As Cambodia has now received the first drops of the country’s offshore oil, government officials, scholars and ordinary Cambodians have expressed mixed reactions on how the oil revenues should be used and managed to avoid what is called the “oil curse”.

Phay Siphan, spokesman for the Council of Ministers, said Cambodia would see a potential benefit from its oil revenues and thus people should not portray a negative scenario caused by the oil money.

“People have always said an oil drop is a curse,” he said. “But, for Cambodia, an oil drop is a blessing of what is a Cambodian heritage.”

Siphan said oil exploration and operation was a partnership between the government and private companies and the revenues which will include tax and profits will benefit Cambodians as a whole.

“The revenues will be controlled by the Ministry of Economy and Finance,” he said. “Nobody will interfere into the control [of the oil revenues].”

He said the International Monetary Fund and some other organisations would act as the Cambodian government’s advisors regarding the management of the oil revenues.
Siphan said the oil money would be used to modernise Cambodia’s education sector in order to strengthen the human resources in Cambodia.

“Secondly, we will use the money to strengthen the welfare and medical services,” he said. “It is the experiment and the determination of our Prime Minister.”

Siphan ruled out the scenario that Cambodia would fall into trouble like Nigeria and other countries that had suffered from the “oil curse” phenomenon if the oil revenues would not be properly managed.

“In Nigeria, those powerful people in the military and politics were given a share [in the oil revenues],” he explained. “They scrambled for power by scrambling for oil wells.”

He added: “But, our oil wells belong to the state. The comparison is different like a cow and a buffalo.”

Kin Phea, director-general of the International Relations Institute of Cambodia at the Royal Academy of Cambodia, agreed that Cambodia’s future oil revenues would bring great benefits for the kingdom.

“When talking about oil drops, it is a pride that can be attributed to Samdech Techo Hun Sen’s leadership which has led to the extraction of the drops of oil for the first time,” he said. “It’s also the national achievement for us all.”

Phea said the oil revenues would be a potential for Cambodia’s economic growth in the future.

“It is an extra stimulus for our economic development,” he said.

Phea said three strategies would help Cambodia avoid the oil curse disaster.

“First, we need to prepare a correct foreign policy,” he said. “We need to avoid oil drops becoming a political game.”

He said most countries that had oil had fallen into the geopolitical game of the superpowers. However, he said Cambodian oil would not be huge enough to become the subject for competition among the superpowers.

“But, we need to be careful with the geopolitical aspect,” he explained.

Second, Phea said the government needs to make sure that the management of the revenues from oil will have transparency and accountability.

“[Mr Hun Sen] once said ‘You should not think about what food you want to cook, because the fish is still in the water,” he recalled.
He added: “Now, we know the fish is on land and we know what kind of fish and how big it is. So, we can prepare the recipe, meaning we need to have a clear plan.”

Third, Phea said Cambodia needs to use the oil revenues for the right purpose while maximising its efficiency.

Phea also agreed with Mr Hun Sen’s prioritising the use of the oil revenues for the education and medical sectors.

“But, we need to make sure that it is efficient,” he said. “No matter how big or small the revenues from oil will be, we need to use it efficiently, transparently and accountably and for the right target.”

However, Cambodian human rights activists and political analysts have painted another picture for Cambodia’s future with the flow of oil revenues.

Chak Sopheap, executive director of the Cambodian Center for Human Rights, welcomed the future oil revenues in Cambodia which she said would have a great economic benefit for Cambodia.

“It is important that we learn from other countries which are oil-enriched and ensure that the economic benefits reach across society,” she said.

She said Cambodia still has improvements to make to achieve human rights for all and sustainable development, including alleviating poverty, boosting the employment rate, increasing access to and quality of education, improving healthcare and reducing gender inequality and discrimination.

“The benefits from the oil revenue should be allocated in the budget to achieve these societal goals for Cambodia to have a prosperous future,” said Sopheap.

However, Sopheap said she was worried that Cambodia’s oil money might not benefit all Cambodian people if it will not be appropriately managed.

“If the benefits of the oil revenues do nothing but line the pockets of the wealthy and well-connected, the future for Cambodia is not bright,” she said. “And the problems Cambodia already faces relating to wealth inequality and corruption will only be exacerbated.”

She agreed that it is critically important that accountability and transparency are embedded in every aspect of the oil industry in Cambodia and in all areas of governance.

“It is imperative that in these oil endeavors the government and the oil companies involved respect their human rights obligations and prioritise environmental protection and sustainable development,” she said.
Ear Sophal, associate professor at Occidental College in the United States of America and author of Aid Dependence in Cambodia, urged the Cambodian government to follow good examples from other countries on how to manage the oil revenues to avoid the oil curse phenomenon.

“Norway is one country that fixed the problem by putting the funds from its resource boom into a fund that invests in the country’s future,” he explained, adding: “Cambodia should follow Norway’s example, adopt Extractive Industries Transparency Initiative (EITI).”

In 2007, it was reported that there was talk that Cambodia might join EITI. But, Siphan said he was not aware of Cambodia’s plan to join the organisation.

Meanwhile, ordinary Cambodian people also share different views on how the oil revenues should be used in Cambodia since the country has extracted the first drops of oil.

Tum Chita, a 40-year-old journalist for a local newspaper, said she welcomed the news of the first drops of oil in Cambodia.

“I am really excited,” she said. “I hope our country will have progress in the future after we have experienced the civil war and all the tragedy.”

She said she was happy that the government had planned to allocate some of the oil revenues to the health care sector.

“I hope we will have free health care and medical treatment with the revenues from oil,” said Chita.

However, Sao Sokun, a 60-year-old barber, said he was not very optimistic about the benefit of oil revenues in Cambodia.

“If the government really cares about the people, it should lower the gasoline price like in Vietnam and Thailand,” he said. “But, the private companies control everything.”

Nevertheless, 68-year-old retired teacher Son Sarath supported the government’s plan to invest part of the oil revenues in the education and health sectors.

“Before you become a prime minister, a minister, or a medical doctor, you need education and you need to spend more money on education,” he said. “Because our country now has peace, we don’t need to spend much money on the military.”

Apart from improving the medical and health sector, Sarath said he wanted the government to use the oil money to help old people and retired civil servants like himself.
“I am old now, so I want to live my remaining life more comfortably,” he said. “So, I hope the government will increase my pension with the oil money.”

Details: https://www.khmertimeskh.com/50805560/will-cambodias-oil-drops-be-a-curse-or-a-blessing/