do you feel that the needs of the poor economic actors are reflected in the current Commune Development Plan?

Their needs are not reflected in the CDP	Their needs are partially reflected in the CDP	Their needs are completely reflected in the CDP
1	2	3

18. Do you have a specific mechanism to disseminate the final results and the content of the Commune Development Plan to the public? Please describe it briefly.

19. How many people participated in the meetings/workshops for the Commune Development Plan (average per meeting)?

a. At village level: _____ Participants Female: ____% Male: ____ %

b. At commune level: _____ Participants Female: ____% Male: ____ %

20. What were the major groups of participants in the meetings/workshops?

a. At village level: _____

b. At commune level: _____

21. How many of the participants in the meetings/workshops can be characterised as poor economic actors?

a. At village level: _____ %/Participants

b. At commune level: _____ %/Participants

22. Could you shortly describe your idea for a suitable Local Economic Development policy/strategy in your Commune/Village?
