

Chapter 2

THE ECONOMIC CONTEXT FOR LANGUAGE CHOICE

1. ECONOMIC HISTORY

1.1 The Early 1990s

During the Khmer Rouge regime (1975–1979) and the Vietnamese occupation (1979–1989), Cambodia subscribed to communist economic systems and practices. The governments of Democratic Kampuchea and the People's Republic of Kampuchea planned the economy centrally, owned all land, and controlled all industry. During the former period in particular, the country engaged in very little foreign trade; in the latter, Cambodia entered the economic network centered around the Soviet Union, though trade in the 1980s amounted in reality to a system of commodity supports from more prosperous members of the Council for Mutual Economic Assistance. For at least the first few years after the Vietnamese drove the Khmer Rouge from the country, some Cambodians lived and worked communally, in solidarity groups known as *krom samaki* (for a good discussion of Cambodia's economy in the 1980s, see Vickery, 1986).

Economic change began in Cambodia well before the Vietnamese withdrew from the country in 1989, before the United Nations Transitional Authority arrived in 1991, and before the formation of the Kingdom of Cambodia in 1993. In 1985, the People's Republic of Kampuchea recognized the private sector as a form of economic organization (along with the collective, the state, and the family), and joint ventures between the public and private sector commenced (O'Mahony, 1999). In 1987, the private sector was allowed to begin exporting products legally—though as David

Chandler (1993) points out, illegal trade with Thailand had been taking place since the early 1980s. In 1989, the government of the renamed State of Cambodia directed the country toward a “mixed” planned-market economy with constitutional reforms that allowed the private ownership of land and initiated the privatization of state-owned enterprises (Kannan, 1997). When the Kingdom of Cambodia was formed on the basis of the United Nations–supervised election in 1993, the new government formally announced the economic direction that had been stabilizing for some time. Article Fifty-Six of the constitution states unequivocally that “Cambodia shall adopt [a] market economy system” (cited in Peou, 2000, p. 473).

Movement toward the market economy accelerated after the formation of the new government. Pushing beyond the broad strokes of the constitution, the Kingdom of Cambodia stated a more specific economic agenda in 1994 with the *National Programme to Rehabilitate and Develop Cambodia* (Kingdom of Cambodia, 1994). In this “‘wish list’ of things to do, to achieve, or to accomplish,” Minister of Economy and Finance Keat Chhon included “integration of [the] Cambodian economy in the region and the world economy” (cited in Curtis, 1996, pp. 2–3). This wish list item translated into official objectives in the 1995 document *Implementing the National Programme to Rehabilitate and Develop Cambodia* (Kingdom of Cambodia, 1995). Here, the six interrelated objectives for the new government to accomplish included “closer integration of the Cambodian economy into the regional and world economies” and “further opening of the country to international trade and private foreign investment” (cited in Curtis, 1996, p. 5).

What Keat Chhon intended for Cambodia in the 1990s was the commencement of economic ties beyond the collapsing Soviet economic system, and in particular within the Association of Southeast Asian Nations, or ASEAN. Such relations became technically possible when ASEAN and Western states dropped the 1980s-era trade embargo in response to Cambodia’s acceptance of the United Nations–mandated poll and inauguration of its first democratically elected government in 1993. Equally important, Cambodian leaders moved proactively toward trade and economic integration by passing the Law on Investment in August 1994 (“Investment Law Draft,” 1994). The investment law has been characterized as “liberal,” providing “very generous . . . incentives to investors compared to other countries” (Curtis, 1996, p. 29; International Monetary Fund, 2003, p. 19). Among other things, the Law on Investment allows 70-year land leases, duty-free imports, and tax holidays of up to eight years for foreign economic enterprises that establish operations in Cambodia. With this law in hand, Cambodian government officials toured regional and Western capitals, courting investment. As Grant Curtis (1996) concludes, “Cambodia was

‘open for business’” (p. 29).

The investment law had exactly the effect that Cambodian leaders desired. In the banner years 1995 and 1996, Cambodia entertained trade delegations from Hong Kong, Japan, and Singapore, joined the International Finance Corporation (the private sector arm of the World Bank), and approved \$2.8 billion in fixed asset foreign direct investment (Kang, 2003). Among other ventures commenced in 1996, the Cambodia Brewery was established with a \$46 million dollar investment by Singapore’s Tiger Beer, and U.K.-based British-American Tobacco invested \$25 million in the Cambodian Tobacco Company (“Cambodia Entering the World Economy,” 1996–1997). The British-American Tobacco investment notwithstanding, nearly 80 percent of foreign direct investment in Cambodia came from ASEAN and other Asian countries, with Malaysia, Taiwan, China, Singapore, and Thailand investing significant amounts (Sok *et al.*, 2000). In the two-year period between July 1995 and June 1997, for instance, Cambodia approved \$1.6 billion in investment from Malaysia alone. In the same years, the combined approved investment from Europe and North America reached only \$208 million (Kang, 2003).

During roughly this same period, Cambodia’s volume of international trade exploded. Between 1993 and 1996, the country’s aggregate international trade (the sum of imports and exports) increased from \$754 million to \$1.7 billion (Pich, 2001). Illustrating somewhat the same trend suggested by the pattern of foreign direct investment, Cambodia traded primarily with ASEAN countries. According to economists at the Cambodia Development Resource Institute, in 1995 ASEAN members provided 74 percent of Cambodia’s imports; in the same year, Cambodia sent 80 percent of its exports to ASEAN countries. At this point in the mid-1990s, very little trade took place beyond the region. Other Asian countries supplied 16 percent of Cambodia’s imports and bought 10 percent of the country’s exports in 1995; Japan, Taiwan, and Hong Kong were Cambodia’s most significant Asian trading partners. France accounted for only 3.2 and 2.4 percent of imports and exports respectively, while the United States provided only 1.6 percent of the country’s imports and bought only 1.2 percent of its exports. The United Kingdom and Australia accounted for very little of Cambodia’s imports and exports (Kato, Chan, & Long, 1998).

Judging from both the source of investments to Cambodia and the country’s direction of trade, it would appear that by the mid-1990s Cambodia was well on its way toward economic integration in the region. In fact, when in 2000 I asked a Cambodian economist how to track the country’s economic integration within ASEAN, he replied simply that “the only thing to track is political integration—economic integration has already occurred” (interview with Sok Hach, 2000). Still tiny compared with Indonesia, Japan, or the

United States, whose gross domestic products (GDPs) reach \$172.9 billion, \$3.9 trillion, and \$10.4 trillion, respectively, Cambodia's economy expanded impressively in the mid-1990s (World Bank, 2003*b*). In the three years leading up to 1997, the country's GDP grew at a rate of 6.5 percent per year, from \$2.4 billion in 1994 to \$3.1 billion in 1996 ("Economy Watch," 2003*a*). This was very close to the government's goal of between 7 and 8 percent annual growth (Sok, Chea, & Sik, 2001).

1.2 The Events of 1997

In 1997, two events occurred that impacted economic development in Cambodia. First, "massive and rapid outflows of . . . capital" from ASEAN countries, particularly Thailand, triggered the Asian economic crisis (Chan *et al.*, 1999, p. 4). At almost the same time, fighting broke out in Cambodia between the forces of Hun Sen and Norodom Ranariddh, the joint prime ministers (I explain this political arrangement in Chapter Three); the events of 5–6 July 1997 ousted Ranariddh and solidified power for Hun Sen (see Ministry of Information, 1997; Peou, 2000; "Reflections," 1997). Between them, these two events significantly retarded investment in Cambodia. On one hand, those countries that had invested most heavily in Cambodia before the regional economic crisis were those most hurt by it; as a result, regional capital available for investment in Cambodia decreased. On the other hand, the civil unrest of July 1997 raised concerns among investors about the stability of the Cambodian government and dampened their enthusiasm for investment in the country (for discussions, see Sok *et al.*, 2000; 2001).

From its peak of \$2.1 billion in 1995, approved foreign direct investment declined to \$729 million in 1997 before rebounding somewhat to \$854 million in 1998. Investment has continued to fall ever since, even as the Asian economic crisis has lessened and as political stability returned to Cambodia with the 1998 election that legitimated Hun Sen's position. In 1999, investment slid to \$448 million; in 2002, foreign entrepreneurs invested only \$237 million in the country (Kang, 2003). According to figures provided recently by an economist at the Cambodia Development Resource Institute, nearly all contemporary investment is from Asia. The total approved foreign direct investment in Cambodia between 1995 and 2002 amounts to \$5.5 billion. Of this, Malaysian investors contributed \$1.9 billion, or 35 percent. ASEAN countries together account for 67 percent of investment. All Asian countries (ASEAN plus East Asia) made 91 percent of Cambodia's foreign direct investment. The United States and the United Kingdom contributed 4 and 2 percent, respectively, while Canada, Australia, and France each accounted for around 1 percent of the investment total (Kang, 2003).

The contemporary paucity of foreign direct investment is a source of concern for the Cambodian government, which has estimated that \$500 million per year will be required to provide jobs for new entrants in the labor force (Ministry of Planning, 2000). Despite the decline in investment, however, Cambodia's trade and growth figures have improved in recent years. Total international trade rose steadily throughout the last decade of the twentieth century, moving upward even in 1997. The sum of imports and exports climbed from \$1.7 billion in 1996 to \$2.2 billion in 1999 and \$3.2 billion in 2002 (Kang, 2003; Pich, 2001). Whereas GDP fell from \$3.1 billion in 1996 to \$2.8 billion in 1998, it has since rebounded, to \$3.1 billion in 2000 and \$3.6 billion in 2002 ("Economy Watch," 2003*b*). Economic growth has followed a similar pattern. The growth rate of real GDP fell precipitously in the mid-1990s, from 6.5 percent average annually for the period 1994–1996 to an average of only 1.8 percent yearly growth in 1997 and 1998. More recently, however, this trajectory has been reversed, as Cambodia posted an average annual growth rate of 6.2 percent for the years 1999–2002 ("Economy Watch," 2003*b*).

1.3 The Garment Industry

Perhaps the most significant reason for Cambodia's "growth without investment" is the explosion of the garment industry. The garment industry in Cambodia was spawned in 1996 as the United States and the European Union granted the country Most Favored Nation status under the General System of Preferences agreement. This status led to normalized trade relationship agreements signed in 1996 (the European Union) and 1997 (the United States) that dramatically decreased the tariffs imposed on goods imported from Cambodia; tariffs on Cambodian products decreased from 17 to 4 percent in the United States, for instance (Arnold, 2001; Sok *et al.*, 2001). As Wayne Arnold (2001) explains in an article originally published in the *New York Times*, Cambodia's new economic status had a marked effect on both the trajectory of Cambodia's economy and the focus of shrinking foreign direct investment. Notably, the trade agreements "created . . . Cambodia's apparel industry . . . almost overnight. . . . Flights to Phnom Penh soon filled with investors . . . eager to build factories" (p. 4).

Garment factories require relatively little investment, and thus it was possible to build a major industry in Cambodia during a period in which foreign capital was less available to the country. Based on interviews with garment factory owners and managers conducted in 2001, the Cambodia Development Resource Institute estimates the fixed costs incurred by a garment factory employing around 500 workers (excluding the cost of land) to be about \$700,000 (Sok *et al.*, 2001). Aggregated across the industry, this

means that a total of around \$200 million has been invested in Cambodia's garment industry, a relatively small fraction of the \$5.5 billion total foreign direct investment in the country between 1995 and 2002 (Kang, 2003; Sok *et al.*, 2001). From 35 factories operating in 1996, the industry grew quickly to 220 in 2000; the number of factories declined to around 200 in 2004 (Grumiau, 2004; International Monetary Fund, 2003; Sok *et al.*, 2001). Most factories are located in the metropolitan Phnom Penh area.

Economist Sok Hach and his colleagues (2001) conclude that garment investment follows the pattern of foreign direct investment more generally, as "most . . . investors . . . are from Hong Kong, Taiwan, China, Singapore, [and] South Korea" (p. 51; also see Arnold, 2001). As Sok Siphana, the secretary of state for the Ministry of Commerce, explained in an interview in 2000, garment investors and their factories are not directly associated with large clothing retailers. "Most factories are owned by particular groups of entrepreneurs, not by big-name companies like Gap and Old Navy," he clarified. Rather, these and other retailers based in the United States and Europe—among them Nike, Levi-Strauss, and Sears, Roebuck (Arnold, 2001)—subcontract to producers operating in Cambodia. They "control quality and take care of distribution and marketing, but they do not own the factories" (interview with Sok Siphana, 2000). Typically, Cambodia's garment factories import fabric from investor countries, and then workers cut, sew, and package apparel for these retailers and the export market. Fabric accounts for 63 percent of costs in Cambodia, with labor (13 percent), bureaucracy (7 percent), and utilities (4 percent) contributing additional costs. The Cambodia Development Resource Institute estimates profits from Cambodia's garment industry at 13 percent, of which about one-quarter remains in the country (Sok *et al.*, 2001).

As of 2004, approximately 270,000 Cambodians worked in garment factories. Most are young women (between 85 and 90 percent); it has been estimated that one in five women between the ages of 18 and 25 labors in the garment industry in Cambodia (Grumiau, 2005). Most workers come to garment jobs in Phnom Penh from the provinces where they previously labored in agriculture, having attended only primary school. For their 48-hour average week, workers are paid an average of \$61 per month. Working conditions in factories are generally good—"we don't have sweatshops in Cambodia," said Sok Siphana of the Ministry of Commerce (interview, 2000). There have been some exceptions to Siphana's rule, however. For instance, 51 workers were found being held against their will in a Chinese-owned garment factory in Phnom Penh in 2000, and there have been allegations of child labor in factories (Arnold, 2001; Calvert, 2000; Sainsbury & Chea, 2000). In an extraordinary and unprecedented move, in 1999 the United States agreed to increase imports of Cambodian garments if the

country complied with international labor standards (Arnold, 2001). In 2000, the United States did indeed increase imports, though not the full amount promised, a move that indicates room for improvement in garment factory labor practices and conditions (Sok *et al.*, 2001).

It is difficult to overestimate the importance of the garment industry in Cambodia. From almost nothing in the mid-1990s, garments have grown to the country's largest single export item, composing 50 percent of all exports in 1999 and 95 percent in 2002 ("Economy Watch," 2003*b*; Sok *et al.*, 2001). Similarly, it is difficult to overestimate the importance of the U.S. market for Cambodian garments. Importing almost nothing from Cambodia in the mid-1990s, in 1998 the United States bought \$298 million of Cambodian garments; this figure accounted for 79 percent of the country's garment exports in that year (Sok *et al.*, 2001). In 2000 and 2002, Cambodia's garment factories shipped apparel worth \$751 million and \$961 million, respectively, to the United States. In these years, the United States bought 76 percent and 71 percent, respectively, of Cambodia's total garment exports (International Monetary Fund, 2003). Exports to Europe have also increased. In 2000 and 2002, European Union countries bought \$221 million and \$361 million, or 22 percent and 27 percent, of Cambodia's garments exports, with France, Germany, and the United Kingdom importing significant quantities (International Monetary Fund, 2003; Tech, 2001).

Economists at the Cambodia Development Resource Institute characterize the garment industry as the "'engine' for rebuilding Cambodia's . . . economy," and indeed it appears to be the major factor explaining the country's growth during a period of decreasing foreign direct investment (Sok *et al.*, 2001, p. 48). The garment industry also provides a case study of the country's deepening regional and global economic integration. Whereas in 1995 Cambodia drew 74 percent of imports from ASEAN countries, in 2002 the proportion of ASEAN imports had decreased to 66 percent. Meanwhile, other Asian countries (notably Hong Kong, China, Taiwan, and South Korea) contributed 30 percent of the country's imports in 2002, an increase from the 16 percent accounted for by other Asian countries in 1995. Certainly one factor in the relative increase in trade with Asia outside ASEAN is the import of cloth from investor nations for Cambodia's garment industry. Cambodia's imports beyond Asia remained negligible in 2002, with the United States and France providing only 1 percent of imports each; Australia and the United Kingdom supplied almost none of the country's imports in 2002 (for 1995 data, see Kato *et al.*, 1998; for 2002 data, see Kang, 2003).

Similarly, Cambodia's export relations broadened in the latter half of the 1990s. Western countries purchased 88 percent of Cambodia's exports in 2002—an astonishing increase over the scant 8 percent reported in 1995.

The United States led the Western states, absorbing 65 percent of Cambodia's exported goods in 2002. Garments account for virtually all of Cambodia's exports to the United States. European Union countries purchased a total of 23 percent of Cambodia's products in 2002; the United Kingdom, Germany, and France bought 9 percent, 8 percent, and 3 percent, respectively. As with the United States, garments account for the lion's share of exports to European countries. Meanwhile, Cambodian exports to ASEAN states have declined both in volume and proportion, from \$304 million or 80 percent of exports in 1995, to \$95 million or 6 percent of exports in 2002. Exports to other Asian countries have increased, from 10 percent in 1995 to 35 percent in 2002 (for 1995 data, see Kato *et al.*, 1998; for 2002 data, see Kang, 2003; for garment data, see International Monetary Fund, 2003).

Today it appears that Sok Hach's conclusion about Cambodia's economic integration within ASEAN can be broadened. Indeed, if "economic integration has already occurred" in Southeast Asia, Cambodia's increased imports from Asia beyond ASEAN and increased exports to the United States and Europe indicate that economic integration has also occurred within the hemisphere (with Asia) and at the global level (with the West; interview with Sok Hach, 2000).

1.4 Urban-Rural Issues

Cambodia's official embrace of the market economy since the formation of the Kingdom of Cambodia in 1993 has had a dramatic effect on the country's foreign direct investment, international trade, and economic integration within ASEAN, Asia, and the world. Most investment and international trading activities—the establishment of garment factories, for instance—have occurred in and around the capital and largest city, Phnom Penh. But "Phnom Penh is not Cambodia," economic geographer Jacqueline Desbarats told me in an interview in 2000 (also see Desbarats, 1995). What Desbarats was arguing is that the changes occurring in Phnom Penh have not occurred in the countryside, and that Cambodians who reside in rural areas live different economic lives than do their urban counterparts. Several researchers have recently attempted to explore this thesis empirically. To what extent, they ask, has Cambodia's countryside followed the urban center toward the market economy, and to what extent has the country's rural periphery integrated into larger economic networks?

Despite the number of women flocking to Phnom Penh to work in garment factories, 85 percent of Cambodians continue to live in rural areas. Of these, the vast majority (85 percent) work in agriculture (Chan, 2003; Kim, 2002). The single largest declared occupation among Cambodians is paddy or rice farming (Chan, 2003). Large-scale surveys conducted in Cambodia in

the 1990s seem to suggest that most rural Cambodians live today, as they have for hundreds of years, at a subsistence level, generally outside the cash economy and cut off from any economic system larger than the family or the village. Drawing from the Socio-Economic Survey of Cambodia undertaken in the mid-1990s and published at the end of the decade, for instance, Godfrey *et al.* (2001) conclude that 51 percent of rural Cambodians are engaged in “unpaid work on family farms,” and that only 12 percent of those living in rural areas earn wage income (p. 27). These data reinforce Desbarats’s segregationist view, conjuring up an image of traditional or precapitalist peasant life in rural Cambodia.

But things appear to be changing in Cambodia’s rural areas—or, as Chan Sophal, Kim Sedara, and Sarthi Acharya (2003) argue, changes that have been occurring for some time were simply not detected by the methods used in the large-scale surveys of the 1990s. More recent research based on qualitative methods indicates rather significant developments in rural Cambodia in relation to economic transition and integration. First, wage labor appears to be increasing; in fact, as Chan *et al.* (2003) conclude on the basis of interviews conducted in six villages throughout the country, “wage labour is extensive” in rural Cambodia (p. 3). Veena Krishnamurthy (1999) examines the rise of wage labor in *The Impact of Armed Conflict on Social Capital*, which reports on her ethnographic study of two villages in Kampong Speu Province, about 50 kilometers from Phnom Penh. Whereas Cambodian agriculture has traditionally been organized around the concept of *provas dei*, or communal labor exchange, mutual help arrangements have declined in recent years in favor of wage laboring. *Provas dei*, Krishna-murthy explains, is “giving way to [labor exchange based on] cash transactions,” a shift she attributes in no uncertain terms to “the emergence of the cash [or] market economy” in rural Cambodia (p. v; also see Kim, 2001).

John McAndrew (2001) traces more clearly than Krishnamurthy (1999) the extension or “reach” of the market economy into Cambodia’s countryside (p. 19). McAndrew’s *Indigenous Adaptation to a Rapidly Changing Economy* explores economic developments in two remote villages in Ratanakiri Province, hundreds of kilometers from Phnom Penh. Until very recently, even the idea of the market was foreign to the ethnic minorities living in these villages, and “neither the making and selling of goods nor the buying and selling of goods enjoy[ed] wide appeal” (p. 30). With the immigration of ethnic Khmers and their establishment or development of markets near the villages, however, patterns of life have begun to change. McAndrew gives particular attention to land transactions. In the ethnic communities studied, land has traditionally been owned communally by villagers who practice on it swidden, or “slash and burn,” agriculture. Whereas residents of one village have turned away migrants eager to buy

land for cash crop production, 35 of 67 households in the other village have sold land to them. McAndrew's study illustrates at the local level a trend discussed more generally by Chan *et al.* (2003), notably that "market exposure [and] the introduction of a cash oriented economy . . . has made land an exchange commodity" in rural Cambodia (p. 2; also see Chan & Acharya, 2002).

The recent commodification of labor and land suggests the "inroads" that the market economy is making in rural Cambodia (McAndrew, 2001, p. 40). At the same time, the beginnings of development in agricultural production hint toward a time when Cambodian farmers will operate economically beyond the local level. With the harvest of 1995–1996, Cambodian farmers produced a rice surplus for the first time in several decades; Cambodia had been a rice-exporting nation in the 1950s and 1960s, with rice accounting for nearly one-half of the country's foreign exchange (Sok *et al.*, 2001). According to Chan *et al.* (2003), agriculture is beginning to mechanize, particularly in rice-surplus provinces such as Battambang and Prey Veng. At least some farmers are also beginning to use chemical fertilizer and hybrid seeds. These innovations will further increase production and, assuming that the current constraints on the national rice marketing system can be relieved, may usher in a new era of rice exportation and thus facilitate the larger economic integration of the country's agricultural sector (Sik, 2001).

Today, Kim (2002) concludes, "agrarian communities in Cambodia exhibit a broad spectrum of [economic] change" (p. 5). Indeed, these changes include the rise of wage laboring, the increase in land sales, and the modernization of agriculture. For Kim (2002), these developments locate rural Cambodia in the "realm of 'quasi-capitalism.'" Though "farmers have not yet fully adapted to [the market economy]," there are clear signals that rural Cambodians have begun the economic transition announced by the government in 1993 and already realized in Phnom Penh. At the present time, however, "the agrarian situation and rural livelihoods are still far from integrated in the national [let alone the regional or global] economy" (p. 5). To rephrase Jacqueline Desbarats, then, Cambodia's urban center and rural periphery are still largely separate entities. As the market economy continues to spur both transition and integration in rural Cambodia, however, this distinction may become less and less pronounced.

1.5 Comparative Advantage

Several economists argue that agriculture represents Cambodia's "comparative advantage": It is that thing that Cambodia can do better than other countries and can use to gain advantage in regional and global trade. According to Godfrey *et al.* (2001), Cambodia has dramatically more

cultivable land per capita than any of its neighbors; there are approximately 6 working people per square kilometer of cultivable land in Cambodia, compared with 170 in Thailand or 511 in Vietnam. With the relatively large amount of land and the relatively small population, Cambodia should be able to produce agricultural goods for export, and these exports should balance imports from other countries with other comparative advantages (automobiles, oil, steel, and so on).

Cambodians have become increasingly concerned about comparative advantage since the country became a member of the Association of South-east Asian Nations in 1999 and joined that group's progression toward regional free trade (I discuss ASEAN accession in Chapter Three). The ASEAN Free Trade Area (AFTA) was initiated in the early 1990s, to a certain extent as a competitive response to North American and European market integration. Fearing that "their shares of the US and European markets [would be] reduced" by the preferences granted to members within the North American Free Trade Agreement and the European Union, ASEAN members decided to provide "markets and investment opportunities at home [that is, within the region] instead of abroad" (Ball, 2002). The AFTA agreement signed by the original six members of ASEAN in 1992 and revised as other Southeast Asian nations have joined the association aims at reducing tariffs on trade among ASEAN countries. The six original ASEAN states have already reduced tariffs to less than 5 percent; all tariffs are to be removed by 2008. The newer ASEAN members have their own deadlines for tariff reduction. Cambodia is to reduce tariffs imposed on imports from other ASEAN states to less than 5 percent by 2010 and to eliminate them completely by 2015 (Ball, 2002; International Monetary Fund, 2003; Pich, 2001).

Select sectors can be sheltered somewhat longer under the AFTA agreement, and Cambodia hopes to thus protect agriculture until as late as 2017 (Ball, 2002). Whether agriculture will overcome contemporary constraints and fulfill its promise of comparative advantage remains to be seen; at the moment, the country's weak infrastructure inflates the price of agricultural products, and the relatively poor quality of farm output lessens demand for them (for discussions, see Chan *et al.*, 2003; Sik, 2001). Sok Hach of the Cambodia Development Resource Institute is not sanguine. "The future is dark for Cambodian agriculture," this economist noted. "Though we have comparative advantage in land, production and technology are poor [compared to] Thailand and Vietnam" (interview, 2000). The effects of regional agricultural competition are already being felt, even before the reduction of tariffs. In one market in Phnom Penh, for example, vendors report that customers prefer to buy Vietnamese fruits and vegetables "because [they] have nicer color and are bigger, cheaper and able to last longer than local

ones” (cited in Kimsong & Maeda, 2000, p. 10).

It is also possible that industrial labor will provide Cambodia’s comparative advantage in the future. That said, many commentators doubt the longevity of the garment industry specifically. Due in part to the success of labor unions and the dictates of the United States, Cambodian garment workers earn more than those in several other nations (Sok *et al.*, 2001). As of 2000, Cambodia enjoyed a cost advantage over these other countries owing to the preferential agreements it had signed with the United States and the European Union. In 2005, however, quota restrictions for garments (the converse of preferential agreements) were scheduled to be phased out among members of the World Trade Organization (WTO). China joined the WTO in 2001, and according to the International Monetary Fund (2003) this country “has considerable potential to expand its garment exports to the U.S. after 2005” (p. 48). Meanwhile, Cambodia, whose own imminent entry into the WTO cannot improve its already privileged status, will almost certainly lose market share. As Sok Hach and his colleagues (2001) conclude, unless steps are taken to decrease costs (the International Monetary Fund [2003] suggests reductions of 15 to 20 percent), “Cambodia may lose its current comparative advantage of offering low-cost labour” to the garment industry (p. 55; for a recent, hopeful evaluation, see Becker, 2005).

Sok Siphana of the Ministry of Commerce remains optimistic about the competitiveness of Cambodia’s manufacturing labor force, even given the difficult future the garment industry faces. For the secretary of state, garment factories have played an important role in what he sees as the beginning of the country’s transition from an agricultural to an industrial economy. “Most garment workers are country people, used to living on farms,” he began.

They decide on a daily basis what they will do. When they work at a garment factory, however, they must follow the regime of the factory. This begins to teach the workers about the expectations for industry and is, I hope, the first step on the way to Cambodian industrialization. (interview with Sok Siphana, 2000)

At this point, it is not at all clear what the next manufacturing industry to avail itself of Cambodia’s labor may be. Another Ministry of Commerce official suggested food canning (interview with Chheng Saroeun, 2001), and an aid worker wondered about electronics assembly (interview with Luise Ahrens, 2001).

Balancing the uncertainties of agriculture and manufacturing, the tourist business has boomed in Cambodia in the last several years. Spurred by the government’s 1997 “Open Skies” policy that granted liberal landing rights to scheduled foreign airlines and charters, virtually every economic indicator related to tourism has risen. The number of foreigners visiting Cambodia

increased from 213,000 in 1995 to 515,000 in 2000. The number of hotels in the country increased from 146 to 241 during the same period. Significant investment has been directed toward the building or renovation of luxury hotels, notably the Hotel Inter-Continental and Hotel Le Royal in Phnom Penh. According to researchers at the Cambodia Development Resource Institute, foreign entrepreneurs have invested \$313 million in hotel development; this amount exceeds the \$200 million estimated to have been invested in the entire garment industry. As of the year 2000, 60,000 Cambodians, or 1.1 percent of the country's labor force, were employed in the tourist industry, and tourism brought \$271 million, or 8.7 percent of Cambodia's gross domestic product, into the country (Sok *et al.*, 2001).

Cambodia's success in tourism appears to derive from two kinds of comparative advantage. First, the Angkor Wat temple complex can be found in Cambodia, and only in Cambodia. According to a survey conducted by the Ministry of Tourism and World Vision in 2000, significant numbers of tourists come to Cambodia specifically to visit these ancient monuments. Cambodia holds a second comparative advantage—both less substantial and less inspiring—in sex tourism. Responses to the survey just mentioned indicate that 22 percent of Cambodia's tourists arrived for the purpose of sex. More specifically, Cambodian tour operators note an increase in child prostitution in the country, with 10 of 22 operators admitting to locating girls for sex with tourists (Nuon, Yit, & Gray, 2000). Researchers at the Cambodia Development Resource Institute note that the rise of sex tourism in Cambodia coincides with its decline in Thailand and the Philippines: When these other countries "make progress in reducing sex tourism, sex-seeking tourists simply travel instead to poorer, less developed countries. Cambodia has now become a target for sex tourists" (Sok *et al.*, 2001, p. 73; also see Poole, 2001).

2. ECONOMIC TRANSITION, ECONOMIC INTEGRATION, AND LANGUAGE

2.1 The Economic Context for Language Choice

Following small steps toward economic liberalization in the 1980s, Cambodia officially embraced the market economy in 1993 with Article Fifty-Six of the constitution of the Kingdom of Cambodia. Since then, the country has undergone enormous economic change. In the countryside—even in the most remote villages in the most remote provinces—transition to the market economy has spurred shifts in thinking about work and land. In metropolitan

Phnom Penh, transition has coupled with wider economic integration. Billions of dollars in foreign direct investment have flowed into the country's urban center and surrounding areas, large numbers of foreign enterprises have established operations, and whole industries have arisen. Influenced by these developments, the country's volume and patterns of trade have changed dramatically. Looking across the last 15 years, one can track Cambodia's ever-deepening economic relations within the region, the hemisphere, and the globe.

Cambodians make language decisions in particular contexts. What, then, is the economic context for language choice in contemporary Cambodia? That is, what effects have economic transition and integration had on language choice in the country? More specifically, what language demands or requirements have the economic enterprises that have commenced operations in the country since the transition to the market economy brought to Cambodians? In the remainder of this chapter, I consider the economic context for language choice in Cambodia, giving particular attention to how businesses operating in the country are today conditioning Cambodian language decisions. My focus here is on the context, not the decisions; I discuss Cambodian language choices within this and other contexts in Chapter Seven.

2.2 Methods and Data

In describing the economic context for language choice in contemporary Cambodia, I draw on both primary and secondary data collected in a variety of ways. I gained some information about companies operating in and around Phnom Penh through a survey I administered in the spring of 2000 with colleagues at the Faculty of Law and Economics in Phnom Penh, where I was a Fulbright scholar. The faculty's administration was at that time considering changes in its foreign language curriculum to better meet the needs of business, and the survey was intended to provide data for this revision. Beyond asking about company language requirements for Cambodian university recruits (what languages new Cambodian hires were required to know), the survey asked about the specific language tasks Cambodians would be asked to undertake within the company. The survey (in which all questions were provided in English, French, and Khmer) was distributed through the faculty's economics internship program. Eighty student interns carried questionnaires to various departments in 56 companies identified by the program director, a Cambodian professor who had formerly worked with the Phnom Penh Chamber of Commerce. Unfortunately, this exercise produced only a 12 percent return rate; though low, this rate is not inconsis-

tent with the 16 percent returned in Leila Webster and Don Boring's (2000) survey of private manufacturing firms.

I supplemented the data collected in the Faculty of Law and Economics survey with information provided by the Buy Vanny, the director of the economics internship program, as well as with the findings of five other recent research projects concerned with the needs of business or private enterprise in Cambodia:

- Webster and Boring's (2000) survey of private manufacturing firms conducted for the World Bank's International Finance Corporation. These researchers ultimately received information from 63 Cambodian-owned manufacturing companies.
- A survey conducted by Tim Walton (1999) of PricewaterhouseCoopers, Cambodia, of the 30 largest multinational firms operating in Cambodia. Among other things, PricewaterhouseCoopers screens and places graduates of Cambodian universities in private sector positions.
- Data collected on employer preferences by the Careers Advising Office of the Royal University of Phnom Penh. Part of this research conducted by Careers Advising Office Director Hang Chan Thon and English language teacher Mary O'Mahony was reported in Hang, Goldman, and Hun (n.d.) and O'Mahony (1999).
- A survey of the needs of private enterprise conducted by the Careers Placement Office of the National Institute of Management under the direction of Iv Thong, the dean of the institute, and Stephen Paterson, an expatriate professor there.
- Research undertaken by John Marshall, director of the Royal Melbourne Institute of Technology (RMIT) programs offered in the Australian Centre for Education in Phnom Penh. To assist in the development of RMIT diploma courses in Cambodia, Marshall and his colleagues asked representatives of 25 firms about the skills they desired of Cambodian graduates.

Language was not always discussed *per se* in the published reports of these research projects, so I interviewed researchers individually about the language requirements or demands of private enterprise. Through these interviews and available published documents, I gained access to the findings of these research projects, not the original data upon which findings were based.

In addition to primary and secondary survey mechanisms, I gathered information about the economic context for language choice through numerous individual interviews with managers and owners of companies operating in Cambodia, with Cambodians employed in the private sector,

and with administrators in language schools that subcontract to businesses. Finally, I completed my database of language preferences by recording the job requirements announced in company advertisements posted in English- and French-language newspapers (the *Cambodia Daily*, the *Phnom Penh Post*, and *Cambodge Soir*) and on university bulletin boards during my most recent visits to Cambodia (January–July 2000 and September 2001). Though the data I gathered through these multiple methods provide information about the language preferences of several hundred companies operating in the country, they certainly do not report the preferences of every economic enterprise; because there is no registry of firms operating in Cambodia, neither can I make any claims about the statistical weight of my sample. Nevertheless, these data affirm the more general conclusions offered to me in interviews by a great many Cambodian and expatriate observers and therefore suggest apparently reliable trends and directions in the economic context for language choice in the country.

2.3 Language Demands of the Market Economy for Cambodians

Market transition and integration have brought diverse demands for language skills to Cambodians. In many situations, Cambodians can respond quite well with knowledge of their native Khmer. Nearly all firms operating in Cambodia from bases in other countries, on the other hand, use English as the language of business communication and require knowledge of this language for managerial-level employees. An important segment of these foreign or international companies additionally requires knowledge of Chinese. Very little demand exists for French language skills for business or economic purposes in Cambodia today.

2.3.1 “Most Cambodians Work With Other Cambodians”

Before discussing the increasing importance of English and Chinese for business in Cambodian economic life, it is necessary to note that the reorganization of economic activity in Cambodia since the 1980s has not obliged most Cambodians to learn new languages. Indeed, knowledge of Khmer, the national language spoken natively by more than 90 percent of the country’s population, is sufficient for wide participation in the market economy. In the countryside, Khmer can serve as the language of communication among villagers negotiating wage labor relations, even as it did for negotiations of *provas dei*, or communal labor exchange, in generations past. In Cambodia’s urban areas, knowledge of Khmer is again sufficient for working in those companies owned by Cambodians and trading with Cambodian suppliers

and customers. Given the high profile of companies established with foreign direct investment and the high demand for English in them, it is sometimes possible to overlook the usefulness of the Khmer language in other commercial venues. “Of course you are finding jobs calling for English skills” in foreign companies, began Tim Walton of PricewaterhouseCoopers (interview, 2000). But, as Don Boring of the International Finance Corporation continued, “Most Cambodians work with other Cambodians” (interview, 2000).

Boring’s study with Webster for the International Finance Corporation illustrates the importance of the Khmer language for employment in Cambodian-owned companies. These researchers surveyed 63 small to medium-sized manufacturing firms operating in and around Phnom Penh. Despite the relatively small number of businesses surveyed, the researchers conclude that they “represent a significant share of total qualified target firms and . . . reflect the general state of the private sector” (Webster & Boring, 2000, pp. 3–4). All companies were owned by Cambodians, many of Chinese descent. The firms manufactured diverse products, ranging from bricks and tiles, to garments, to bottled water and other foodstuffs. Three-quarters of the firms surveyed sold products exclusively in Cambodian markets to Cambodian customers, with about one-half selling only in Phnom Penh and about one-half selling nationally. Most owners reported that they acquired inputs in Cambodia, though about 20 percent bought imported raw materials either directly from foreign suppliers or through foreign trading companies. All firms employed a minimum of 20 employees, with 40 being the median number of workers employed per firm (Webster & Boring, 2000; also see Mekong Project Development Facility, 2003).

In an interview, Boring explained that most employees in Cambodian-owned firms needed to know only Khmer in their work. It was in response to my query about the value of English that he drew the distinction between foreign companies and those owned by Cambodians. “Cambodian companies won’t recognize the importance of English,” he replied, “because they work for the most part with other Cambodians” (interview with Don Boring, 2000). While it provides a common language for communication among owners, workers, and customers in Cambodia, Khmer nevertheless cannot facilitate all economic interactions for all Cambodian-owned firms. As one Cambodian business owner explained to me, other languages are typically required for dealings outside the country. As a wholesaler and retailer of construction materials, Duy Chandina imports goods from several ASEAN countries for sale in Cambodia. When negotiating with Vietnamese vendors, this entrepreneur uses Vietnamese, a language he learned as a student at the Economics Institute in the 1980s (interview with Duy Chandina, 2000). Similarly, at least some of the ethnic-Chinese business owners surveyed by

Webster and Boring (2000) would be able to use their heritage language for communication with suppliers and purchasers outside the country.

I return to the Chinese language below. The important observation to make at this point is that the Khmer language is used widely for market economic activity within Cambodia. When economic transition leads to integration within regional and wider economic networks, however, the language context and demands shift for Cambodians.

2.3.2 “The Market Demands English”

When I first began inquiring about the language demands that economic transition and integration have introduced to Cambodia, virtually all Cambodian and expatriate observers responded with reference to the English language. “The market demands English,” several people told me simply, in identical language (interviews with Chan Savary, Mike Ratcliffe, Yuok Ngoy, 2000). “English is *the* language of business,” commented two individuals in exactly the same words (interviews with Luise Ahrens, Iv Thong, 2000). “Language choice is market driven, and the market favors English,” replied an economist at the Cambodia Development Resource Institute (interview with Toshiyasu Kato, 2000). A review of language preference in the five largest multinational corporations operating in the country can begin an examination of the demand for English suggested anecdotally by these informants. According to economist Sok Hach of the Cambodia Development Resource Institute, these five largest corporations are British-American Tobacco, Caltex, Nestlé, Shell, and Total (interview with Sok Hach, 2001).

BRITISH-AMERICAN TOBACCO (BAT) established a joint venture with the Cambodian Tobacco Company in 1996, making an initial investment of \$25 million (“Cambodia Entering the World Economy,” 1996–1997). Headquartered in London, BAT has facilities throughout the world; in Cambodia, BAT produces cigarettes for the local market. According to Richard Demblom, the director of human resources for the company in Cambodia, “English is that language of worldwide communication” in BAT, meaning that English is the language used in the Cambodian office, among BAT offices in Asia and elsewhere in the world, and between the Cambodian office and the head office in London. The company employs 680 Cambodians, of which 61 are managers. Cambodian managers must know English in addition to Khmer. “English is the key,” concluded Demblom (interview, 2000).

CALTEX is an oil company based in the United States. After an initial investment of \$20 million, Caltex commenced operations in Cambodia with the opening of a gas station in Phnom Penh in June 1996; U.S. Ambassador

Kenneth Quinn ceremonially serviced his car on this occasion (Fontaine, 1996). Like British-American Tobacco, Caltex is a multinational corporation, running operations in many countries. According to a representative of the company interviewed at the Australian Business Exposition in May 2000, Caltex employs 400 Cambodians, a sizeable number of them working at the 15 retail service stations in the country. For those Cambodians in management positions, "English is required" in addition to Khmer (interview with Caltex representative at the Australian Business Exposition, 2000; Royal Melbourne Institute of Technology survey).

NESTLÉ began operations in Cambodia in 1999 as Nestlé Dairy (Cambodia) Ltd. and by 2000 was employing more than 100 people. Nestlé produces food products for local consumption. According to manager Boonthanee Trakulkajornsak, English and regional languages serve as media of communication within Nestlé's multinational network of operations. English provides the language of communication both within the Cambodian office and between the Cambodian office and company headquarters in Switzerland; Thai is used widely for communication among Nestlé operations in Southeast Asia. In addition to Khmer, Cambodians hired into managerial positions are required to know both English and Thai (Faculty of Law and Economics survey).

Oil company SHELL ran operations in Cambodia in the 1960s and 1970s and commenced business in the country again in 1992. Shell Company of Cambodia is the local subsidiary of Shell International, whose two parent companies are based in the Netherlands and the United Kingdom; Shell operates in more than 100 countries around the world. In Cambodia, the company runs a network of gas stations, as well as depots for receiving imports by sea (at Sihanoukville) and air (Phnom Penh). In 1996, the company employed 140 Cambodians working in administration, customer service, distribution, finance, marketing, operations, and retail. Those considered managers (approximately 20 percent) are required to know both Khmer and English, as "English is the official language of the Company" (Edwards, 1996, p. 33).

French oil company TOTAL began operations in Cambodia in January 1994, signing an agreement with the Compagnie Cambodgienne des Carburants and committing to an initial \$2 million investment even before the Law on Investment was passed (Abdelkafi, 1994). Like Caltex and Shell, Total imports petroleum and operates gas stations. Total is unique, however, in its use of French in signage: Total stations market *essence*, not gasoline. Despite this declaration of the value of the French language within the company, Cambodian management employees are required to know English, as two Cambodian university deans explained. In the late 1990s, the Faculty of Law and Economics and the National Institute of Management both sent

groups of students to Total for internships. Total ultimately hired those from the National Institute of Management, where students are required to study English, not those from the Faculty of Law and Economics, where students learn French in mandatory classes (interviews with Iv Thong, Yuok Ngoy, 2000).

As the language preferences of British-American Tobacco, Caltex, Nestlé, Shell, and Total indicate, English functions equally well for multinational corporations headquartered in English-speaking countries (the United Kingdom and the United States) as it does for those headquartered in non-English-speaking nations (Switzerland, the Netherlands, France). “Even French companies are turning more and more to the use of English as an international language,” lamented Hubert Défossez, a French administrator at the Institut de Technologie du Cambodge (interview, 2000). Indeed, the path chosen by France’s *Crédit Agricole Indosuez* suggests the veracity of Défossez’s statement. *Crédit Agricole Indosuez* became the first foreign bank in Cambodia when it opened its doors in March 1993; the bank had operated in Cambodia from 1880 to 1963 as *Banque Indosuez* (Hayes, 1993). According to the French manager of the bank, “English is absolutely essential for local hires.” “I love my country and my language,” the manager concluded, “but English is simply the language of widest currency” in international business (interview, 2000).

Companies based in the United Kingdom or the United States, on one hand, and those based in France, on the other, provide bookends to a large geographical middle ground of businesses that run in English in Cambodia. Cambodians also need to know English to secure positions in firms headquartered in Denmark, Hong Kong, Indonesia, Japan, Korea, Malaysia, Singapore, Sweden, Thailand, and other many countries. To provide just a few examples, English is the language of communication in Royal Air Cambodge, a Malaysian-Cambodian joint venture that reconstitutes the name of a colonial-era airline. Cambodians are required to know English to secure management positions in Maersk International Shipping, a Danish firm. English language skills are needed to work in management for Thailand’s Siam Cement, Sweden’s Mobitel, and Indonesia’s Wearwel Garments. Cambodian companies that engage in regional or global business also demand English language skills of local hires. The *Société Khmère des Distilleries*, which imports and manufactures rice alcohol, requires its managers to know English, as does the Phnom Penh Media Company, a firm specializing in billboard advertising (interviews with Duy Chandina, Vann Chanty, Stephen Paterson, 2000; newspaper advertisements; Faculty of Law and Economics survey).

Nor does geography provide the only organizing structure against which to examine preference for English in business in Cambodia. Knowledge of

English stands as a requirement for work across sectors, from beverages (the Cambodia Beverage Company, with Coca-Cola, and the Cambodia Brewery, with Tiger Beer), to hotels and other components of the tourist industry (the Cambodiana Hotel, the Hotel Inter-Continental, Hotel Le Royal), to telecommunications (Alcatel, Shinawatra, Telstra). Cambodians need to know English to secure management positions in the garment industry (Hong Kong Garment, J.C. Penney, Thai Pore Garment), in investment and accounting firms (International Management Investment Consultants, PricewaterhouseCoopers, Tilleke and Gibbins), and in shipping (Global Logistics, Helicopters Cambodia, Transpo International). Cambodians are equally likely to be required to know English by large and well-known multinational corporations like Unilever, Samart, or Petronas, as by small, lesser-known, independently owned foreign firms, like Forte Insurance (a Singaporean insurance company), Asset Management (an Australian security firm), or Asia Pacific Resources (a Malaysian events-management company) (interviews with Marc Ladian, Stefanie Lubke-Dreyer, Peter Slade, 2000; newspaper advertisements; Carrad, 1999; National Institute of Management survey; Royal Melbourne Institute of Technology survey; Royal University of Phnom Penh survey).

Given the demand for English by companies across geographical, sectoral, and dimensional spectra, it would appear difficult to capture the parameters of English preference in business in Cambodia any more accurately than the unqualified statements that began this section. Indeed, no matter the yardstick against which it is measured, the market does seem to demand English, and English does seem to be the language of business in the country. Nevertheless, those universalizing statements do overstate the case in several ways. First, as already discussed, Khmer is used extensively in Cambodian-owned enterprises that purchase materials and sell products within the country. Second, international and internationally oriented Cambodian firms typically require English only of their managerial-level employees; below, I discuss the role these bilingual managers play as intermediaries between monolingual expatriates and Cambodian workers. Finally, Chinese is gaining currency as a language of business in Cambodia. It is to this subject that I now turn.

2.3.3 “But Chinese Is Coming”

While virtually all my informants recognized the value of and demand for English in business in Cambodia after 1993, several pointed to the increasing importance of another language. “Chinese is fast becoming the language of business in Cambodia,” argued Helen Cherry, the director of the Australian Centre for Education in Phnom Penh (interview, 2000). Today

English appears to enjoy an easy dominance in business in the country, began Toshiyasu Kato of the Cambodia Development Resource Institute, “but Chinese is coming” (interview, 2000).

Chinese is widely used within two spheres of business in Cambodia, each of which places language demands on Cambodian employees. First, Chinese facilitates regional communication within the garment industry, where most factories are owned and run by investors and managers from Hong Kong, Taiwan, China, and Singapore. As a result, explained Stephen Paterson on the basis of the National Institute of Management survey, “Many garment factories want Cambodian graduates who can speak Chinese.” “After Chinese, the second language in these companies is English,” continued Iv Thong, dean of the institute, on the basis of the same survey. A review of hiring practices illustrates the point made by these informants. At Singaporean F.Y. Cambodian Fashions Ltd., personnel managers are required to be “good in English and Chinese in both speaking and writing.” At an “established garment manufacturer in Phnom Penh,” Cambodian quality control inspectors need to augment their “fluency in both spoken/written Khmer and English” with “knowledge of spoken Cantonese and/or Mandarin.” Similar language skills are required for work at the many garment factories surveyed by the Royal Melbourne Institute of Technology (interviews with Iv Thong, Stephen Paterson, 2000; newspaper advertisements [*Cambodia Daily*, 2 and 16 February, 2000]; National Institute of Management survey; Royal Melbourne Institute of Technology survey).

Chinese is also rebounding within Cambodia’s entrepreneurial ethnic-Chinese community. Until very recently, repression of this community had inhibited the public use of Chinese in the country. In 1970, Chinese language schools were closed in an attempt to sever one conduit for communist ideas into the country. Approximately one-half of the ethnic Chinese community died as a result of Khmer Rouge policies that targeted both urban and non-Khmer Cambodians. In the 1980s, the government further suppressed the ethnic-Chinese community in retaliation for China’s support of the Khmer Rouge (Gray, 2000; Kiernan, 1996; Peng, 1995). For decades, then, ethnic-Chinese Cambodians were forced “to hide their [Chinese] identity by not speaking Chinese” (Kyne, 1999, p. 11). As a result, many Cambodians of Chinese descent have shifted to Khmer and lost their Chinese language skills. Others have learned Khmer but at the same time managed to retain Chinese. One Cambodian whose grandfather had immigrated from China described his own experience for me. This man spoke only Chinese as a child at home, but stopped using the language when he entered school. Now, he concluded, “Our tongues are rusty from not speaking for so long” (interview with Kim Sovanna, 2000).

Cultural and linguistic restrictions were finally lifted in 1992 as the country moved toward economic transition and integration, and today Cambodia's ethnic-Chinese community "is in robust revival" (Gray, 2000, p. 12). As in many other Southeast Asian nations, the ethnic Chinese in Cambodia dominate the country's "merchant class," as Webster and Boring's (2000) survey of Cambodian-owned firms illustrates (p. 11). For those ethnic-Chinese business owners who maintained their heritage language through the turbulence of the 1970s and 1980s, and who engage in trade with other countries in the region (as distinguished from the majority that Webster and Boring [2000] found operating exclusively within Cambodia), Chinese serves an important function. For them, "communication and relations with China [and other Chinese-speaking nations] are no problem," explained Buy Vanny of the Faculty of Law and Economics, "because they can do so in Chinese" (interview, 2000). The president of China's Chamber of Commerce made the same point. "Most Cambodian businessmen are ethnic Chinese, so communication is easy" for Chinese business travelers to Cambodia, commented Xie Xiangrong (cited in Gray, 2000, p. 12).

The resurgence of Chinese among ethnic-Chinese Cambodian business owners has affected demand for language skills among Cambodians in ways perhaps both expected and unexpected. First, various companies that provide support services in Cambodia are increasingly demanding Chinese language skills of employees who interface with Cambodia's ethnic-Chinese business community. DHL Worldwide Express provides one example. This company, which operates in Cambodia from a regional base in Singapore, has begun to require Chinese language skills of its employees. "Chinese is not to facilitate communication with the Singapore base," explained Stephen Paterson of the National Institute of Management, "but with local businesses, many of which are owned and managed by ethnic-Chinese Cambodians." For their part, however, ethnic-Chinese owners of internationally oriented businesses in Cambodia are demanding English skills of employees. At least some can speak both Khmer and Chinese, so "where they really need help is with English, because in communication with Indonesia, Malaysia, Singapore, and other nations English is used," explained Buy Vanny of the Faculty of Law and Economics. Iv Thong of the National Institute of Management similarly emphasized the demand for English among this demographic. For ethnic-Chinese business owners, he argued, "the need for [employees hired out of] higher education is English" (interviews with Buy Vanny, Iv Thong, Stephen Paterson, 2000; National Institute of Management survey).

Some commentators treat Chinese and English as mutually exclusive languages in commerce in Cambodia. Director of the Australian Centre for Education Helen Cherry, for instance, argued that "Chinese is important for

doing business in Cambodia, where most businesses are owned by [ethnic] Chinese people,” but “English is important for the outside world” (interview, 2000). As the demand for language skills among Cambodian employees of Chinese-owned and ethnic-Chinese-owned businesses indicates, however, we cannot so neatly disaggregate the use of and demand for Chinese and English in the country. While Chinese appears to be an important language in foreign regional enterprises operating in Cambodia, both Chinese and English are required for Cambodians hired into management positions in the garment industry. Whereas Chinese is also used widely within businesses owned by ethnic-Chinese Cambodians, language preferences for employees either interfacing with or working for this group similarly include both English and Chinese.

In fact, it would seem more accurate to characterize the preference for and utility of Chinese in Cambodia as a domain within a larger field. Where English runs the full geographical, sectoral, and dimensional gamut of this field (of big and small international and internationally oriented firms; based in Europe, Asia, and Cambodia; trading in oil, garments, and other products), Chinese appears as an additional language along certain coordinates of the field—in garment factories owned by interests from Chinese-speaking countries, in particular. Stephen Paterson of the National Institute of Management summed up this linguistic geography similarly. “English is a constant” in business in Cambodia, he argued. “But some companies want Chinese skills in addition to English” (interview, 2000).

2.3.4 “French Is Losing Out in Cambodia”

During the colonial period, French served an important purpose in business in Cambodia, providing the language through which the protectorate was integrated into France’s economic empire. Integration with the metropole weakened following independence, and it largely ceased with the installation of communist governments in the 1970s and 1980s and the commencement of policies that withdrew the country from commerce with the West.

Though France has been very involved in helping rebuild Cambodia’s human and physical infrastructure in recent years, the former metropole has engaged in very little economic interaction with its former colony. “France has only 4 percent of the Cambodian market,” the director of Coopération Française (French bilateral aid) in Cambodia told me in 2000 (interview with Jacques Gerard, 2000); even this small figure overstates Kang Chandaroth’s (2003) estimation of French imports to or foreign direct investment in Cambodia. One French lawyer advising the Faculty of Law and Economics suggested that Cambodia is simply too small a market to attract signifi-

cant French interest. Having a population of only 11 million, Denis Saint-Marie told me, “Cambodia won’t be buying the TGV,” France’s high-speed train à grande vitesse (interview, 2000). Whether because of the size of the national market or other reasons, relatively few French companies have established operations in Cambodia. Exceptions to this tendency include Total, Crédit Agricole Indosuez, and Alcatel (a French telecommunications firm); French companies also work in the agriculture, construction, and pharmaceutical industries in Cambodia.

While small, the French economic presence in Cambodia does register demands for language skills, in several ways. Certainly some metropolitan firms require French language skills among their Cambodian staff; French construction companies in particular tend to hire Cambodians who can speak French (interview with Stefan Preese, 2000). As mentioned earlier, however, most French companies seek employees who know English. These enterprises appear to have reached the same conclusion arrived at by Jacques Gerard of Coopération Française. “French will not be a commercial language in Cambodia,” Gerard stated. “Businesses will use English and Chinese” (interview, 2000). Some Cambodian firms whose business brings them into contact with French investors or businesspeople, on the other hand, do prefer French language skills. The Rural Development Bank provides one example. This state-owned bank established in 1998 requires employees to know French so as to facilitate communication with “international guests who speak French.” At the same time, the bank expects its employees to know English for communication with that larger and more inclusive group of “international guests” (Faculty of Law and Economics survey).

Although one Frenchman concluded confidently that “speakers of good French will be able find positions in private enterprises,” most informants rate the utility of the former colonial language rather low for Cambodia’s contemporary economic life (interview with Lionel Leignel, 2000). “French is not much use anymore compared with English and Chinese,” remarked the dean of the National Institute of Management. “Only old men speak French” (interview with Iv Thong, 2000). The secretary of state for the Ministry of Education, Youth, and Sport concluded more simply. “French is losing out in Cambodia,” he said (interview with Im Sethy, 2000).

2.4 Uses of Foreign Languages in Business in Cambodia

In the previous section, I discussed the relative demand for Khmer, English, Chinese, and French language skills in economic enterprises operating in Cambodia. Knowledge of Khmer appears sufficient for work in Cambodian-owned businesses that procure supplies and sell products within

Cambodia. Firms either based in or trading with other countries, however, demand language skills in addition to Khmer for Cambodian employees. Virtually all these latter firms require English; an important subset additionally desires knowledge of Chinese; a few prefer French language skills, often in addition to English.

Once hired by international or internationally oriented firms, Cambodians are called upon to use their foreign language skills in several ways. First, because foreign languages are typically the media of OFFICE COMMUNICATION in international firms, Cambodians hired into managerial positions apply their knowledge of foreign languages in reading reports, giving presentations, and interacting with expatriate senior managers. At Thai-owned Cambodia Samart Communication, for instance, “all documents that Cambodian employees read are written in English” (Faculty of Law and Economics survey). At British-American Tobacco, Cambodian department managers must be able to “gather, analyze, and synthesize information” for presentations to senior managers (interview with Richard Demblom, 2000). At Nestlé, employees must know English to be able to communicate about daily matters with expatriate managers who do not speak Khmer (Faculty of Law and Economics survey). For those employed by Shell, such communication involves “understand[ing] instructions . . . , rais[ing] questions and hav[ing] general discussions” in English with managers from the Netherlands and the United Kingdom (Edwards, 1996, p. 33).

Foreign languages also typically serve as the media of COMPANY COMMUNICATION for foreign firms operating in Cambodia. On one hand, this means that Cambodians working in offices in Phnom Penh use foreign languages to communicate with head offices or company operations in other countries. In the garment industry, Chinese often provides the medium for international company communication; the preference in garment factories is thus “to hire people who can speak Chinese, so as to be able to contact [Chinese-speaking owners in] China, Singapore, Malaysia,” and other countries in the region (interview with Iv Thong, 2000). Cambodians use English in much the same way to communicate within the multinational firms surveyed by Tim Walton of PricewaterhouseCoopers—at British-American Tobacco, where “English is that language of worldwide communication” (interview with Richard Demblom, 2000); Shell, where “English is the official language of the Company” (Edwards, 1996, p. 33); and elsewhere. “Even large French companies require English language skills” for international company communication, Walton concluded (interview, 2000). Such is the case at Crédit Agricole Indosuez, where according to the French manager “all our international correspondence is in English” (interview, 2000).

On the other hand, Cambodians use their foreign language skills within local operations, to facilitate communication between monolingual expatriates and Cambodian worker-employees. At British-American Tobacco, 61 Cambodian managers who speak both English and Khmer make possible communication between the eight expatriate senior managers, none of whom speak Khmer, and the more than 600 Cambodian workers who do not speak English. According to Human Resources Director Richard Demblom, these bilingual managers mediate virtually every aspect of the tobacco operation in Cambodia—from the acquisition of tobacco from contract farmers, to its transportation to Phnom Penh, to the production, distribution, and sale of cigarettes (interview, 2000). Allen Edwards (1996) described Shell's operations in Cambodia as similarly dependent on the linguistic abilities of bilingual managers. To illustrate, Edwards discusses how instructions from the Phnom Penh office reach an operator at one of the company's petroleum depots. The operator is a monolingual Cambodian, but

his [Cambodian] line manager [has both English and Khmer language skills]. The procedures for the operator to follow in his work originate from the Management in English. The operator's line manager . . . then explains these procedures and instructions to the operator in Khmer. (p. 33)

Bilingual Cambodian managers play much the same role in garment factories, where they mediate communication between Khmer-speaking Cambodian garment workers and Chinese-speaking factory managers from China, Taiwan, and other countries.

Finally, Cambodian employees of both international and Cambodian firms use foreign languages in CUSTOMER RELATIONS. Employees of the state-owned Rural Development Bank, for instance, use their English and French language skills in interactions with their "international guests" and "international guests who speak French," respectively (Faculty of Law and Economics survey). English plays a similarly important role in the Cambodian-owned Phnom Penh Media Company. There, Cambodian employees use English "to communicate with foreign clients," to "facilitate transactions with foreign customers," and more generally to broker deals with international companies interested in advertising their products in metropolitan Phnom Penh (Faculty of Law and Economics survey). At Cambodia Samart Communication and other telecommunications firms operating in the country, "Cambodian employees communicate orally in English with . . . foreign customers [for the purpose of] providing good services" (Faculty of Law and Economics survey). At the Hotel Inter-Continental and other large hotels, Cambodian employees use English for the purposes of "responding

appropriately and politely to requests or orders,” “describ[ing] facilities of the hotel,” “giv[ing] directions within the hotel,” and so on (Australian Centre for Education, 1999b, p. 9).

2.5 Forming Cambodians for the Language Needs of Business

Cambodians use foreign language skills in office communication, company communication, and customer relations in both foreign- and Cambodian-owned companies in Cambodia. According to Tim Walton of PricewaterhouseCoopers, the demand for Cambodians with foreign language skills sufficient to these tasks—and English language skills in particular—vastly exceeds the supply. That is to say, the number of Cambodians with English skills adequate for the needs of business does not equal the number of positions available in companies. More than enough Cambodians graduate from higher education each year to fill managerial-level openings, Walton concluded, but “there is a huge gap between the [language] skills graduates bring to the market and what the market needs” (interview, 2000).

To address this dissonance, many companies have taken the proactive step of providing foreign language training for employees. In other words, because they cannot directly hire enough Cambodians with language skills sufficient for required office communication, company communication, and customer relations tasks, they hire employees on the basis of other criteria (the “ability to behave professionally in a Western way” is paramount, explained Tim Walton; interview, 2000), and they then form them linguistically according to company needs. Some economic enterprises provide language training through in-house programming. At Nestlé, for example, “the company supports the training of all staff to communicate in English by providing a training course every morning” (Faculty of Law and Economics survey). As of 2000, Cambodia Samart Communication was in the process of launching a three- to six-month in-house English language training course for its 200 Cambodian employees (Faculty of Law and Economics survey).

By far the more common mechanism by which companies provide language training to employees, however, is through partnership with one or more of the proprietary language schools that have opened in the country since the early 1990s. The discussion below focuses on the four schools that offer language education for businesses in Cambodia; in chronological order of their inaugurations, they are the Centre Culturel Français, the Australian Centre for Education, the Cambodian-British Centre, and Regent School of Business. To be sure, a great many private language schools operate in Cambodia beyond these large, foreign-owned and foreign-run education centers. Most are small operations in which Cambodians with some English

language skills teach out of rented rooms using pirated materials (see Knight, 1996). Because these small private schools do not partner with businesses but would more accurately be characterized as responding to Cambodians' desire to learn foreign languages (a desire that is, of course, conditioned by many factors, including the country's economic transition and integration), I discuss them as an artifact of language choice in Chapter Seven.

Most of the four large language schools also respond to Cambodian choices with general language courses for individual enrollment, and thus these schools too will feature in the chapter on language choice. In their partnership with businesses (and, as we shall see in later chapters, with political and assistance enterprises), however, they do considerably more than respond to choice, becoming in fact part of the context in which Cambodians make language choices. In what follows, I introduce these schools and provide general descriptive information about their structure, budget, and student and teacher demographics before focusing on the collaboration with economic enterprises that distinguishes them from the mass of private language schools operating in the country.

2.5.1 The Centre Culturel Français

The Centre Culturel Français, or French Cultural Center, opened in Phnom Penh in 1990. At that time, before the establishment of the Kingdom of Cambodia, France did not recognize or engage in any direct bilateral relations with Cambodia. For this reason, France directed funds to Cambodia through a Paris-based nongovernmental organization that runs French language and cultural programs in many countries, Alliance Française. When bilateral relations between France and Cambodia were established in 1992, the center known as Alliance Française became the Centre Culturel et de Coopération Linguistique, and management of it passed to the French Ministry of Foreign Affairs. By 1996, the center had assumed its contemporary name and had attained a degree of autonomy in administration from the Ministry of Foreign Affairs, though it continues to be an official component of Coopération Française, France's bilateral humanitarian and technical assistance program in Cambodia (interview with Michel Thureau, 1992; interviews with Lionel Leignel, André Schmidt, 2000; Ambassade de France, 1997; Centre Culturel et de Coopération Linguistique, 1995).

From its flagship school in Phnom Penh, the Centre Culturel Français (CCF) expanded in the early 1990s to centers in two provincial capitals, Siem Reap and Battambang. "The majority of our programming is general French" offered to adults and children in successive, graduated courses through the Departments of Adult and Youth Education, explained the

director of the center (interview with André Schmidt, 2000). In the early and mid-1990s, more than 8,000 Cambodians studied French at CCF; approximately 40 percent attended French language classes with sponsorship from *Coopération Française* (interview with André Schmidt; *Centre Culturel Français de Phnom Penh*, 1993; “*Coopération Educative*,” 1996). By 2000, student numbers had dropped to 4,700, with 4,000 Cambodians enrolled in Phnom Penh and 350 each following French language classes at the Siem Reap and Battambang centers. Most classes at CCF are given by 54 Cambodian French language instructors. The Cambodian teaching staff is joined at CCF by an additional 105 Cambodian administrative and support personnel. Beyond the small number of French nationals working in administration, CCF employs 11 language teachers from France (interview with Lionel Leignel, 2000).

Students pay between \$18 and \$25 for part-time, three-month language courses; this tuition represents a significant increase over the \$4 charged for similar courses in the early 1990s. In the 1999–2000 budget year, student tuition generated \$308,000 in revenue for the center. According to the coordinator of the Department of Special Programs at CCF, this revenue covered the wages of the majority of teachers, who are paid on an hourly basis (interview with Lionel Leignel, 2000). Teachers receive compensation according to their level of education; those holding the *Diplôme Élémentaire de la Langue Française* are paid about \$3 per hour, for instance, while teachers who have completed the *Diplôme d’Etude Approfondie* are compensated at a rate of \$10 per hour. Most of the rest of the CCF budget—expenses related to the buildings, utilities, salaried French employees, and so on—is underwritten by *Coopération Française*. In 1999–2000, the total CCF budget reached \$1.14 million. Student tuition accounted for 27 percent of the total, while the French government provided nearly all of the remaining 73 percent, or \$831,000 (interviews with Eric Galmard, Lionel Leignel, 2000).

Beyond the general French program, *Coopération Française* administers through CCF a massive assistance project for the Cambodian Ministry of Education, Youth, and Sport, which I discuss in detail in Chapter Six. Finally, CCF runs a variety of courses within its Department of Special Programs. In addition to French language classes designed for particular groups (French for Foreigners, for instance), this department offers French-for-specific-purposes classes related to administration, computing, economics, secretarial skills, and tourism. Though most students who enroll in these courses support themselves, a few are sponsored by economic enterprises. As of 2000, five students were attending the French for Tourism class under sponsorship from Air France (interview with Lionel Leignel, 2000). In 1995, CCF provided French language instruction for employees of the Allson hotel (Postlewaite, 1995). Because so few companies are sending employees to

CCF for French language courses, they contribute negligibly to the center's revenue.

2.5.2 The Australian Centre for Education

IDP Education Australia opened the Australian Centre for Education (ACE) in Phnom Penh in 1992. Formerly the International Development Program of Australian Universities and Colleges, IDP Education Australia is an education provision company owned by the Australian university system; as of 1999, IDP worked in 32 countries, often as a subcontractor for the Australian government's international aid agency, the Australian Agency for International Development, or AusAID (Lazenby & Blight, 1999). The inauguration of ACE in Cambodia followed a feasibility study conducted in 1991 and the establishment by Australia of direct bilateral relations with Cambodia in March 1992 (McAndrew, 1996).

ACE has grown in both size and scope since its establishment in 1992. Though the Phnom Penh center remains its largest school, in the mid-1990s ACE opened satellite centers in four other cities, Battambang, Kampong Cham, Siem Reap, and Sihanoukville; the Sihanoukville center closed in 1998. Whereas in 1994 ACE provided general English language instruction to 2,260 students in Phnom Penh, by the turn of the century the center was teaching English to 4,103 students in various locations, most in Phnom Penh. Eighty percent of ACE students follow courses in the General English Division. Classes here cluster within the General English Program (a 12-level general English series), the Special Skills Program (English report writing, for instance), and the Vocational Education Program (English for business purposes, for the most part). Tuition for these 45-hour, 10-week courses ranges from \$70 to \$200. After students finish the 12-course series in the General English Program, they can apply for admission to two-year diploma courses in accounting, information technology, and management offered by the Royal Melbourne Institute of Technology (RMIT). RMIT programming at ACE began in 1999; as of 2000, 53 students were enrolled in diploma courses, for which they paid a total two-year tuition of \$3,190 (interviews with Helen Cherry, John Marshall, 2000; Australian Centre for Education, 2000b).

Director Helen Cherry and the center's other senior administrators all come to Cambodia from Australia. In addition, ACE staff includes 59 expatriate teachers (mostly Australian), 21 Cambodian English language teachers, and 33 Cambodian administrative staff. Teachers earn an average of \$15 per hour (interview with Stephen Moore, 2000). While most instructors teach classes in the General English Division, some work in the English Language for Ministry Officials (ELMO) Project, an educational assistance

program offered through ACE by the Australian Agency for International Development; I discuss this extensive program in Chapter Five. According to Helen Cherry, it was fortunate that ACE won the contract from AusAID in 1994 to run the English language teaching program for Cambodian government personnel, because until that time the center had been losing money. For the next few years, AusAID revenues subsidized the General English Division, though that division became self-supporting in 1996 when tuition was raised to its current level. In 2000, ACE earned \$1.6 million from sources in Cambodia; AusAID paid IDP Education Australia an additional \$870 million (\$1 million Australian dollars) in Canberra for ELMO and two other Australian government-sponsored programs at ACE (interview with Helen Cherry, 2000).

According to Helen Cherry, nearly 10 percent of the 3,300 students enrolled in ACE's General English Program courses are sponsored by economic enterprises. That is to say, a significant number of the students learning to read, write, speak, and understand English in nonspecific courses at the Australian Centre for Education are there because their employers use English in business; need Cambodians who can use this language in office communication, company communication, and customer relations; and have taken the proactive step of forming employees for this purpose. In 1994, the Australian telecommunications company Telstra headed the sponsorship list at ACE. In that year, Telstra not only sent 41 of its own employees to ACE for general English training, but sponsored 90 Cambodians from the Ministry of Posts and Telecommunications to English courses there (Maloy, 1996). The roster of company sponsors to ACE had grown considerably by 2000. In addition to Telstra and others from the mid-1990s, sponsors in 2000 included AEA International (a medical services company), Asia Pacific Resources (the events-management agency), Bates Cambodia (an advertising firm), Caltex, Electricité du Cambodge (the state-owned electricity company), Maersk International Shipping, Mobitel, and Shell (interview with Helen Cherry, 2000; Australian Centre for Education, 1994, 2000c).

Beyond providing general English courses to which companies can sponsor employees, the Australian Centre for Education also designs specific English language courses for the individual needs of particular enterprises. In the early 1990s, such individualized courses were offered on an *ad hoc* basis; in 1997, they began to be administered through ACE's new Private Programs Division. Many programs in this division have served firms in the telecommunications industry. In 1996, for example, ACE delivered an 80-hour customer service skills course for 25 Mobitel employees; customer service representatives received instruction in customer relations, listening skills, and problem solving. ACE offered similar courses to customer service representatives of Thailand's Shinawatra in 1998 and 1999. In 1998, ACE

designed a two-module, 100-hour course for 15 Mobitel middle managers. Besides receiving the training given to customer service representatives, employees in this class also learned management skills, with particular attention being given to presentations and negotiations (interview with Helen Cherry, 2000; Australian Centre for Education, 1999*b*). Finally, ACE has contracted with Alcatel “to provide English language training specific to the telecommunications industry so that their provincial staff can convey information about faults, problems,” and other issues to the head office in Phnom Penh (Australian Centre for Education, 1999*a*, p. 4).

In 1996, ACE won the largest English language training contract yet awarded in the country, from the Cambodian-owned Hotel Inter-Continental. Training of over 800 Cambodian hotel workers began six months before the hotel opened in March 1997, accelerating to an intensive level one month before the facility’s inauguration. Over the course of the full two-year contract with the Hotel Inter-Continental, ACE designed three different kinds of courses for Cambodian employees. The 120-hour front-of-house courses prepared Cambodians who worked in the reception area to greet customers, facilitate their requests, give directions within the hotel, and make “appropriate small talk” (Australian Centre for Education, 1999*b*, p. 9). The 80-hour back-of-house courses focused on similar topics for Cambodians whose interaction with foreign guests took place in restaurants and elsewhere in the hotel. The 40-hour beginner courses were offered to employees who had no previous knowledge of English. These courses focused on greetings, responding to basic questions, understanding references to days and times, and vocabulary specific to workplaces such as the laundry (Australian Centre for Education, 1999*b*).

As of 2000, ACE was in the process of planning a course for Petronas, the Malaysian oil company. Petronas had contracted with ACE to sponsor 75 employees of the Cambodian National Petroleum Authority for a series of two English language classes to be followed by a management class to be offered by the National Institute of Management (interview with You Rith, 2000).

2.5.3 The Cambodian-British Centre

The Cambodian-British Centre began operations in Phnom Penh in 1992. As with the Centre Culturel Français and France, the opening of the Cambodian-British Centre predated the establishment of British bilateral relations with Cambodia, and thus funds for the center did not come directly from the British government. Rather, monies from the British Overseas Development Administration (now renamed the Department for International Development) were channeled to the Cambodian-British Centre through a nongov-

ernmental agency. In the case of the Cambodian-British Centre, this agency was the Centre for British Teachers (CfBT), an educational contractor that works in a variety of domains (teacher education, prison education, educational inspection, and English language training, among others) both in the United Kingdom and abroad. When it formally recognized Cambodia in 1994, the British government did not take over direct control of the Cambodian-British Centre, as the French Ministry of Foreign Affairs had done with the Centre Culturel Français. Rather, CfBT continued to administer and manage the center as a subcontractor (interview with Lucy Royal-Dawson, 2000; Smith, 1996; Thomas, 1996). The Cambodian-British Centre closed in June 2001.

The Cambodian-British Centre (CBC) was both a smaller and a more focused English language training operation than the Australian Centre for Education. To begin with, for most of the 1990s the center devoted its entire energies and resources to the administration of a single, British-funded project, the Cambodian Secondary English Teaching (CAMSET) Project; I discuss this multifaceted project in detail in Chapter Six. It was only as CAMSET began to draw to a close in the mid-1990s that CBC diversified its educational offerings. Rather than opening general English courses to individual or sponsored students, CBC began to work with both economic enterprises and development agencies in the provision of what one British teacher associated with the center termed “tailor-made” English language classes (interview with Lucy Royal-Dawson, 2000). According to the director of studies at CBC, at any given time in the late 1990s between 500 and 600 Cambodians were enrolled in these classes offered through the center’s Language and Management Training Unit. Teachers included nine expatriates, mostly from the United Kingdom, and three Cambodians; two expatriates from the Centre for British Teachers administered the center (interview with Conor Boyle, 2000).

In 1996, CBC landed the second-largest contract for English language teaching awarded in Cambodia, with British-American Tobacco. Following a language assessment for the entire staff of British-American Tobacco (BAT), CBC developed a five-tier training program for more than 200 BAT employees. In the course’s lower tiers, Cambodian employees of BAT studied “work-related English”; those who graduated to the upper tiers received “management-oriented” English language training (interview with Conor Boyle, 2000). The Cambodian-British Centre directed BAT employees up through these tiers for three years, ending in 1999. According to Director of Studies Conor Boyle, this contract “helped bridge CBC’s transition from CAMSET,” by which he meant that work for BAT played an important role in CBC’s diversification beyond project work for the British government. Besides the partnership with British-American Tobacco, CBC

designed and ran a one-year English language communication course for Nestlé's administrative and production staff, gave English language and management training to employees at Nestlé, Shell, and Tricelcam (a telecommunications company controlled by Malaysian interests), and administered a five-module customer service course for Mobitel (interview with Conor Boyle, 2000; Centre for British Teachers, 2000).

According to Conor Boyle, in the late 1990s CBC earned revenues of between \$200,000 and \$250,000 annually from the economic enterprises and development agencies that contracted for English language training through the Language and Management Training Unit. These revenues barely registered when held against the CAMSET project, however, which brought nearly \$10 million into the Cambodian-British Centre between 1992 and 2001. When this latter project ended in 2001, a needs-analysis conducted by the Centre for British Teachers concluded that CBC would no longer generate profits, and the Cambodian-British Centre was closed (interview with Lucy Royal-Dawson, 2001).

2.5.4 Regent School of Business

Regent School of Business opened as Regent College in Phnom Penh in July 1994. Of the foreign-based proprietary English language schools operating in Phnom Penh, Regent is unique in that its ownership does not derive from a country where English is spoken as a first language. Dato Dr. Chen Lip Keong, a Malaysian, owns Regent School of Business, having invested \$400,000 in the renovation of the school building (Heng & Francis, 1994). Also, Regent emphasizes degree programs to a greater extent than the Australian Centre for Education or the Cambodian-British Centre, and English language classes serve a correspondingly more specific function for at least some students at Regent than at these other schools.

According to the school's director, Regent's "primary goal is to strengthen Cambodians' skills and help [them] to be more competitive in the international business environment" (Heng & Francis, 1994, p. 19). This business focus emerges clearly in the school's degree offerings. Through curriculum developed by the London Chamber of Commerce and Industry, Regent administers two-year diploma courses in accounting, business studies, management, marketing, and secretarial studies. Tuition for individual three-month classes runs between \$150 and \$210, with the total cost of a diploma program averaging around \$1,500. In addition, students can follow courses in a bachelor of business administration degree offered in conjunction with the Universiti Tun Abdul Razak in Malaysia, and a master of business administration course given in partnership with Australia's University of Southern Queensland. As of 2003, approximately 350 students were

following degree programs at Regent (Peter Darch, personal communication, 1 October 2003). According to a Cambodian administrator, in 2000 Regent employed 15 British and American teachers in its Business Division (interview with Chhit Srey Peov, 2000).

English serves as the language of all instruction at Regent School of Business, and students in all diploma courses complete a series of business English classes in addition to subject-matter classes. If applicants do not have sufficient command of English to enter subject-matter courses directly (as determined by an entrance exam), they are assigned to the school's English Language Division, which is staffed by 20 British and American instructors. In this division, successive and graduated general English courses cost between \$30 and \$35 dollars for three months of part-time instruction. In addition to preparing Cambodians for entry into business-oriented diploma programs, the English Language Division enrolls nondegree students. As of 2003, 450 Cambodians studied English at Regent outside the context of degree programs. Approximately 70 percent of all Regent students come to the school with external sponsorship, including from economic enterprises like ACNielsen, Caltex, the Cambodia Beverage Company, the Cambodia Brewery, Mobitel, PricewaterhouseCoopers, and Shell (interview with Chhit Srey Peov, 2000; Edwards, 1996; Regent School of Business, 2003).

3. TRAJECTORIES AND CORRELATIONS IN ECONOMY AND LANGUAGE

In this chapter, I have sketched the economic context in which Cambodians make language choices. In this final section, I consider the trajectories and correlations that characterize this context as a means both of summarizing the chapter and of anticipating some of the theoretical issues with which I conclude the book.

3.1 Economic History

Even before the formation of the Kingdom of Cambodia in 1993, Cambodian policy makers set the country on the path toward economic transition and integration by recognizing the private sector and allowing the private ownership of land. The official abandonment of communist-era economic structures in favor of the market economy system announced in the 1993 constitution furthered this trajectory, with various results. In the countryside, economic transition has altered Cambodians' ideas about work and land, and

the beginnings of agricultural modernization suggest a time when farmers may be able to operate in economic systems beyond the local level. Meanwhile, the 1994 Law on Investment has brought billions of dollars of foreign direct investment into the country; this investment that manifests in the hundreds of foreign companies now established in metropolitan Phnom Penh has significantly impacted the country's volume and patterns of trade. Though considerable uncertainty characterizes the future—particularly in relation to the sustainability of the garment industry within the World Trade Organization and the competitiveness of the agricultural sector within the ASEAN Free Trade Area—it is unambiguously clear that metropolitan Cambodia has integrated within regional, hemispheric, and global economic networks.

3.2 Language Demands of the Market Economy for Cambodians

Cambodia's economic trajectory of the last decade has brought diverse demands for language skills to the country. Certainly most Cambodians can participate in the market economy with knowledge only of their native Khmer; as Don Boring of the International Finance Corporation reminded me, "Most Cambodians work with other Cambodians," and they do not need to learn foreign languages to communicate with their compatriots (interview, 2000). Many of those working with foreign companies or with Cambodian firms that do business outside the country, however, must know foreign languages. As we have seen, employers ranging across geographical, sectoral, and dimensional strata require Cambodian managers to supplement their native knowledge of Khmer with knowledge of English. Employers situated at certain coordinates on this field demand Chinese language skills of their Cambodian employees, in addition to knowledge of English and Khmer. A very few employers require French language skills of the Cambodians they hire. As several informants put it, "The market demands English," "Chinese is coming," and "French is losing out in Cambodia" (interviews with Yuok Ngoy, Toshiyasu Kato, Im Sethy, 2000).

The geographical spectrum of language preference in Cambodia illustrates trends that both support and contradict traditional ways of thinking about international languages or languages of wider communication. Note what might be termed "correlations" between language preference and the national location of companies either exercising or conditioning that preference. In terms of Chinese, we can discern a rather strong language-nation relationship. More specifically, Chinese language skills are required of Cambodian managers working in garment factories owned by interests in

Chinese-speaking countries like China, Hong Kong, Singapore, and Taiwan. Additionally, companies like DHL Worldwide Express require knowledge of Chinese among employees to facilitate communication with business owners who, though citizens of Cambodia, attach through their ethnicity to China. A similar correlation emerges between French language preference and nation, though demand for French is so small as to immediately call into question any conclusion. A very few French companies hire Cambodian employees who can speak French, and at least one Cambodian company, the state-owned Rural Development Bank, requires employees to know French in anticipation of communication with international guests from France.

It is less productive, however, to define the demand for English in national terms. To be sure, companies based in Australia, the United Kingdom, and the United States require knowledge of English among their Cambodian employees. But so too do companies headquartered in China, France, Indonesia, Malaysia, Sweden, Switzerland, Taiwan, Thailand, and many other nations where English is not spoken as a first language. In fact, there is no geographical logic to the demand for English in business in Cambodia, no correlation between anglophone national status and corporate English language preference—or, perhaps more accurately, the correlation evidenced by the language requirements of Australian, British, and American firms alone weakens to the point of meaninglessness when the similar language preferences of companies based in non-English-speaking countries are added to the analysis. This lack of correlation suggests strongly that we begin to look beyond nations to understand the economic contexts that condition English language choice. At least as it relates to the economy, English appears to have expanded beyond those anglophone polities with which it has traditionally been associated and today seems to attach directly to the world economy, a global unit of analysis that underlies the system of national political organization in the world.

3.3 Uses of Foreign Languages in Business in Cambodia

If employers demand English, Chinese, and French skills of their Cambodian employees, they do so for specific reasons. Cambodians are required to know foreign languages so as to be able to read documents, give presentations, interact with expatriate supervisors, and otherwise engage in office communication. In company communication, Cambodians use foreign languages in interactions with head offices and company operations in other countries. Additionally, they apply their bilingual skills in company operations within Cambodia, notably in facilitating communication between monolingual expatriate managers and monolingual Cambodian workers in garment factories, tobacco fields, oil pumping stations, and other venues.

Finally, it is in foreign languages that Cambodians engage in relations with international customers and potential customers.

Extrapolating from these very specific duties to a more general level, Cambodians use foreign language skills to contribute to the success of the foreign- and Cambodian-owned economic enterprises that hire them. Indeed, it seems entirely reasonable to argue that the success of these firms depends on the foreign language abilities of their employees, for without that middle stratum of Cambodians who can speak foreign languages in addition to their native Khmer, monolingual expatriates simply could not establish or manage operations in the country, and Cambodian business owners would be unable to secure inputs from or sell products to foreign suppliers or customers. Given that the establishment of foreign economic enterprises in Cambodia and the extension of Cambodian business networks beyond the country's borders are both evidence of a larger phenomenon, it may be possible to push this conclusion one step further. Accordingly, it seems reasonable to argue that Cambodia's economic integration itself depends on the mediating linguistic skills of bilingual Cambodians, with English language skills serving the widest integrative function, Chinese skills facilitating integration within particular networks, and French contributing to integration in a very restricted context.

I want to be very careful not to overstate this linguistic dependency, for the success of economic enterprises depends on a great many factors beyond language skills, including the quality of products, the stability of the national government, the competitiveness of local labor in relation to global trade agreements, and so on. Similarly, the country's economic integration has occurred as a result of a great many factors, including the collapse of the Council for Mutual Economic Assistance, the political will of Cambodian legislators to pass the Law on Investment, and myriad decisions in boardrooms around the world to accept the risks of establishing operations in the country. Nevertheless, one cannot relate the last 10 years of Cambodia's economic history without reference to foreign languages, in particular English and Chinese. At a minimum, it seems defensible to conclude that these languages are integrally connected with—if not integral to—the success of business in Cambodia and the regional, hemispheric, and global economic integration of the country.

3.4 Forming Cambodians for the Language Needs of Business

Unable to hire directly enough Cambodians with language skills adequate to their office communication, company communication, and customer relations requirements, many firms operating in Cambodia have contracted

with foreign-owned and foreign-run proprietary language schools to form Cambodian employees according to their linguistic needs. The Centre Culturel Français, operated by Coopération Française through the French Ministry of Foreign Affairs, has offered very limited French language training for economic enterprises. The Australian Centre for Education, which is owned by the Australian university system, provides a significant volume of English language training for businesses through both its General English and Private Programs Divisions. Though now closed, the British-administered Cambodian-British Centre ran English language courses for companies through its Language and Management Training Unit. The Malaysian-owned Regent School of Business has also worked with businesses in Cambodia to improve the English language skills of employees, many within the context of degree programs.

I argued above that demand for and use of English in business has slipped the anglophone orbit and that, as a result, the language-nation correlation in this regard has weakened past the point of any significance. In another way, however, the correlation remains strong, and that is in the business of English language program provision. Though Regent School of Business is owned by Malaysian interests, the school employs English language teachers from the United Kingdom and the United States. The vastly larger Australia Centre for Education and the Cambodian-British Centre, when it was in operation, are or were explicitly associated with anglophone nations and offer or offered most instruction through Australian, British, and American teachers. It seems possible to conclude on this basis that the English language, while for business purposes no longer useful only to economic enterprises based in anglophone nations, still appears to be controlled as an instructional commodity by actors associated with these nations. English can be used by any business, it seems, but it can apparently only be taught—productively, effectively, legitimately—by anglophone language schools.

Certainly the strong correlation between English language program provision and anglophone national status would decrease by including in the analysis the hundreds of Cambodian-run private English language schools that do not contract with business, and thus it may be necessary to qualify the previous statement. Accordingly, it seems possible to conclude that English as an instructional commodity attractive to foreign or international companies is controlled by anglophone actors. We encounter a similar tendency relative to political transition and integration, the subject to which I now turn.



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