Speculative Urbanism: The Remaking of Phnom Penh

by

Sylvia Geehae Nam

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Abstract

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This dissertation examines the emergence of Phnom Penh as a city of speculation. It focuses, in particular, on the formation of speculative markets in real estate and the politics of urban renewal financed over the last decade in large part by Asian developers. Positioned as the next “Asian” city in a region of booming metropolises, the city’s promise lies in its economic and spatial future. As such, this dissertation pays close attention to the city’s integration into inter-Asian circulations of capital and imaginaries of urban modernity. Speculation organizes all economies functioning as the linchpin between risk and reward. But in a city without a master plan or without the formal valuation of property, speculation in Phnom Penh functions in various formats. It is a logic based on the overregulation of law. It is a platform in the production of space with property – its commodification and exchange – central to creating value. It is a form of governance structured as networks of relations between Asian investors, state officials, and Cambodian power brokers who negotiate opportunities and access to the economy. It is based on social ties that shape markets and mitigate risk through intimate and unofficial knowledge of the economy. It is the politics of anticipation in which claims to the future must be staked in the present. In a context where the city’s real estate is among the most expensive in Southeast Asia, this dissertation is designed to help illuminate the productive life of speculation not only as the urbanization of capital but as an inter-Asian capitalization of growth.
To my mother and father
in whose wisdom and love
    I am embraced


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ACRONYMS

| ADB | Asian Development Bank |
| ASEAN | Association of Southeast Asian Nations |
| BAU | Bureau of Urban Affairs (Bureau des Affaires Urbaines), part of the Municipality of Phnom Penh |
| CDC | Council for the Development of Cambodia |
| DK | Democratic Kampuchea (1975-1979) |
| FDI | foreign direct investment |
| GDP | gross domestic product |
| GNP | gross national product |
| HE | His Excellency |
| MEF | Ministry of Economy and Finance |
| MLMUPC | Ministry of Land Management, Urban Planning, and Construction |
| MPP | Municipality of Phnom Penh |
| NBC | National Bank of Cambodia |
| NIC | newly industrializing country |
| NGO | non-governmental organization |
| NIS | National Institute of Statistics |
| OECD | Organization for Economic Cooperation and Development |
| PRK | People’s Republic of Kampuchea (1979-1989) |
| RGC | Royal Government of Cambodia (1993 to Present) |
| ROK | Republic of Korea, or South Korea |
| UN | United Nations |
| UNPF | United Nations Population Fund |
| UNTAC | United Nations Transitional Authority in Cambodia |
### GLOSSARY

<table>
<thead>
<tr>
<th>Term</th>
<th>Translation</th>
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<tbody>
<tr>
<td>anukret</td>
<td>sub-decree</td>
</tr>
<tr>
<td>boeung</td>
<td>floodplain; lake</td>
</tr>
<tr>
<td>chaebol</td>
<td>any large and diversified Korean conglomerate</td>
</tr>
<tr>
<td>chhab</td>
<td>law</td>
</tr>
<tr>
<td>kamaset</td>
<td>ownership rights</td>
</tr>
<tr>
<td>kamaset ekachun</td>
<td>private property</td>
</tr>
<tr>
<td>khan</td>
<td>ward (an administrative unit)</td>
</tr>
<tr>
<td>khsae</td>
<td>patron-client networks, webs of personal relations</td>
</tr>
<tr>
<td>khum</td>
<td>commune (an administrative unit)</td>
</tr>
<tr>
<td>kram</td>
<td>law</td>
</tr>
<tr>
<td>krom samaki</td>
<td>solidarity groups formed in the 1980s as part of collectivized farming</td>
</tr>
<tr>
<td>oknha</td>
<td>honorific title for prominent businessperson; tycoon</td>
</tr>
<tr>
<td>phokeak</td>
<td>possession rights</td>
</tr>
<tr>
<td>phum</td>
<td>village; hamlet (an administrative unit)</td>
</tr>
<tr>
<td>prakas</td>
<td>edict or declaration</td>
</tr>
<tr>
<td>psar</td>
<td>market</td>
</tr>
<tr>
<td>pteah lveng</td>
<td>shophouse or <em>compartiment</em></td>
</tr>
<tr>
<td>sangkat</td>
<td>district (an administrative unit)</td>
</tr>
<tr>
<td>wat</td>
<td>pagoda</td>
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NOTES

Note on Currency
Unless otherwise noted, prices cited are in US dollars. The US dollar serves all the three functions of money in Cambodia: as a medium of exchange, as a store of wealth, and as a unit of account. One US dollar is roughly equivalent to 4,000 riel (KHR), Cambodia’s currency.

Note on Names
In most cases, I follow the Cambodian practice of listing an individual’s surname followed by given name. With few exceptions, names of informants have been changed or abbreviated.

Note on Laws
All citations of Cambodian legal code come from the “Laws of the Kingdom of Cambodia” (n.d.) prepared by the Ministry of Land Management, Urban Planning and Construction as part of a donor-financed land legislation project that began in 2001. The compilation contains both the official Khmer versions of the law as well as their unofficial English translations. I cite the English versions herein.
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Finally there are those whose roles exceed the limit of words. My brother Nathan, with his indomitable optimism, was invariably generous with his encouragement telling me to get to work and finish “that paper.” My mother Su Un Chong’s insistence that I remember to locate myself in context and history were needed reminders of what was at stake. My father Myongwoo Nam, whose own embeddedness in the transnational circuits of city-making and construction expertise, has been an obvious source of inspiration (and information) during the course of this project. Last but not least is Hun Kim who has witnessed the fits and starts of this all since the beginning. He continues to show me how to approach life with his appreciation of the absurd and an unbridled sense of humor.
INTRODUCTION
Speculating on the City

1.1 Two Scenes of Speculative Urbanism

Scene One
*International Finance Complex – Nothing Behind the Gate*

In 2007, GS Engineering & Construction (GS E&C), part of the South Korean *chaebol*, or conglomerate, the GS Group,\(^1\) announced its plans to build the International Finance Complex (IFC) on over 68,000 square meters of land. Located south of the Russian Embassy on Sothearys Boulevard, this megaproject was set to dominate the riverfront (*Figure 1*). According to an investor relations guide released in June 2008, IFC would be the company’s first project in the country. This area, which was a major urban planning centerpiece in the 1960s known as le Front du Bassac, has been a premiere location for a number of developers, including the now suspended The Star River residential tower by another Korean *chaebol*, POSCO (*Figure 2*).

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\(^1\) GS Group is a spin-off of Korea’s second largest *chaebol*, the LG Group. Like LG, GS is an acronym derived from the company’s original English moniker: Lucky GoldStar.
Figure 2. POSCO’s The Star River was meant to be a $320 million riverfront residential complex. It would have comprised three megablocks of forty-five story towers totaling 975 condominium units, according to its representative (Interview, 8 June 2009). The project began in October 2009 and was cancelled in August 2010. Image source: constructingcambodia.wordpress.com/category/cancelled/star-river, accessed 1 October 2011.

The guide opens with an image that is bold in its comparison showing the future projected onto the past in a lineage drawn between precedents and heirs (Figure 3). In what appears to be a lake, the shadow of Angkor Wat – the great mortuary temple of the Khmer Empire and the icon of Cambodian nationalism – reflects back onto itself the silhouette of the IFC. The scene renders paragons of the contemporary city and icons of history congruous; a comparison in which nationalisms are entangled with global imaginations and the future presented as illustrious as the past. The IFC project, in conflated fashion, presents itself as a contemporary icon of, if not for, the nation though envisioned by Koreans and financed through transnational property capital.

The project’s rationale, according to the investor guide, is also comparative – an “effort to find a new growth engine” after Vietnam. There, GS has been building a satellite city, Nah Be New Town, south of the widely acclaimed Taiwanese-financed Phu My Hung in Saigon (Ho Chi Minh City). Nah Be is modeled after the new towns of Korea (Douglass and Huang 2007: 3); an urban form that circulates within Asia tying the fortunes of Seoul to Saigon materially and figuratively.
In what has become a commonly mobilized truth about transnational capitalist linkages, Vietnam is the mythic windfall for Korean construction firms who artfully timed their entry into that country during the heyday of the 1990s. Thus Vietnam, and the profits earned there, serve as analogues for Asian investors in Cambodia, led by Koreans and supported by capitalists from Indonesia, Hong Kong, and Singapore. That is, Vietnam is a reference point both for investors who were there as well as for those who missed out (Interview with financier, 8 August 2008). The architecture of relations behind these fortunes have an older history as South Korea’s participation in the Vietnam War was a constituent and contingent element in the South Korean “miracle” (Cumings 1997, Lie 1998, S. Kim 1988) and a “coming of age” for some of Korea’s most well-known conglomerates (Woo 1991) who used Southeast Asia as an experimental frontier to hone their techniques in construction and infrastructure development. GS’s rationale is accordingly predicated on cultivating growth opportunities and constructing new markets in the frontier.

There are other comparisons at play. The name, International Finance Complex, ambitious as it is fanciful, appears to be a deliberate though unacknowledged reference to an array of other Asian landmarks. There is the International Finance Centre in Hong Kong’s Central District which, too, goes by the acronym IFC. The latter, one of the tallest buildings in Hong Kong, is a joint development of the country’s most prominent real estate firms. The name could also be seen as a nod to the International Finance Center-Seoul (IFC-Seoul), a landmark built in partnership between the Seoul Metropolitan Government and the global behemoth AIG, and part of Seoul’s “aspir[ation] to emerge as an Asian financial center” according to the Seoul
Metropolitan Government. Thus, GS’s proposal for its International Finance Complex in Phnom Penh can be seen as part of one firm’s aspiration to be global in the periphery. This aspiration is not GS’s alone. There is another proposed IFC in Phnom Penh: Hong Kong’s Sunwah Group proposal of the Phnom Penh Sunwah International Finance Centre. These urban projects show both the ambitions of “an inter-Asian horizon of metropolitan and global aspirations” (Ong 2011a: 5, italics in original) as well as the limits of these wagers as both of Phnom Penh’s IFCs have yet to be built. Indeed my visit to GS’s IFC site, blocked off from view, revealed that there was nothing behind the gate.

The centerpiece of GS’s IFC was to be a tower 52 stories in height. It was intentionally to be the city’s tallest; taller than the other Korean 42-story skyscraper in the city, Gold Tower 42. According to one planner (Interview, 8 June 2009), the choice to go with 52 stories was as deliberate as it was arbitrary. First, GS headquarters in Seoul wanted its first foray into the country “to be cutting edge,” in the words of the project’s senior planner, Mr. L. Second, management “wanted a building that was higher than Yon Woo’s,” the developer of Gold Tower 42, a forty-two story luxury skyscraper.

Thus among Korean developers, the politics of hyperbuilding – as speculative overbuilding and a particular type of spectacular monument that aspire to greatness in East Asian cities (Ong 2011b) – project nationalisms and globalisms through experiments in city-making. Not only are such proposals by Korean firms meant to raise Phnom Penh’s profile globally, Korean firms jockey amongst themselves to be the leading global referent in Phnom Penh; the innovator that brings the world to Phnom Penh and Phnom Penh to the world.

According to GS E&C’s CEO Kim Kab Ryul, the company not only seeks to lead the real estate market in Cambodia but to “open the gate to more South Korean companies” (in Heng and Lin 2008). Woo Mu Hion, the chief of business development, in a similar fashion has publicly insisted that in a city of small-scale walk-ups high-rises are the way to move towards Phnom Penh’s future. In selling the aspiration along with the model, Woow has said, “I am often asked if Cambodia is ready for a 52-story office building and I always answer yes. But for us it is business on one hand, and a contribution to the development of Cambodia on the other. If you want to see the potential of Cambodia, you can see it in this project. We are building the highest class office and residential facilities – really good facilities for foreigners who would like to invest in Cambodia, so I think that that this project will attract both foreigners and more Korean companies” (in Campbell 2008). In an entrepreneurial strategy mobilized most aggressively by Korean investors, Woo seeks to produce the effects he names. As strategies they are intended to anchor imaginaries of speculation in Phnom Penh’s property markets in a wider web of capital and ambitions.

Within a year or so after GS’s plans became public, the Korean construction firm POSCO unveiled its equally ambitious residential complex that it would build close to IFC. In selling its credentials, POSCO also designated itself as “the world’s leading construction company” (Figure 4). And like GS, POSCO sought to enter the realm of city building with a project equally spectacular. According to company documents, GS would finance the $1 billion project directly. Anticipated revenues were projected to be $180 million annually. But less than six months after IFC’s groundbreaking ceremony in June 2008, GS announced that it would scale
back the project (in Kurczy 2009). Originally, the project was going to be made up of eight high-rise towers (six residential high-rises, the IFC tower, and a serviced apartment building) in addition to an international school. By March 2009, the company announced that it would postpone construction until 2010. Construction, indeed, will not likely ever commence (Figure 5).


Scene Two
Speculative Ambitions and Transnational Crossings: CamKo City
As the largest foreign investment to date at the cost of $2 billion, CamKo City was slated to become Phnom Penh’s premier choice for habitation from the viewpoint of its developer, World City. A self-contained enclave, it was to be made up of various zones: for commerce – with a trade and convention center, office buildings, a shopping mall, hotels, the country’s first stock exchange; for public use – an international school, a technical college, a hospital, government offices; and for residence – clusters of villas, townhouses, and condominiums. Also known as Phnom Penh New Town, the project sold itself as the first of its kind in the country set to make “new history in Phnom Penh” (Figure 6).
Construction was suspended in 2010 only after a few years given that the developer ran out of funds. World City was in arrears with its main contractor, South Korean Hanil Engineering and Construction (O’Toole and Weinland 2011, Finch 2011a). The two were under arbitration proceedings in Seoul to break the deadlock. And in February 2011, South Korea’s Supreme Prosecutors’ Office published the results of its investigation indicting Busan Savings Bank for fraud alleged to involve nearly $9 billion (Hwang 2011). Busan Savings Bank had served as CamKo’s primary backer. Among the allegations against the bank were its questionable financing schemes and accounting irregularities in its overseas construction projects in Southeast Asia, specifically in Vietnam and Cambodia. A bank executive was thought to have either created shell companies to divert funds into CamKo’s construction or to have used funds to finance a broader array of speculative real estate dealings in Cambodia as well as Korea.

The investigation provided a countervailing narrative to the massive hype and the scale of ambition of the project. Specifically, as CamKo became embroiled in a broader banking scandal in Korea, the ensuing investigation revealed how the hype itself had been forged through transnational financing, paper companies, and phantom interest.
CamKo’s Plans and Ambitions
In December 2005, the Council of Ministers gave the go-ahead to World City, a joint Korean-Cambodian venture company, to build what it called “the first global city in Phnom Penh.” CamKo, a shortened compound of Cambodia and Korea, would be built on the city’s fringe in the district of Russei Keo on Boeung Pong Peay (Pong Peay Lake) on 119 hectares of reclaimed land (Figure 7).

Signaling the project’s importance, Prime Minister Hun Sen presided over the 2007 groundbreaking ceremony, which was chaired by Deputy Prime Minister Sok An (worldcitycambodia.com, accessed 2 February 2010). In a tag line repeated by other Korean developers vying for a stake in the city, World City called itself “a global leading developer that changes dreams into reality” (Figure 8). But unlike GS Engineering & Construction or POSCO, World City is not a global developer nor is it affiliated with a conglomerate. Around the same time CamKo was announced, a slew of other satellite cities were unveiled. Among them was Grand Phnom Penh International City, a joint venture between Indonesia’s Ciputra Group and Cambodia’s YLP Group, which also billed itself as a dream – “the dream city coming true” (Figure 9, 10).
CamKo’s ambitions, like the IFC project mentioned earlier, were designed to be transcendent. According to its initial plans, CamKo was to be part of the “Financial Development District” that would make Phnom Penh a financial center of Indochina “like Singapore and Hong Kong” according to a December 2009 memorandum (worldcitycambodia.com, 3 December 2009 News Release, accessed 2 February 2010). If GS’s IFC project was meant to make it the city’s financial center, so too would CamKo City. Adding to the assortment of references to other cities, CamKo would not only make Phnom Penh like Singapore and Hong Kong, the district would be like the Pudong New Area, Shanghai’s financial hub (in Nguon 2009b). This talk of financial centrality was based on the original development plan in which CamKo was to house Cambodia’s bourse.
at time being developed as part of another Korean-Cambodian joint venture. The stock exchange, a partnership between the Korea Stock Exchange (KRX) and the Ministry of Economy and Finance, would be the first of its kind in the country. With the delays in CamKo’s construction, however, the bourse was ultimately moved to a new locally built high-rise, Canadia Tower, in December 2010.

**Figure 9.** Grand Phnom Penh International City advertisement in the 3 September 2009 of *Phnom Penh Post*. It reads, “Grand Phnom Penh International City, a dream city coming true. Despite the downturn in [the] property market that causes [a] slow Downing [sic] of many real estate developers in Cambodia, Grand Phnom Penh is steadily progressing. Around 170 units of villas and shophouses currently under development for immediate handover to its first buyers. Grand Phnom Penh Golf, a 700,000 square meter golf course will welcome its first player in the first quarter of 2010. With its current portfolios and strong management team formed by the partnership of Y.L.P Group and Ciputra Group, world renowned real estate developments, Grand Phnom Penh International City remain[s] one of the top real estate investment in Cambodia. Call our sales representative to book your property now!”
Financing CamKo

Although CamKo was said to be financed with funds from South Korean Shinhan Bank (Minder 2008), the eight-month investigation by the Supreme Prosecutors’ Office revealed that the actual backer of CamKo was indeed Busan Savings Bank. Until its suspension, Busan Bank was the largest savings institution in Korea in terms of total assets (Hwang 2011). According to prosecutors, between 1998 and 2008 bank executives were thought to have channeled illegal loans into Cambodian real estate. To evade detection, beginning in 2005 or 2006, the bank set up multiple special purpose companies under false names using $459 million to develop highways, purchase islands, and to fund the construction of CamKo City (Im and Kim 2011, Kim and Lee 2011). Of the $365 million the bank is thought to have invested in CamKo City, $255 million is unaccounted for leading prosecutors to believe that the funds were diverted to slush accounts (Yim 2011).

Behind World City, the self-identified “global leading developer,” is a company called LMW or Landmark Worldwide. Though the details are murky, a man by the name of Lee Sang Ho is the CEO of both World City and LMW. LMW is rumored to have used Busan Bank’s funds to purchase large parcels of land in Sihanoukville along the coast of the Gulf of Thailand, in addition to land in Phnom Penh and Siem Reap, or the country’s three largest growth poles. LMW’s record has been called into question given its reported 1.7 billion won (roughly $1.3 million) in sales and 14.8 billion won (or $11.6 million) in losses in 2009. Despite this record, Lee was able to establish a branch of LMW in Cambodia in 2003 and later secure a project financing loan of 300 billion won from Busan Bank in 2005 (Yoo and O 2011).

Given that at least nine paper companies were set up to divert funding into CamKo City, the satellite city’s ownership is not entirely clear. LMW is said to have a 49% stake in World City
with the remaining 51% shares held by two overseas Koreans with Cambodian nationality. But because Busan Savings lent World City 300 billion won of its 430 billion won in operating costs, Busan arguably can be seen as CamKo City’s owner as well. As goes the rumor mill, the bank is thought to have had a contract with LMW guaranteeing 60% returns in development profits. The greater the guarantee of development profits, the greater the investment from the bank (Yoo and O 2011).

World City had earlier stated that many of the units were sold to Korean real estate funds to finance construction although units had yet to be built (Figure 11). With the Busan scandal implicating those at the very top of Korean politics, including a presidential aide, what is remarkable is how various forms of licit and illicit activity came together to create a transnational web of speculation. To note, prosecutors began their probe because of the concentration of construction funds in Southeast Asia (Paik 2011). The deliberate opacity of these dealings, transnational intrigue, phantom interest forged through the presence of shell companies and the demand for excessive rates of return, are part and parcel of the speculative boom in Phnom Penh (Figure 12).

![Figure 11](image1.png)

Figure 11. CamKo City advertisement for prospective Korean buyers. It reads, “Condominiums expected to be completed by July 2010. Lease offers begin now! Equipped with furniture and fixtures. Free Internet. Various room types” (my translation). Though the project phase was not yet complete when the advertisement was published, the developer wanted to secure deposits from pre-sales. Pre-sales are banned in Seoul having been identified as contributing to the speculative market there.
1.2 Opening
The contradictions are unavoidable. Once serene, Phnom Penh is undergoing an urban remaking most visible in its vertical push skyward. The silhouettes of cranes and the din of construction intimate not just another phase of rebuilding but a fundamental alteration of the city’s identity. Mid-century and colonial-era structures that survived the conflict have been swept away to make room for entirely novel urban forms such as the high-rise tower and the condominium complex. Underpinning the city’s transformation are speculations in property and speculations on Phnom Penh’s future (Figure 13).

The streets, noticeably quiet during my summer there in 2005, teemed with people, movement, and luxury vehicles only a few years later when I returned in 2008. In 2005 I would frequently cross a major intersection a few blocks away from my flat at the junction of Sihanouk and Norodom Boulevards (named after the country’s monarchs) with the Independence Monument at the center of its axis. I was able to traverse what was a four-lane road with ease running up against at most a handful of motorbikes, a lone tuk-tuk or two ambling about, and a random assortment of cars. The city at times felt empty and when dusk fell this emptiness was compounded by silence as residents returned to their homes, shuttered their windows, and bolted their doors. Returning home after a night out was an experience verging on the surreal with the streets deserted and, with the cost of electricity so high, poorly lit. By 2008, Phnom Penh felt and looked like a different place in ways that were both mundane and extraordinary. A stoplight had been installed at this very junction to deal with the surfeit of traffic of late-model SUVs and
throng of colorful motorbikes. At dusk, the park adjacent to the Independence Monument would overflow with young couples, peddlers selling corn and balloons, women exercising to deafening pop music, and teenagers playing badminton. It is possible that I wasn’t attentive to these scenes of street life in 2005 as I was in 2008. Nonetheless, the speed of change in those three years was both tangible and remarkable.²

Figure 13. The city’s emergent verticality. The $70 million Rose Condominium project, by the local firm Overseas Cambodian Investment Corporation, is in the background. Photo by Sylyvann Borei.

² This is not to say that the speed of change I describe here is exceptional or novel. Toby Alice Volkman captures Phnom Penh as a city-in-transformation beautifully. She writes, “Visiting Cambodia in 1988 and again in 1989, I was struck with the power of these, our well-formed images, but also with their inadequacy to describe contemporary realities. That Cambodia is a real country with real people engaged in complex struggles not simply to survive but to rebuild their society and culture is somehow too easily eclipsed in our popular understandings, which stress the ancient glories of Khmer civilization (Angkor and the dance), or the devastation of the Pol Pot period, or the seemingly intractable political vise (or vice) in which the country has long been squeezed…There is another Cambodia that cannot escape a visitor's notice. The streets of Phnom Penh, emptied and desolate in most of our minds (thanks in large part to the film The Killing Fields), today are alive with people, with thousands of children, with bikes and pedicabs and even cars, with photo shops and beauty shops and noodle shops, with men hawking balloons and streamers, with girls pedaling by in the latest fashions (furry orange or red hats were in style in 1989), with lovers wandering along the Mekong River banks” (1990: 3). What I am trying to counterpose is not perception versus reality of the city per se but rather two moments of time and their differences brought into sharp relief through distance.
Whatever the origins of this thickening of activity and a discernible surge in the number of residents, I had arrived in the midst of a property frenzy punctuated by weekly pronouncements about the next urban scheme, the next high-rise tower or the next suburban enclave proposed for the city, all “world-aspiring” projects (Roy and Ong 2011) promising luxury and mass dreams (see Figures 4 and 8 for example). Subject of much intrigue and cloaked in mystery, many of these pronouncements were marshaled by Koreans seeking to remake the city. Their entry into Phnom Penh’s market inflated urban land values, ushered in new imaginaries and possibilities of profit, and resurrected property as an object of speculation much like during the frenetic growth of the early 1990s. Together these contingencies produced one of the biggest real estate booms in Asia. Property valued at $500 a square meter in 2004 was running upwards of $5,000 in 2008. Reports (or rumors) of 100 to 200% rates of return on property were ubiquitous. Like other cities in the world, urban life in Phnom Penh is fragmented with pockets of privilege in coexistence with sheer poverty. While the country is still poor with per capita income averaging $649 in 2007 (cited in IMF 2009), the city has one of the most expensive residential property markets in Southeast Asia (Figure 14). In a context of great economic growth, highest in Asia second only to China (Figure 15), and one of the few remaining frontiers in the region, the city has been integrated in circuits of a booming Asia.

<table>
<thead>
<tr>
<th>World Rank</th>
<th>City</th>
<th>Price (per sq. m.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Tokyo</td>
<td>$17,998</td>
</tr>
<tr>
<td>5</td>
<td>Hong Kong</td>
<td>$16,125</td>
</tr>
<tr>
<td>8</td>
<td>Singapore</td>
<td>$9,701</td>
</tr>
<tr>
<td>10</td>
<td>Mumbai</td>
<td>$9,163</td>
</tr>
<tr>
<td>32</td>
<td>Taipei</td>
<td>$4,424</td>
</tr>
<tr>
<td>60</td>
<td>Shanghai</td>
<td>$2,697</td>
</tr>
<tr>
<td>61</td>
<td>Phnom Penh</td>
<td>$2,503</td>
</tr>
<tr>
<td>62</td>
<td>Bangkok</td>
<td>$2,492</td>
</tr>
<tr>
<td>67</td>
<td>Ho Chi Minh City</td>
<td>$2,070</td>
</tr>
<tr>
<td>68</td>
<td>Metro Manila</td>
<td>$1,939</td>
</tr>
<tr>
<td>78</td>
<td>Kuala Lumpur</td>
<td>$1,366</td>
</tr>
<tr>
<td>79</td>
<td>Jakarta</td>
<td>$1,354</td>
</tr>
</tbody>
</table>

Figure 14. Data from www.globalpropertyguide.com/most-expensive-cities, accessed 3 March 2010.
The primacy of space in the economy is striking. Anywhere from half to three-fourths of the country’s wealth is derived from real estate. And foreign investment makes up nearly 75% of capital financing for construction (in UN-Cambodia 2009: 30). Of foreign investment, capital from Asia makes up nearly 90% with $11 billion pledged in 2008 (CDC figures cited in Kay 2009a). Whereas the incredible uncertainties of the post-socialist economies of Eastern Europe were seen to lead to low levels of investment and to disincentivize risk taking (in Stark 1999: 1019), the opposite has transpired here. With the future constantly folded into the present, expectations of the city’s growth have virtually sustained spikes in prices. This inter-Asian capitalization of the economy, a feature shared across Asian economies (Hsing 1998, Yoshihara 1988), has much older roots starting with the first waves of investment from Thailand and Singapore subsequent to the overthrow of the Khmer Rouge in 1979 followed by capital from Malaysia, China, Indonesia, and South Korea.

In addition to the two projects described earlier – World City’s CamKo City and GS’s IFC – other projects proposed by Korean developers include the $400 million Pharos Mekong Towers by BK Asia; Yon Woo’s Gold Tower 42, a $240 million skyscraper; POSCO’s $320 million residential condominium complex, The Star River; and the $60 million Phnom Penh Tower by Hyundai’s Amco. The Phnom Penh Tower stands complete while construction for Gold Tower 42 and CamKo were suspended mid-way in 2010. Pharos Mekong and The Star River, much like the IFC, will probably never be built. More important than these projects in themselves is how these projects comprise markets of speculation that get constructed translocally and transregionally between foreign investors and Cambodian intermediaries. Intermediaries such as Pheapimex and Phanimex (whose activities in land reclamation, acquisitions, and property swaps have garnered much controversy in the English language press) play key roles as brokers of power and access. Of the Korean developers present in the property sector, some are well-known, like the construction arms of Korea’s largest conglomerates such as the GS Group, POSCO, and the Hyundai Group. Others are special purpose companies, like World City and Yon Woo, whose origins are obscure.
The tag lines for each of these projects conjure futures for Phnom Penh as envisioned by Koreans. Phnom Penh Tower calls itself “A New Paradigm for Investment for Cambodia! The Intelligent Office for Global Business!” The backers of CamKo City originally portrayed the satellite city not only as a new spatial paradigm (the “1st Global City in Phnom Penh”) but a temporal one as well (“A New History is Coming!”). However overstated these slogans may seem, Korean expertise in the fields of construction and infrastructure are well established, indeed honed in foreign markets with Southeast Asia one of its first laboratories (Woo 1991). In addition to this expertise, Korea is positioned to reveal one possible future of urbanism for Cambodia. Although the configurations of history, geopolitics, and power relations are undoubtedly context specific, Cambodia’s post-conflict status is its selling point. In the words of one fund manager in Phnom Penh, Cambodia has “no legacy” (Interview, 11 June 2009) granting investors and developers ultimate flexibility in parlaying their visions for the city. As the Korean War wiped clean Korea’s economy and geography for development (Cumings 1997) as did World War II for Japan (Johnson 1982), the possibilities of urban experimentation on the ruins of Cambodia’s conflict, with its attendant risks and rewards, provide the grist for what is the Asian capitalization of the city and “the making and unmaking of claims about the global” (Tsing 2000: 334). If Korean developers had completed all of the projects proposed, Phnom Penh, once deemed the “Paris of the East,” would soon come “to resemble a mini version of high-rise Seoul” (Cain 2008).

In light of Phnom Penh’s anticipated change from an ordered post-colonial city to another disorderly Asian metropolis, laments are equally prolific. In such accounts the city’s loss of aesthetic coherence and its future are pitched as bleak for a city that in the 1960s was “the prettiest capital in Southeast Asia” (Chandler 1993: 200). For example, the National Geographic Travel Magazine ranked Phnom Penh the second worst city in its 2008 “Places Rated” destination survey. The survey’s panelists determined that Phnom Penh was being “lost to uncontrolled urban growth and the outright greed of speculation.” Years earlier Michel Igout, in his beautiful albeit condensed history of the city, Phnom Penh: Then and Now (1993), asserted that “the geography of the city has been subjected to foreign financial forces, the city has become open to and dependent upon foreigners and its urbanisation has been spontaneously transformed” (1993: 20). Unable to reconcile the city’s break from its colonial origins and its experimentations in high modernism, he sees the growth of speculative investment as a scourge of urban planning. “The uncertainty of the future serves as pretext for wild speculation [in Phnom Penh]. This speculation is of no benefit to Cambodia” (Igout 1993: 21). Nostalgic for the city’s colonial past, such assessments are ahistorical and misrecognize systems of speculation as the lack of control.

An economy characterized as high risk by global indexes has also yielded high returns. Identified as the next “Asian” city, investors from within the region view Phnom Penh as if through an inverted telescope – what Anderson (1998) calls the “spectre of comparisons” – with Phnom Penh imagined as the next Ho Chi Minh City or the next Seoul. Despite the global economic downturn, urban space continues to be an identifiable target of profit and image-making for Asian property developers who seek a claim in the city’s remaking. This relationship between speculation, space, and growth is crucial as dormant capital that reappeared in the 1980s and

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3 A similar lament over the loss of French planning norms in the face of rampant urbanization can be found in Logan (2000) in his analysis of Hanoi.
1990s was reinvested in property buoyed by emergent inflows of Asian investment that, in turn, boosted growth. And recent evidence shows that growth continues apace for both the economy and for the city’s property markets.

According to comparative data on residential property prices, the city commands a higher price per square meter in rent than in the neighboring cities of Bangkok, Jakarta, Kuala Lumpur, and Ho Chi Minh City (Figure 16). While rent represents the clearing point between supply and demand, rent also reflects anticipated future values. With present values of the city’s real estate so high, the future is seen to be ascendant. That is, it is not only the real estate market that is the object of speculative calculation by domestic and regional investors but the city’s future. Of course, the future – as a horizon of anticipation – should not be confused with the assumption that progress is coherent or predetermined. With a number of temporalities of speculation at play, the future provides a time horizon on which bets on the city’s growth are placed. And many of these bets take shape in the form of projects set to reshape the city through high-rise towers and peri-urban enclaves (Figure 17).

**Figure 16.** Urban real estate prices, comparatively. Data source: Global Property Guide.
1.3 The Logic of Speculation

As an idiom, speculation has figured prominently in the writings on contemporary Phnom Penh (e.g., Blancot 1994, Meng 2004, Vann 2003, Beng 2000, CDRI 2007, Ea 2002b). Vann Molyvann, the master architect for the city in the 1950s and 1960s, enumerated what he saw as barriers to post-conflict urban planning: the decay of infrastructure, the “lack of precision of the land-registration system,” and “an intense speculative environment” in land (Bophana Audiovisual Center 2009). Earlier in a 2005 *New York Times* interview (Steinglass 2005), Vann declared that the crisis of Phnom Penh was a crisis of real estate, or a guerre fonciere (literally, a real estate war). The city he built followed Le Corbusier’s precepts of la ville radieuse (Ly and Muan 2001) that ordered the city according to modernist reason. In these accounts, speculation plans the post-conflict city, with Phnom Penh built according to bald economic reasoning and manipulations of the market.

These framings of Phnom Penh as a city of speculation, materializing on the ruins of earlier urban experiments, in part underlie what I term “speculative urbanism.” But my approach differs in two ways. One, I do not see speculation in the city as a reflection of failure. Rather, I look at speculation as a productive force in the city’s remaking. In other words, speculation is an enabling platform organizing space and the city. Two, I look at speculation’s construction – through the bricolage of Cambodian law, the cultivation of interpersonal networks, and the lateral connections that link Phnom Penh to other Asian cities. A 1968 United Nations report

![Figure 17. Value of approved building projects. Source: Soeun Say, “Hope alive despite poor construction data” in *Phnom Penh Post*, 26 January 2011. Data from MLMUPC.](image-url)
made a striking observation: that speculation in land translated into higher real estate prices in the largest Asian metropolises than in developed cities (cited in Evers and Korff 2000: 173). Along similar lines, many scholars have observed how speculation undergirds if not drives urbanization across a number of Asian cities from Bangkok (Evers and Korff 2000, Anderson 1998, Wilson 2003), Singapore (Goh 2005), and Hong Kong (Mitchell 1995) to Mumbai (Rao 2009, Appadurai 2000) and Seoul (J.S. Lee 1990, 1997, Sohn and Yim n.d., Xiao and Park 2009). Thus I treat speculation not merely as a generalized logic of capitalism but a “form-in-circulation” (Nuttall and Mbembe 2005) where the circulation of values, models, and relations within and beyond the city produce space. Goldman (2011a, 2011b) also uses the term “speculative urbanism,” which he situates at the nexus of high finance, Bangalore’s growth engine of information technology, and India’s touted world cities initiative. Though conceptually I share Goldman’s take that speculation emerges through innovative governance and the “imperative” to speculate, in Goldman speculative urbanism is an updated articulation of the world cities phenomenon elaborated by Castells (2000), Sassen (1991), and others. That is, speculative urbanism is based on the logic of late capital, or high finance (e.g., the hedge funds of Morgan Stanley, Citigroup, and Goldman Sachs identifying India as a frontier of accumulation) and the territorialization of that capital. Accordingly, speculative urbanism here is seen to be coextensive with the “urbanization of capital” (Harvey 1985).

In contrast, the speculative urbanism shaping Phnom Penh is more mundane, less comprehensive, and generally quite fragmented. There is no industrial urban growth engine to speak of with the exception of the garment sector. As much as inter-Asian property capitalism has been the linchpin of wealth in the region (Haila 2000), much of the financing in Phnom Penh’s market is driven through inter-Asian circuits of capital. As the cases of IFC and CamKo City represent, speculation is urbanized through transnational linkages as well as imaginaries of the future that feature centrally to the capitalization of urbanism. In order to conform to laws on land ownership, Korean investors purchase Cambodian citizenship before purchasing land thereby hedging risk (for example, the risk of expropriation). Other actions, such as siphoning off bank funds or creating shell companies, as the underside of CamKo City exposes, are intentionally risk generating. There is some evidence that Korea’s largest pension funds, looking for higher rates of return, have financed a number of projects as have a number of Korean banks. But the sources of much of this capital are opaque, an admixture of corruption money parked in real estate and the personal wealth from overseas Cambodians returning to the city. There is little in the way of state discourses on the city’s future or government initiatives to remake Phnom Penh as a world city. The absence of such visions have opened up the city to interpretation, granting investors incredible latitude in marking the city. This latitude is also the source of fragility, as developers pitch visions for the city that, in many instances, never materialize.

In understanding the various temporalities and spatialities that drive Phnom Penh’s remaking, this dissertation examines the emergence of Phnom Penh as a city of speculation. It focuses, in

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4 According to Nuttall and Mbembe (2005: 200), “[C]apital is not simply a specific social relation of production. It is also a form-in-circulation.”

5 One exception is the Municipality’s City Development Strategy (MPP 2005), launched in 2002 at the behest of the NGO community to address the issue of governance and the needs of the urban poor (see Somsak et al. 2009, URC 2002). In the words of the city’s governor Kep Chuktema, the strategy is part of the city’s attempt to reestablish itself as the “Pearl of Asia” (MPP 2005: 2).
particular, on the formation of speculative markets in real estate and the politics of urban renewal financed over the last two decades in large part by Asian developers. Positioned as the next “Asian” city in a region of booming metropolises, the city’s promise lies in its economic and spatial future. Speculation organizes all economies functioning as the crux between risk and reward, present and future, potential and realization. But in a city without a master plan or without the formal valuation of property, speculation in Phnom Penh functions much more than an organizing force of rapid accumulation. It is a territorial logic in a frontier of profitability. It is a platform in the production of space with property – its commodification and exchange – central to creating value. It is a form of governance structured as networks of relations between Asian investors, state officials, and Cambodian power brokers who negotiate opportunities and access to the economy. It is predicated on the inherent negotiability of the law. It is the politics of anticipation in which claims to the future must be staked in the present. In a context where the city’s real estate is among the most expensive in Southeast Asia, this dissertation is designed to help illuminate the productive life of speculation not only as the urbanization of capital but as an inter-Asian capitalization of growth.

I locate this dissertation, a study on the productive life of speculation\(^6\) in a set of debates in the field of urban studies. While its poverty has put Cambodia on the map, it is the city’s highly differentiated terrain and history, and its significance as an understudied site that make this a case that can unsettle and contribute to theories and policies on cities in post-conflict economies. Phnom Penh’s present aim to reestablish itself as the “Pearl of Asia” is not entirely novel given the Asian region’s economic dynamism. However, contemporary urbanization cannot be adequately explored through the idiom of globalization; one that assumes that capital is a globally transversal regime that has found Cambodia. In such a narration, cities are functions rather than sites where economic integration is assumed to occur through flows of connectivity that create continuity not only of form but of discourse. The speculation at play in Phnom Penh, more importantly, is conditioned by the temporalities of earlier moments: the city’s evacuation in the 1970s, the reforms of the 1980s, and the boom of the 1990s. Accordingly, due attention is paid to how the city is dismantled and assembled through struggles over urban visions, and the processes of negotiation that undergird urban revitalization.

1.4 The Urbanization of Capital

Drawing upon and extending the ideas of Marx, a number of theorists have identified the city as the primary realm of contemporary capitalism. Although diverse in orientation, I focus on a few key frameworks within urban Marxism as it relates to urban development, or the spatial logic of capitalism.

Within the field of urban studies, Henri Lefebvre’s writings have been seminal to the analytics of the city. For one, he foregrounds the “production of space” – or, the creation of surplus value through the commodification and exchange of space – as the primary circuit of the economy. In

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\(^6\) Zaloom (2004) examines “the productive life of risk” among traders who, as financial speculators, work for the Chicago Board of Trade’s futures market. These traders operate in a circumscribed post-industrial shopfloor – the trading pit – and their engagement with risk is normalized through the regulation, routinization, and bureaucracy. The productive life of speculation relies on space of a different order – that of the city which requires constant circumscription and negotiation.
his conceptualization, the economy is comprised of two circuits: the primary circuit of industrialism and the secondary circuit of space. With the emergence of the city as the central site of capitalism, Lefebvre sees the logic of space as autonomous from the logic of industrial production. “The problematic of space...has displaced the problematic of industrialization” (Lefebvre 1991: 89). Extending Marx’s concept that capital is not a physical product but a social relation, Lefebvre posits that space is a social relation subject to conflict and contestation (Lefebvre 1979: 290).

Accordingly class conflict is deployed in space both as a conflict of space and as a struggle between economic interests (Gottdiener 1997: 126). Conflict arises from the central contradiction of capitalist space: its pulverization by the social relations of private property, by the “demand for interchangeable fragments, and the scientific and technical capacity to treat space on ever more vast levels” (Lefebvre 1979: 289). Lefebvre argues this on a number of grounds. Capitalism has established “its imprint upon the total occupation of all pre-existing space and upon the production of new space” (1991: 326). As the dominant circuit, urban property is an object for developers and speculators to create surplus value, with the built environment a means of production as well as the basis of consumption. Capital actively shapes space not just to achieve ideological results or to sustain appropriate conditions for production in other spheres, but because there is “the market in spaces themselves” (1991: 86).

In developing a theory of urbanization under capitalism, Harvey also foregrounds space in debates that, he claims, have prioritized time and history. In The Urbanization of Capital (1985), Harvey lays out a framework for urbanization based on the logic of accumulation and the logic of capitalist regulation drawing upon Marx and Lefebvre. The secondary circuit of capital (infrastructure, buildings, transport) is a key site of investment during times of overaccumulation (an excess of capital in relation to the opportunities to use that capital effectively). The crisis of accumulation is resolved either through a “spatial fix” or, alternatively, through the devaluation of capital. But the spatial fix, displacing the crisis of capitalism through investment in the built environment, creates its own uncertainties (given capitalism’s “inner dialectic”) as fixed capital is clunky and presents barriers to future development. Capitalism, accordingly, must strike a balance between preserving the value of the existing built environment or destroying it in order to open up new spaces for expansion – “overcoming space for the production of space.” Even though real capital assets are “notoriously hard to value” (Quigley 2001: 131, Brown and Liu 2001: 1), the value of land reflects expected future returns. Marx’s conceptualization of land is useful here. Land is a pure financial asset, a form of “fictitious capital” or a “property right over some future revenue” (in Harvey 1985: 95) open to all investors. Thus time (the future or the expectation of returns) is folded into space (the value of parcels of land or buildings) according to a circular logic – the present value of land. What Harvey (1985) calls circulation is the ever-increasing need to decrease turnover time and increase the rate of surplus value.

The primacy afforded to capitalism produces the city through its effects. In order to move away from a monolithic interpretation of capitalism, Harvey (2005) argues that capitalism is neither inevitable nor transhistorical but, rather, event-driven. The event, nonetheless, itself emerges from the crises of accumulation. Brenner and Theodore (2002) also emphasize that the urbanization of neoliberalism is path-dependent and culturally embedded. What is certain here is the overarching logic of capital in producing the conditions for its own expansion through built
form. Smith (1984) thus asserts that capitalism has “always invested in the built environment to produce surplus value and the basis of capitalism itself.” Updated to reflect this historical moment of neoliberalism, the urbanization of capital becomes the “urbanization of neoliberalism” in Brenner and Theodore (2002). Accordingly “capital’s relentless quest to open up fresh spaces for accumulation is inherently speculative, in that the establishment of a new ‘spatial fix’ is never guaranteed; it can occur only through ‘chance discoveries’ and provisional compromises in the wake of intense sociopolitical struggles” (Brenner and Theodore 2002: 355). Whatever the contingencies, contradictions, and specificities at stake which shape capital’s urbanization, capital is overtly deterministic. The globalizing logic of capital becomes the capitalist logic of space.

1.5 Southeast Asian Urbanism
Reflecting an older paradigm of urban thought, McGee’s canonical work on the morphology of the Southeast Asian city has shaped the field of Southeast Asian urbanism, specifically his monograph, The Southeast Asian City: A Social Geography of the Primate Cities of Southeast Asia (1967). Contrary to a Lefebvrian take that the logic of the production of space is autonomous from the logic of industrialism, McGee argues that the lack of industrialization in Southeast Asian cities undergirds what he sees as the “pseudo-urbanization” found throughout Third World cities. Based on a developmentalist approach rooted in the Chicago school of urban sociology according to Goh and Yeoh (2003), McGee’s method is ascriptive using the western city to vet urbanization in Southeast Asia. Alarmed by, one, urbanization decoupled from industrialization and, two, urbanization without social transformation, McGee observes “that the results [of urbanization] may well be disastrous for the political and social stability of the majority of the Third World Countries” (McGee 1967: 20).

Inverting McGee’s argument, Dick and Rimmer (1998) underscore the convergence of urban forms to argue that the Southeast Asian city is indeed like its First World counterpart. Whereas McGee points to features of the Southeast Asian city that make it unlike the First World city, Dick and Rimmer (1998) single out forms such as the high-rise tower, the gated enclave, and the shopping mall, “borrowed” from the US, to identify the convergence of western norms. Cybriwsky (2009) sees this convergence – with Phnom Penh “on the verge of succumbing to the same pressures of rampant urban development that have turned so many other cities in Southeast and East Asia into copycat worlds of high-rises, shopping malls, and global chains” – as particularly troubling given the city’s vulnerability; itself a consequence of its history and poverty. Much like the assumption that modernity emerges from the west, so it is for urbanism (Roy 2011). Urbanization thus is normative as well as linear, with the city a container for a set of forces external to it, and the globalization of urban norms indistinguishable from the process called westernization.

1.6 Inter-Asian Urbanism
Studies on the cosmopolitan formations of Asian cities have helped redraw the map of the metropolis outside of the grip of EuroAmerican thinking. These examinations of the transnational relations of urbanism situate circuits of global capital and cultural circulations

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7 Mike Davis sounds off a near-identical alarm forty years later in his Planet of Slums (2006).
through entrepreneur networks. Olds (2001) and Mitchell (1995, 2004) examine Vancouver’s urban accumulation through the city’s connections to property markets and developers in Hong Kong. In *Globalization and Urban Change: Capital, Culture, and Pacific Rim Mega-Projects* (2001), Kris Olds provides an analysis of how transnational connections and relations of expertise shape contemporary city life and produce new urban spaces through such megaprojects as Li Ka-shing’s $3 billion Pacific Place complex. Katharyne Mitchell, in “Flexible Circulation in the Pacific Rim” (1995) and *Crossing the Neoliberal Line: Pacific Rim Migration and the Metropolis* (2004), looks at how flexible circulations of high finance capital become embedded through social ties, such as ethnic-based networks and extended kin relations, of Hong Kong Chinese entrepreneurs as they play out in Canada. These writings transpose the relations of core and periphery with the core (Hong Kong) integrating the periphery (Vancouver) into its circuits of transnational property capital. However invaluable, this work remains focused on a First World city to discuss the transnational urbanism of the Pacific Rim.

Though not urban-focused per se, many have written on Asian interpersonal networks in establishing business investments overseas (e.g., Hsing 1998, Ong 1999, Smart 1993, Yang 1988). Specifically such work accounts for how transnational relations of capitalism are socially embedded. The cultivation of ties and the exchange of opportunities are part of the facilitation and the operation of the market (Wark 1999, Smart 1993). Thus, linkages cultivated between Taiwanese investors and Chinese bureaucrats based on trust, reciprocity, and cultural affinities become the basis of new markets in China (Hsing 1998). Rather than emphasizing the primacy of capitalism and the logic of profit maximization, such work points to the importance of interpersonal networks as a strategy used by many Asian investors to facilitate enterprises in other countries. These social ties thus provide a kind of infrastructure to build markets (Smart 1993). Others see such ties and enterprise arrangements as creating incentives to collude in high property appraisals and speculate on inflated prices (Quigley 2001).

Urbanism taking place in the Pacific Rim moreover demonstrates transnationality induced not only by the global capital circulating in the Asian region but through the conditions of cultural connectedness and mobilities across space, including new articulations of the nation-state under late capitalism (Ong 1999). Tsing (2000: 346-347) asks how the study of “global interconnections” transcend the limitations of site-oriented research as a way to study “the landscape of circulation as well as the flow” to see how “people, culture, and things [are] remade as they travel.” Appadurai (2002: 23), along similar lines, calls for a “move from the ethnography of locations to one of circulations” to see the contradictions and collisions of ideas, capital, and networks as emergent. Such an analytic shifts focus away from the common distinction of the local as the making of place and thus particular and diverse, and the global as transcendence of place and thus singular. Recently Roy and Ong (2011) have outlined an innovative agenda for metropolitan studies, in which Asian experiments in city-making are seen as open-ended problematics. Taking seriously how cities “world” themselves, their work explores the circulatory capacity of Asian models of urbanism and “the constitution of a set of distinctive visions of the global that exist without essential reference to the West, which is made sometimes conspicuously absent in practices of inter-Asian self-reference that spell the effective and often emphatic formation of an ex-Western urban referential space” (Ong 2011a: 5).
The prominence of Asian investment within Asia, though not inevitable, relies on shared histories in which inter-regional capital circuits were used by Japan as it leveraged regional hegemony after the war. As a model it has proved fruitful in the strategies of flexible accumulation for the newly industrializing countries (NICs) of Asia beginning in the 1980s and later rounds of investment. There is no singular Asian model of development, with South Korea and Japan reliant on state-led industrialization and Singapore dependent on foreign investment and multinational corporations. What are indeed called models are quite diverse configurations of state authority and capitalism and the economy. Nonetheless the Asian tigers emerged through “the marriage of market logic and authoritarian rule” (Ong 2004: 73).

1.7 Speculation as Infrastructure
Speculation in Phnom Penh emerges amidst a functional fragmentation of planning, initially mobilized as a way to negotiate access to state resources and forge modes of survival. This dynamic is captured by Simone (2004) in his concept of “people as infrastructure” or what he has defined as those social relations that allow for movements of knowledge, spatial organization, and economic innovation. Simone (2008) has indeed applied his concept of people as infrastructure to discuss the daily tactics of Phnom Penh’s poor who must constantly construct social relations to mediate the risks associated with constraint and to create resources in their absence. People as infrastructure equally applies to city residents who rely on social relations to mediate risk but as the basis for negotiating the necessary conditions for wealth. This notion of infrastructure complicates the neo-classical view, in which the only infrastructure needed for the operation of the market are private property rights, an appropriate legal framework, and fundamental liberties. But the market cannot provide the conditions for its own existence. Smart (1997: 175) thus argues that inter-personal relations and rent-seeking activities can indeed contribute to economic efficiency and be “part of the social and cultural infrastructure that underpins and makes possible market exchanges.” Examining the trajectories through which relations are shaped and objects are exchanged offer “glimpses of the ways in which desire and demand, reciprocal sacrifice and power interact to create economic value in specific social situations” (Appadurai 1986: 5). Drawing upon Simmel’s (1978) notion that exchange creates value (rather than the inverse), Appadurai argues that “exchange is not a by-product of the mutual valuation of objects, but its source” (1986: 4). Although the relationship between exchange and value, at least presented here, is somewhat circular (see Ferguson 1988), what is important is that speculation is a form that can be reassembled, forged at the intersection of knowledge, and modified to local circumstances.

What ties cities together are also familiar arrangements of patronage and privilege that are key pathways into the economy; mechanisms of management and economic distribution that are transversal (with arrangements and business relations that are familiar in Seoul as they is in Phnom Penh) but localized. These arrangements organize real estate – with real estate a familiar and profitable regime of value.

Economics has long recognized the importance of engagement with uncertainty (the act of risk taking) for making profits, both for individuals and for dynamism of capitalism (e.g., Schumpeter 1942, Zaloom 2004). Uncertainty and risk have encouraged Asian investors who express a preference for working in Cambodia which is nominally liberal, where full repatriation
of profits are possible, currency restrictions across borders declared but untaxed, and where laws are up for negotiation. That is, there is greater flexibility in creating the necessary conditions for the market’s advance with interpersonal relations used to ground economic exchange.

1.8 Roadmap

To properly locate the genealogy of present-day speculation, my dissertation is divided into two. First, I ask how Phnom Penh, subject to a history of violent erasures, reemerges to thrive in this period of late capitalism. I trace the various historical and geographical tipping points, transitions, and structures constitutive of the city’s production of space. Together the platforms of risk and opportunity have become among the most generative forces in Phnom Penh’s urban economic life. Speculation illuminates, in part, how real estate has come to represent so much wealth in the absence of industrialism. Two, in taking into view the sedimentoed layers of history alongside Phnom Penh’s geography, I account for and analyze the logics that operate in the city and its property markets.

Chapter Two situates the city in its long and oftentimes troubled experimentations with cosmopolitanism and modernity. It maps various interventions in the city, and the norms and forms of the urban condition that have been part of a deliberate construction of an urban identity where globalism and nationalism are seen to collide. Specifically, this chapter highlights various regimes of planning, their visions of urbanity, and the politics of remaking – as a constellation of anxieties and ambitions – at the heart of each.

In Chapter Three, I turn to the law to consider how the overregulation of law has created multiple legitimacies and rationalities over property. By overregulation, I refer to the myriad of laws, codes, edicts, and decrees issued by the state to deal with the question of property. Overregulation is built upon exceptionalities; exceptionalities that aren’t external to the law but constitutive of it.

In Chapter Four, I examine how this overregulation has provided the means for great flexibility in appropriating and commodifying property, making it profitable. I argue that this overregulation has embedded speculation in the structure of the economy as well in the structure of relations of space.

Chapter Five returns to an emergent urban regime of foreign investors seeking to underwrite a major redrawing of the city skyline. The most prominent of these investors are from Asian tiger economies who use their firsthand experience and expertise to influence urban development of the Asian “frontier.” In this chapter, I pay particular attention to the architecture of relations between Korea and Cambodia by looking at Korean developers in the city who invoke memories of Seoul and the profitability of Ho Chi Minh City in their ambitions in Phnom Penh. If, as I argue, speculation is about the calculation of risk and reward, my examination of Korean investors suggests that these calculations are subject to crumble under their own weight.
CHAPTER 2
From the Politics of Ruin to the Possibilities of Return

2.1 Decay and Rebirth
This chapter describes the various imaginaries and practices that underlie the contemporary building boom in Phnom Penh. One such imaginary is of a city of absence. In part, this relates to the discourse of the city in ruin, the result of material-historical processes that destroyed Phnom Penh’s urban fabric and society in the 1970s. Idioms of ruin and absence have been markedly resilient in Phnom Penh. Indeed, they were widely appropriated during the colonial and post-colonial eras to justify experiments in city-making and urban planning interventions. Accordingly I relate these older representations of absence to contemporary invocations of the city as a tabula rasa – but an explicitly “Asian” one. Such representations, which organize perceptions of the city and govern the logics of its space, are key to current planning experiments seeking to remake it as the city of the future. With Phnom Penh an emerging space of circulation and a field of intervention (Ong 2011a citing Foucault 2007), these experiments include a shift to building vertically, with high-rise towers, in a town once acclaimed for its French provincial charm.

Cambodia’s capital city, Phnom Penh, is located on a floodplain at the confluence of three rivers: the Tonle Mekong, the Tonle Sap, and the Tonle Bassac (tonle means river in Khmer) (Figure 18). This joining of waters created a city of four faces, or les quatre bas – what in Khmer is known as Krong Chaktomuk (Igout 1993, Madrolle 1925). Thus situated, trade has been central to the city’s origins (Chandler 1993: 79, Willmott 1966: 23). It has also ensured its commercial and economic future. However, future-talk in Phnom Penh today is less focused on the economy of trade than the economy of space, in anticipation of a building boom that will vastly alter its landscape. With bets placed on its distinctly “Asian” future, investors from South Korea, Malaysia, Singapore, Indonesia, and China have poured into the city since the 1990s.

In a context where the most recent influx of capital has been specifically urban, these investors envision Phnom Penh as the Ho Chi Minh City of fifteen years ago, the Bangkok of twenty-five years ago, and the Seoul of forty years ago. Foreign investors today occupy key sectors of Cambodia’s economy, backing the most ambitious and aggressive projects in development, banking, insurance, commodity manufacturing, and natural-resource extraction. Key to these activities is real estate speculation in the capital. Phnom Penh has no master plan (Chhay and Huybrechts 2000). And it has no formal valuation of property. Yet, development proceeds apace, based on aspirations for the city of the future. As a post-conflict site and a frontier of capitalism, Phnom Penh today boasts one of the most expensive property markets in Southeast Asia. In this chapter, I seek to illuminate these forces by providing a brief genealogy of the city’s urbanism, which has had a long and troubled association with modernism.
Figure 18. Aerial view of Phnom Penh in the 1960s. The Cambodiana Hotel is in the foreground. Wat Ounalom and the Royal Palace are visible as well. Photo source: Vann Molyvann in Ross and Collins (2006): 56.

2.2 Experimentations in Colonial Urbanism

Phnom Penh was a key site of experimentation in the “norms and forms” of the modern condition (Rabinow 1989). The French colonial city was a privileged experimental terrain and a laboratory of modernity (Wright 1991). The metropolis continues to be a “milieu of experimentation” in global urban modernity (Ong 2011a). The historicization I present is both partial and selective. For example, I do not focus on specifically Khmer concepts of power and space, which emphasize the core-periphery nature of authority, difference, and hierarchy (see Chapter 1 in Edwards 2007, Chandler 1993, Winichakul 1994). My purpose is to illustrate the role of Phnom Penh as a locus of experimentation and to describe the perceptions that have been used to justify interventions in its landscape. These perceptions continue to hold critical implications for how the city is being remade.

Phnom Penh is the “great metropolis” or the “primate city” of Cambodia (Willmott 1966, Ginsburg 1955, McGee 1967). Primacy is a feature found throughout Southeast Asia, where urban and political life is heavily concentrated in the capital city of each country (Evers and Korff 2000). Contemporary Phnom Penh is also principally Haussmannesque in orientation, which is most obvious in terms of the major boulevards that intersect its geometric grid (Figure
Gwendolyn Wright notes that the French organized Saigon in such a rational manner specifically to encourage real estate speculation: “In an effort to encourage real estate speculation, an engineer's gridiron dominated the plan of the proposed new city, embellished with a few wide streets to evoke Haussmann's grand boulevards. The government then erected a number of French cultural emblems — cafés, a racetrack, a lavish opera house, a post office, as well as two successive palaces for the new government — before installing a sanitary system” (Wright 1991: 78). The city's layout is a legacy of the high modernism of colonial and post-independence urbanism (Scott 1998, Harvey 1990, Ross and Collins 2006). This movement, and its related technology of urban planning, was rooted in an ideology and practice of rational order, which was explicitly visual and aligned with modernism's faith in progress and efficiency. Additionally urban modernism was meant to align with nation building and state power. Yet, in Phnom Penh, the high modernism of the nineteenth and twentieth centuries was primarily aesthetic, rather than structural or social.¹

Figure 19. Phnom Penh in 1958 (left) and 1968 (right). Expansion of the city during the postcolonial period extended the spatial order outlined by Ernest Hébrard in 1925. The “urban” areas of the city are marked in black. The pace of urbanization over a ten-year period is notable. Boeung Kak is the area surrounded by development at the top center. The Front de Bassac waterfront is at the middle right.

Historically, Phnom Penh’s colonial urban form was forged through two major efforts in planning. The first came in the 1890s under Daniel Fabré. The second was carried out under

¹ Scott (1998) argues that high modernism is not only aesthetic but political.
Ernest Hébrard in the 1920s. During both periods, French administrators sought to legislate new patterns of space in response to what they perceived to be the disorder of the capital and its social structure (Müller 2006: 63-64). In part, this perception involved the city’s ethnic heterogeneity. Ethnic districts, first created in the 1880s, were codified in the 1920s (Igout 1993: 6). French colonial urban regimes were also tax regimes. In the 1890s, such a regime allowed the French to gain access to the city’s rentier and commercial wealth. Taxes on rice funded the beautification of the city in the 1920s.2

When the French initially arrived in Phnom Penh in 1860, they did not see it as worthy of being a capital (Igout 1993: 6). Moreover, they saw the Kingdom of Cambodia as “only a shadow of its former self” (Igout 1993: 6). In response to these imaginaries (in which the city was defined negatively as a set of absences or deficiencies), they sought to modernize Phnom Penh’s appearance. This was articulated as a rebirth, with architecture central to the making of a “real” capital. Under French guidance, new buildings would be built with the permanence of concrete to replace a city of thatch and bamboo. The rebirth was also explicitly spatial, enacted through the culture and politics of urban design.

The project of Cambodian rebirth was also temporal, created through the power-knowledge construction of a history based on continuity and linearity. The historian David Chandler has argued that the greatest gift the French bestowed on Indochina was its history (Chandler 1993: 16). But this gift was far from benign. Colonial scholars narrated Cambodian history as an arc—one that peaked in the tenth and eleventh centuries during the golden age of Angkor, when great mortuary temple complexes served as the center of a Khmer Empire that dominated much of mainland Southeast Asia. This was followed by a precipitous and protracted period of decline, from which it was the job of French scholars and colonial administrators to reclaim it. “The history of Angkor, after all, was deciphered, restored, and bequeathed to them by their colonial masters. Why had so many forgotten it?” (Chandler 1993: 2).

Far from being forgotten, the weight of antiquity has since been a key element of Cambodian identity. The role of the past is apparent in the country’s flag, which has the unusual distinction of featuring a monument of ancient built heritage: Angkor Wat. Indeed, the fear of disappearance has been an enduring theme of modern Cambodian nationalism. The same can be said for authenticity, which under the French became a hegemonic discourse that was both material and visual (Edwards 2007: 7, 12). This colonially constructed history was predicated on what Benedict Anderson (1991: 24), borrowing from Walter Benjamin, has referred to as “homogenous, empty time” – made linear and continuous, flattened of its heterogeneity and internal contradictions, and treated as a timeless essence. Yet, such recitations of Cambodia’s former greatness – and the constant reference to it as an achievement and a loss – were not exclusively about the reconstruction of the past; it was also about the regulation of the present.

2 Ethnic heterogeneity has been a common feature in Southeast Asian cities. “Structurally the Southeast Asian city has developed in a remarkably similar way regardless of location, with most elements of the structure pointing to considerable ethnic segmentation” (Lockard 1978: 49).

3 “[N]ew funds generated by the widening tax base were diverted into even more extensive public works, including the beautification of Phnom Penh, the electrification of provincial towns, the road-building...and the construction of seaside resorts and mountain hotels, which benefited the French and the embryonic tourist industry” (Chandler 1993: 161).
That is, the past was made performative to cast shadows on the present. History thus was a central component of the colonial project, its purpose to tell of “modern orientals [who] were degraded remnants of a former greatness” (Said 1978: 232-233) and were part of a set of truth claims meant to produce the effects they named (Gregory 2004: 18). This “gift” of history, then, was a form of “epistemic violence” (Spivak 1988), or knowledge that could not be separated from the structure of imperialism under which it was produced.

In urban design and architecture, the aesthetics of space were also based on the cult of history, evidenced through “invented traditions” of culture. Invented traditions, according to Hobsbawm (1983), not only reference the past but reference a past deemed to be suitable. A central component of this aesthetic in Cambodia was a “national style” – a style that preceded the formation of the nation anachronistically – that allowed a specific reconfiguration of history and authenticity. This desire for authenticity in the redesign of Phnom Penh was based on French fears about a vanishing Khmer race and an influx of foreign, non-Khmer elements in the city (Edwards 2007: 48). Rabinow elaborates how this desire was also part of the project of modernity that motivated the French in their search for legitimacy and greatness, as well as tradition and progress (Rabinow 1989). In the early twentieth century, key institutions of Cambodian culture – the Pali School, Musée Khmer, School of Fine Arts, Royal Library, and several elite schools added to Phnom Penh’s Cambodian quarter – were thus founded and designed wholly, or in part, by French architects and savants (Edwards 2007: 59-60).

Architecture and urbanism were clearly important instruments of the French colonial project in Cambodia. Shirine Hamadeh argues that visual culture was the most accessible technology of French colonial policy in its reproduction of order in North Africa (Hamadeh 1992: 246-247). And Wright contends that France was explicit in cultivating a “national” style in Indochina (today’s Cambodia, Laos, and Vietnam), as well as in Madagascar and Morocco, reflecting a conscious effort to combine modernist forms with “traditional” motifs. This stylized aesthetic divided cities as never before, even if the division was made to appear natural and coherent (Wright 1991: 11). Thus, in Phnom Penh, French architects were keen to adapt tradition in the service of authenticity and visuality in their retrofit of the city, including the Royal Palace. Following the demolition of its original wooden structures, the present palace, which opened in 1870, was rebuilt in concrete. Yet, despite the hybrid origins of its design, the structure eventually came to symbolize the essence of the monarchy and the nation (Edwards 2007: 45). A century later, the “national” origin of the palace and the Cambodian nature of the city were seen as natural. Thus the scholar Milton Osborne is able to see the essence of nationalism and urbanism as the same: “As a whole there was no doubting the city’s Cambodian character, something that had as much to do with the pace of life as with the distinctive architecture of the royal palace or the bright yellow, green, and blue tiles on the roofs of the dozens of Buddhist pagodas” (Osborne 1979:103).

As a general practice, modernity and urbanism were elaborated in the colonies to be transferred back to the metropole (Wright 1991, Rabinow 1989). But the order worked in reverse in Phnom Penh. Experiments to create a Cambodian national style took place at World Fairs in France – specifically the 1906 and 1922 colonial exhibitions in Marseille and the 1889 and 1931 expositions in Paris. Developed by French architects and engineers for a Parisian and an international audience, the style was then transcribed back onto the face of Phnom Penh.
These fairs also made recognizable specific idioms of visuality. As Edwards writes, the colonial period “saw a redefinition of Khmer culture and its emergence into the public sphere of the modern nation” (Edwards 2007: 8). This was prompted in part by French imperial desire, as noted earlier, to reconstitute the power of Paris on the margins of empire (Rabinow 1989). With the consolidation of French interests in Indochina, Phnom Penh was first designated the administrative center of the colony in 1867 (Willmott 1966: 26n33). But it was not until the 1890s, when fiscal and legislative mechanisms were put in place, that the French were able to exert rule over the city and centralize control over it (Chandler 1993: 143). In particular, this involved making space legible to increase land values and capitalize rents (Scott 1998, Thion 1993). According to the governor general of Indochina, the reforms of the late nineteenth century were designed “to enhance our prestige, and that of Norodom [Cambodia’s king, 1860–1904], in the eyes of his subjects and of foreigners, by making Phnom Penh a real capital” (1889 speech cited in Edwards 2007: 47). Such representational forms undergird Indochina’s construction as an “elaborate fiction,” made material through architecture and other visual mediums (Norindr 1996: 1). But for experts in geography and architecture, it was also a “rational creation of France,” in which France sought to give “her dominion a viable form, a solid geographical cohesion” (Gourou 1945: 7). This involved technologies like the map, the census, and the museum, which, according to Anderson, “profoundly shaped the way in which the colonial state imagined its dominion – the nature of the human beings it ruled, the geography of its domain, and the legitimacy of its ancestry” (Anderson 1991: 164).

Reforms in 1884 financed the remake of the city by redirecting customs, taxes, and concessions into French hands (Willmott 1967: 45, 69, Müller 2006: 187). In a speech inaugurating the municipality of Phnom Penh in 1884, the governor of Indochina, Charles Thomson, specifically linked these colonial mechanisms to a desire for renewal. Presciently, he claimed, “I have seen how the longing has become more pronounced…for a new state of things and a coming revival” (cited in Müller 2006: 190). More importantly, the reforms marked the first effort to create a regime of private property. According to the first article of the convention, colonial officials forced the king to hand over his sovereign rights to the French protectorate: “The territory of Cambodia, up to today the exclusive property of the Crown, is declared property of the State” (cited in Müller 2006: 65).4 A system based on temporary land grants and rental agreements that had proved profitable for the king was replaced by a real estate market that allowed the purchase and transfer of urban property (Müller 2006: 63, 66). This regime was further codified in an 1897 ordinance: “The government reserves the right to alienate and to assign all the free lands of the kingdom. The buyers and the grantees will enjoy full property rights over the land sold or assigned to them” (cited in Thion 1993: 29).

As a result of this opening of its territory, the city underwent a construction boom overseen by a newly created municipality (Igout 1993: 8). And in subsequent years key institutions of French administration were built. They included a school to cultivate elite native administrators to collect taxes and dispense justice for an expanding bureaucracy, military barracks for a standing army (Müller 2006: 87-88), and institutions to facilitate the transfer and movement of money and goods – among which were a treasury, a post office, and municipal offices. The late-nineteenth

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4 In Thion (1993: 29), the translation of the Article 9 of this 1884, is as follows: “the land of the kingdom up until today the exclusive property of the Crown, will no longer be inalienable. The French and Cambodian authorities will proceed to establish private property in Cambodia.”
century urban architecture of Indochina reflected la folie des grandeurs, or the artificiality of French rule and its gross opulence (Wright 1991: 162). “In Indochina even more than in metropolitan France, the instability and the weakness of political authority encouraged grandiose and vain acts of assertiveness. Civic architecture tried to convey the impression of authority and continuity where they by no means existed” (Wright 1991: 166). Nineteenth century public buildings expressed French assimilationist policies “asserting the universality of French concepts of formal beauty, just as the political system asserted the universal benefits of French economic sovereignty” (Wright 1991: 179). The worst architectural sin was “the intrusion of Indochinese architectural motifs”; a hybridity, and thus racialization, of métis (Wright 1991: 179). To note, Wright’s discussion of Indochina is a discussion exclusively of Vietnam and the cities of Saigon and Hanoi. In contrast, Phnom Penh’s hybrid urbanism was repackaged as authentic and traditional.

According to Edwards, these buildings, a number of which still survive, “completed the capital’s transformation from a rambling morass into a highly segregated and hierarchal city” (Edwards 2007: 47 citing “Le Cambodge en 1893”). The build-up of administrative capacity during this period reflected the rationality of “colonial governmentality,” by which “power comes to be directed at the destruction and reconstruction of colonial space so as to produce not so much extractive-effects on colonial bodies as governing-effects on colonial conduct” (Scott 1995: 204). Yet this construction of order – the creation of bureaucracy and the formation of institutions of power – had less to do with what Foucault calls governmentality, or the art of making the population an object of government intervention and welfare its purpose (Foucault 1978: 140-147, 2000: 220). Rather, the establishment of administrative capacity had more to do with the active construction of French sovereignty, or a monopoly of power based on “the juridical existence of sovereignty” over Cambodian territory instead of “the biological existence of everyone” (Foucault 1978: 137). Specifically, the French made no efforts to modernize Cambodia’s economy (Becker 1986: 56). Eventually, what the French could not create in the form of industry and commerce they sought through the taxation of the population (Steinberg 1959: 13). As Chandler has pointed out, by the early twentieth century the country was an “efficient revenue-producing machine” (Chandler 1993: 148) and likely the most profitable within Indochina.

Later policies for colonial cities were also forged with the anxieties and problems of France in mind. These included “poor sanitation, economic stagnation, class and ethnic antagonisms, fears about immorality and aesthetic squalor” (Wright 1991: 54). The colonial environment was thus made a laboratory to elaborate technologies of architecture, urban planning, and public health to address problems not of the colonized but of the colonizer (Wright 1991, Rabinow 1989). But the anxieties of modern city planning and the role of Phnom Penh as an experimental site brought about only superficial change.

In the 1920s, Ernest Hébrard led the master planning of the cities of Hanoi, Phnom Penh, Saigon, and Dalat (Bréelle 2002: 128) as the first director of the Service d’Urbanisme de l’Indochine. In his own words, he came from a tradition of town planners for whom the colonies were “experimental grounds” (in Igout 1993: 12). Colonial cities were tabulas rasas, far removed from the dead weight of metropolitan bureaucracy with their scale idealized for easy manipulation (Blancot 1994: 75). True to modernist form, Hébrard also deplored what he saw as the physical
expression of disorder (Wright 1991: 166). He sought the city’s rationalization through the expansion of the grid as well as the regulation of race. Accordingly, his “Plan d’Extension de la Ville de Pnom-Penh” (Figure 20) was an attempt to organize the city along ethnic lines to deal with its confusing array of races and nationalities (Igout 1993: 12, 85).

Through forms of visual production (including artistic production) the French sought to constitute stability and create the appearance of coherence in Phnom Penh, even in its absence (Muan 2001). The power of visuality linked the appearance of order to the order of appearance (Mitchell 1991) (Figure 21).

Whatever the power of representation, its disciplinary capacity, and its manifestation as a “form of dominance” (AlSayyad 1992), power thus deployed and the order of the city that emerged must be understood as delinked from the actual management of local society and economy. Nevertheless, such ordering practices were crucial to the construction of colonial Phnom Penh.
Through them, the idiom of rebirth was made productive, with the city serving as the translation ground for an assembled aesthetics of power and culture. Phnom Penh’s rebirth therefore was not only animated by a particular imagination of absence, but it was linked to anxieties about the “moral degeneracy and physical deterioration” of France (Wright 1991: 15-20, 294-297). Through a nexus of culture and empire, French strategies of representation facilitated the transplant of strategic discourses of disappearance and decline (Edwards 2007: 27).

**Figure 21.** Street life in 1950 with Psar Thmei, the city’s Art Deco central market, in the background. Notably, the city’s celebrated neatness was also one of emptiness. Photo source: Associated Press, 27 June 1950.

### 2.3 Emergence and the Golden Age
Following the end of French colonial rule in 1953, Phnom Penh entered a “golden age” of post-independence urbanism. Today, portrayals of this period, encompassing the late 1950s and 1960s, starkly contrast with those of Phnom Penh as a city of ruins in the 1970s and 1980s (Figure 22). Tradition and authenticity carried over as crucial urban coordinates of this brief golden age. However, they also served as justifications for the city’s dismantling under the Khmer Rouge. Post-independence urbanism in Cambodia was an explicitly modernist project that sought to articulate its legacy in built form. By contrast, the Khmer Rouge’s project was temporal and Arcadian. But Khmer Rouge control of Cambodia from 1975 to 1979 left an equal, if not greater, legacy on Phnom Penh (Figure 23).
While the Khmer Rouge underwrote much of Phnom Penh’s spectrality and decay by emptying it of its population, years of war had already done much to destroy it (Becker 1986: 182-183). The civil war (1970–1975) ruined the physical fabric of Phnom Penh before the Khmer Rouge destroyed its social fabric (Clement-Charpentier 1994: 85). Both forms of ruin, constituted through the material violence of ideology and the deliberate unmaking of urban life, continue to haunt the city through new imaginaries of absence today.

![Figure 22. Vietnamese troops invade Cambodia, pushing the Khmer Rouge out of Phnom Penh on 7 January 1979. The Central Market is in the background. Photo source: “The Rise and Fall of the Khmer Rouge” in Time Magazine (www.time.com/time/photogallery/0,29307,1880529_1848698,00.html, accessed on 15 September 2009).](image)

The cosmopolitanism and visual order of Phnom Penh in the 1960s allowed the city to be heralded as “prettiest capital in Southeast Asia” (Chandler 1993: 200). But these qualities were as fragile as the political landscape on which they rested. Under the leadership of Prince Norodom Sihanouk, the Sangkum Reastr Niyum (generally translated as the People’s Socialist Community) associated nation-building with city-building. Though there are competing views of this era (Chandler 1993: 190) with some seeing the regime as corrupt and overindulgent (Osborne 1979), the accomplishments of the period have been celebrated as visionary, based on an elegance of hybrid forms, vernacular Khmer techniques, and monumental proportions (Ross and Collins 2006, Igout 1993, Beng 2002).
Phnom Penh, in particular, was designed to flourish in new ways that accorded with the calculus of high modernism – making society legible by linking modernity, and thus legitimacy, to symbolic order (Figure 24). That this order was undone in less than fifteen years, however, signaled the fragility of both that vision and the urban condition. The predominant ideology of the Sangkum was Buddhist socialism (Kalab 1968: 535). According to Sihanouk, modernity would be created within the ethics of Buddhism (Norodom Sihanouk’s 1961 address to the Sixth World Congress of Buddhists cited in Ross and Collins 2006: 9). This included plans for the wholesale modernization of the nation through the development of infrastructure, agriculture, education, health, industry, tourism, culture, and urbanism.

Though many of these plans were never implemented, experiments in urban planning gave a new legibility to Phnom Penh through public architecture. Under the patronage of Sihanouk and through the designs of the famed architect Vann Molyvann, an emerging urban elite took to conceiving, defining and building “modern Khmer culture” based on forms recognized as both Cambodian and modern, thus establishing themselves as visionaries of a post-independence modernity (Ly and Muan 2001, Thompson 2003). As Ingrid Muan argues, post-independence forms of visual production carried traces of the colonial regime. Colonial rule had established institutions of “Cambodian arts” that taught correct forms of practice, according to which students could be trained to produce “authentic” art objects (Muan 2001). Under these conditions, even modern architecture could not escape notions of tradition, instead becoming an articulation of it (Chang 2009). The aestheticization of space during this period also reflected, in the words of David Harvey, an “aestheticization of politics,” as social forces attempted to implant traditional symbols from the past onto the future (Harvey 1990) (Figure 25).

The coherence of this urban vision began to unravel long before the arrival of the Khmer Rouge in 1975. Sihanouk was overthrown in a coup by 1970 by his general Lon Nol. Unable to defend
the country from communist advances by the Vietnamese, Lon Nol’s government initiated pogroms against resident Vietnamese (Frieson 1992: 91-93). By September 1972, some 700,000 refugees had crowded into Phnom Penh, which peaked as the US engaged in a massive cross-border bombing campaign. The attacks targeted the use of Cambodian territory as staging areas for North Vietnamese troops and supplies moving to battlegrounds in the south (Time, 30 March 1970). From 1971 to 1972 the US dropped more than half a billion tons of bombs on the Cambodian countryside, devastating many populated areas (Kiernan 1985: 15).

By April 1975, as the civil war between the Khmer Rouge and the Lon Nol government reached its climax, an estimated two to three million residents and refugees crowded into Phnom Penh. The eventual internal displacement of nearly two million people corresponded to the number who sought refuge in Cambodia’s cities (Frieson 1992: xi-xii). The influx changed the character of the city’s population from a bourgeois coterie loyal to Sihanouk to an urban peasantry seeking safety from the fighting in the surrounding countryside (Figure 26). Meanwhile, insurgents brought about a slow strangulation of the city, periodically depriving it of needed food and supplies. In the end, the city itself became a sort of refugee camp (Beng Hong 1985, Clement-Charpentier 1994: 79-80).

![Figure 24. The garden city of the 1960s with the Independence Monument in the background. Photo by Vann Molyvann in Ross and Collins (2006).](image)

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Figure 25. View of the Bassac riverfront in the 1960s. The Front du Bassac development was built on reclaimed land. It is currently undergoing new rounds of development. Photo source: Anonymous in Ross and Collins (2006): 17.

Figure 26. The city of refugees. These refugees are seeking shelter in the shell of the Cambodiana Hotel. Photo by Neal Ulevich, Associated Press, March 11, 1975.
Saigon’s fall to Communist forces on 30 April 1975 is generally heralded as marking the end of the Second Indochina War (1960–1975). But the Khmer Rouge’s entry into Phnom Penh a few weeks earlier, on April 17, had already signaled the end of the first phase of Cambodia’s civil war. The arrival of the Khmer Rouge was taken, at least momentarily, to mean the liberation of the city from corrupt military rule; and initially it offered the prospect for a return to normalcy. But with the Khmer Rouge came its view of culture based on a linear conception of history, which required a return to a precolonial past to renew the body politic. And where the high modernism of the post-independence period had privileged the urban terrain of Phnom Penh, the Khmer Rouge set out to reconfigure the town and country divide by privileging the latter.

Conceiving of Phnom Penh as a site of imperialism and impurity, the Khmer Rouge began its campaign to rewrite history with the erasure of its urban body politic. Over the course of several days in April 1975, its cadres expelled inhabitants out of the city. Long-time residents and refugees alike were forcibly marched out to the countryside, which would be the new site of modernity. For Marx, cities transformed peasants into citizens and rescued society from “the idiocy of rural life” (Marx 1967[1848]: 84). This calculus of progress was radically inverted by the Khmer Rouge, who sought to turn all citizens into peasants (Edwards 2007: 1-2).

Changing the name of the country to Democratic Kampuchea, the Khmer Rouge sought to transform Cambodia into an agrarian autarky. Henceforth, the uneducated peasant would become the idealized subject of a self-sufficient utopia. Khmer Rouge policies also called for the abolition of money, markets, and private property to overturn the existing structures of society and economy. During these years of radical collectivization, an estimated one million people died from starvation and internal purges (Vickery 1990: 23) of a population of seven million in 1970 (Finnish Inquiry Commission 1982: 32).

The Khmer Rouge governed through terror as well as “necropolitics” or a regime of sovereignty based on the principle of excess, with death made to no longer matter (Mbembe 2003: 39). The regime’s desire to reinstate the “real” Cambodia and emancipate the country from structures of dependency and the degeneracy of the colonial condition required terror to realize the telos of history (Mbembe 2003: 20). Yet, the very cult of history that prompted the regime to seek to return to an economy of primitive accumulation was itself a legacy of the colonial encounter.

Despite the violence of geography and history, the last two decades has seen the city rebound. Indeed, its very status as a post-conflict site is now heralded for its productive potential, leveraged in contemporary investment practices and imaginaries about the city. Accompanying the present boom, however, is nostalgia for the city’s post-independence modernism and the coherence of that vision.

Previously a French colonial outpost, the Cambodian capital was catapulted into an acclaimed city that bustled energy through wider international contact. Visionary Cambodian architects took the lead and were largely responsible for the look of a place that soon became the envy of Cambodia’s Southeast Asia neighbors – by the mid-1960s Phnom Penh was dubbed “the belle of Southeast Asia” (Collins 2007).
Thus it is possible for the nostalgia of the past, one depoliticized, that laments about contemporary development can be made. But, as argued above, the celebrated beauty of this city of the late 1950s and 1960s was based on the aestheticization of space and politics. It also produced a specific form of disavowal. Underlying this beauty was an urban condition that alienated and radicalized young Cambodian students, who turned to the Khmer Rouge, disenchanted with the very forms of modernity now wistfully remembered.

As I argue below, the present nostalgia is also an ethical claim against new experimental forms of contemporary planning and urban growth. As the frenetic rebuilding of Phnom Penh proceeds seemingly unabated, it embodies both a reaction to contemporary urbanism and a longing for the lost coherence of an imagined past.

2.4 Speculating on the Future

Controversial projects abound in Phnom Penh today. Cambodia’s topography mirrors the shape of “a crude bowl” (Ebihara 1968: 18). Combined with the city’s location on a delta, this has made the management of land synonymous with the management of water (Vann 2003). Given these topographic conditions, land reclamation has been, and continues to be, fundamental to the production of new urban space.

New land was first made available in Phnom Penh through the drainage and infill of its boeungs, or catchment areas, between 1928 and 1935 (Igout 1993: 11, Blancot 1994: 75). The interior canals of the city were also filled in at this time. Among these were Quai Piquet (today Street 108) and Quai de Verneville (Street 106) in the European quarter, which were transformed into prominent boulevards, lined with ministerial buildings, banking headquarters, and shophouses. Great expanses of land were also created through the building of dikes beginning in the 1940s and continuing into the early 1970s (Beng Hong 1987). Indeed, the present city’s major boulevards – Sihanouk, Monivong, and Mao Tse Toung – were once embankments that marked its former boundaries (Igout 1993). Other prominent projects on former swampland and boeungs have included the Front du Bassac development of the 1960s and the present reclamation of Boeung Kak (Figure 27) and Boeung Pong Peay, the site of CamKo City.

The creation of new land at Boeung Kak, in the center of the city, illustrates many of the forces now shaping Phnom Penh’s speculative reconstruction. The area occupied by this lake once belonged to the municipality (Beng Hong 2000: 42). However, it was privatized as part of a massive selloff of state assets that began in the 1980s and 1990s and has continued by various means, including transfers of ownership to quasi-public entities, the creation of concessionary rights, and outright sales (IMF 2006: 60). It is unclear how many times ownership and use rights of the 133-hectare lake have changed hands given the diversity of mechanisms of alienation and appropriation as well as the great speed at which property transactions take place. In February 2007, the lake was leased to the private Cambodian developer Shukaku, linked to Lao Meng Khin and his logging firm Pheapimex, whose connections to the ruling Cambodian People’s Party has allowed it to push through a highly controversial development scheme. As a leaseholder, the developer paid a reported $79 million for rights to the land.
The lake is located in one of the most favorable sites in the city (Beng Hong 2000: 42). Planning documents identify the site as a future enclave for offices of international companies (BAU 2007). The first stage of the Shukaku plan includes filling in most of its 133 hectares and the geotechnical stabilization of the resulting terrain. After this, Shukaku likely will function as a broker, selling construction rights to foreign developers. Long-term, the plan calls for the creation of a green belt with new recreational, commercial, and residential facilities.

The major controversy surrounding the plan involves the eviction of an estimated four thousand families who have been living on the edges of the lake (Nguon and Strangio 2008). The actual number of people living legally or illegally there is unknown. The insecurity of these residents’ tenure was identified as early as the 1990s with eviction always a possibility (Beng Hong 2000). Earlier, public health experts decried the physical plight of the area, calling it a “cesspit,” and “one of the most dirty places in the city” (Cochrane 2003). Nevertheless, the reclamation of the lake is now seen as exemplary of the negative impact of the recent speculative boom with its disproportionate repercussions for the city’s poor (The Economist 2009). In particular, human rights advocates claim the site belongs to those who live on it.

Much of this dilemma has to do with the history of the site. The area surrounding Boeung Kak was originally developed by the Popular Revolutionary Committee of Phnom Penh in the 1980s as public green space with recreational amenities (Beng Hong 1987). However, the prospect of the first democratic elections since the conflict, in 1993, not only signaled coming peace but precipitated a wave of squatting throughout the city. Indeed, such activity was encouraged by office seekers as part of their patronage campaigns (Beng Hong 2000: 40-42).

According to Beng, the land around Boeung Kak was first invaded by squatters in 1991 followed by a dramatic increase in the lead-up to the 1997 elections. By 2000, it was estimated that three thousand families were living in the area illegally (Beng Hong 2000: 110, 189-191). Their presence was tolerated because their landlords were commanders in the military and police, and the occupation of the land legitimized by such connections to authority (Beng Hong 2000: 21).

The Front du Bassac reveals another speculative face of Phnom Penh. Built on reclaimed land on the banks of the Tonle Bassac beginning in the 1960s, it was designed to become “the new urban center of Phnom Penh” (Ross and Collins 2006: 16). As an urban planning centerpiece during Phnom Penh’s modernist “golden age,” it soon became the site of key institutions of public life and culture, including Chaktomuk Hall, the Preah Suramarit Theater, municipal housing (what is now the Phnom Penh Center office block and the still-inhabited Grey Building), and public parks surrounding the Independence Monument (Ly and Muan 2001, T. Vann 2001). The Front du Bassac continues to be a centerpiece in renderings of the city’s future. Yet new proposals for development in the area indicate how the terms of engagement have changed from public architecture to private development.

As mentioned in the Prologue, the riverfront has been the target of numerous projects including the International Finance Complex (IFC), by GS Engineering & Construction; POSCO’s The Star River; and a branch of the Sofitel hotel chain. Although many of the more ambitious Korean projects have yet to fully materialize such speculative expectations have driven up land prices across the city.
Figure 27. Boeung Kak lake in August 2008 (above). Photo taken from the same location in August 2009 (below). The informal houses in the background have been replaced by sand, and the lake has been cleared of vegetation. Photos by author.

Speculation is practiced by various segments of the population. While resources vary considerably, its practitioners negotiate risk, compete for desirable assets, and construct markets of opportunity. Among the platforms used are regional circuits of capital and expertise exemplified by Korean developers in the city. These circuits have been forged from the legacy of recent urban development in Asia, where cities have been developed at breakneck speed in places that were agrarian hinterlands only a generation ago. Such circuits indicate how urban
practices in the region no longer refer to the city of EuroAmerica, but to an Asian urban future (Roy and Ong 2011). According to Robert Ash, the former chairman of AIG Capital Management, the development trajectory of the country’s neighbors have served as reference points for how Cambodia’s trajectory may eventually materialize: “Where perceived risks are greater than actual risks, investment opportunities are the result. Such is the case of Cambodia” (in Lee and Ismail 2008).

The imagination and discourse of this new urbanism are made intelligible through specific “Asian” idioms of growth and possibility. Consistent with this mode of thinking, Phnom Penh has been cast as possessing near-certain potential to repeat the spectacular growth trajectories of such other Asian capitals as Bangkok, Saigon, and Seoul. This is not a case of global urban mimicry, where a single template moves from West to the East in teleological form. Rather, the structures and circuits of urban referencing require a rethinking of relationships between centers, peripheries, and frontiers, as well as the productivities associated with them.

Inter-Asian investment has been a distinctive feature of the Asian regional economy since the 1980s (Hsing 1998, Shatkin 1998). Of the $1.1 billion in foreign investment approved by the Cambodian government in 2007, $991 million came from within Asia, amounting to approximately 90 percent of total foreign investment that year. The principal countries of origin of this capital are Malaysia ($226 million), Thailand ($168 million), Vietnam ($138 million), China ($137 million), and South Korea ($86 million). The amounts pledged from each country vary considerably from year to year; nevertheless, the top sources of foreign investment in Cambodia over the last decade have all been Asian (Figure 28).

And even though the total figure for 2007 may be unimpressive in global terms, in relative terms, foreign investment in Cambodia increased five-fold from 2000 to 2007, from $185 million to $1.1 billion. The country’s GDP growth shows why: it averaged a growth rate of 9.5 percent per year from 2000 to 2007, the fastest in Asia after China (its average was 9.9 percent per year) (Lee and Ismail 2008) (Figure 29).

Fundamental to such investment trends have been interpersonal transnational networks. In this regard, the Korean networks discussed here comprise only one of the multiple circuits of inter-Asian urbanism by which flows of money and expertise reach Cambodia. But their relational practices and speculative techniques reveal a process that may be mutually beneficial for two countries not normally associated with each other. In Phnom Penh, Korean developers are presently involved in planning and building a number of high-rises and satellite cities. Most prominent are Gold Tower 42, developed by Yon Woo (Figure 30), and CamKo City, the satellite community on the urban periphery discussed earlier. As indicated by its name, Gold Tower will be 42 stories tall. It occupies a corner of one of the city’s most congested intersections, at Monivong and Sihanouk Boulevards (Figure 31). To note, construction on the $240 million project was halted in 2010 with only thirty-one floors of the shell completed (Figure 32). Projects such as these have been disproportionately vertical, in contrast to the layout and scale of the city. The tallest existing building in the vicinity of the proposed Gold Tower is the five-story Suzuki showroom, which sits diagonally across the intersection from it. As to why Koreans insist on building at such high densities, as one developer put it, “We know how to
Investment Approvals by Region and Country from 1994 to 2006
(in millions of US dollars)

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GDP Growth Rates (%) in Asia Pacific Region from 1995 to 2010

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Figure 29. Data sources: Economy Watch, CIA World Factbook, World Bank Data.
Figure 30. Selling the idea. The Minister of the Land Management, Urban Planning and Construction, Im Chhun Lim, standing at left. Source: Brendan Brady. “Cream of the crop, or hot air rising to the top” in *Phnom Penh Post*, 4 April 2008. Photo credit: Tang Chhin Sothy/AFP.
Figure 31. Yon Woo’s promotional materials situate Gold Tower 42 at the heart of the city.

Figure 32. View of Gold Tower 42 from Phnom Penh Tower in April 2012. The developer, Yon Woo, has called itself a “symbolic global developer” for Phnom Penh. The project is financed by DaeHan Real Estate Investment Trust whose parent company is the Military Mutual Aid Association, one of the largest pension funds in South Korea. Yon Woo began arbitration proceedings against its contractor Hanil Engineering & Construction in 2011 with the hopes of restarting construction. Photo source: constructingcambodia.wordpress.com, accessed 25 April 2012.
2.5 Inter-Asian Circuits

In part, such distinctively Asian forces of development illuminate the centrality of regional growth in an economy of representations. Such an economy clearly privileges spaces in the city that cohere to Asian norms – norms themselves lauded as foundational to economic development. It also relies on modernist imaginaries of absence. As I have shown, these have a long history in Phnom Penh. But they have now been put to use in the service of a distinctly Asian notion of a post-conflict tabula rasa.

Cities like Seoul, Tokyo and Saigon – former post-conflict sites themselves due to wars and occupations – were reassembled by shedding the weight of history and building anew. Such inter-Asian referencing also defines continuity of form, in which Asian modes of urbanism are identifiable laterally across disparate cities, uprooted and implanted on emerging frontiers in the region. The frontier in this case is proximal rather than distant, and allows for a level of flexibility inhered in commonalities of being Asian. Such urbanism is also made possible by market logics and historical conflations underlying the rhetoric of an “Asian miracle.” Central to the Asian miracle has been an intensive drive towards marketization coupled with authoritarian rule. One of its most significant features is that all ostensible Asian miracles have been produced under authoritarian rather than democratic political regimes. Thus, what the Asian miracle has principally confounded is the prescription that successful economic development must be predicated on uniform political, i.e., democratic, development. In each case of successful, if not miraculous, economic development in Asia, democracy was neither the vehicle of capitalism, nor was capitalism facilitated by democracy.

Prominent Asian cities are thus precedents, subject to citation in Phnom Penh – a condition which surfaced constantly in interviews I conducted with Korean real estate developers, American venture capitalists, and local Cambodians. In these accounts, Cambodia occupies a place on a continuum of Asian economic development, a position that predicts the promise of the city’s future. In essence, then, while the comparisons between contemporary Cambodia and Vietnam in the 1990s, Thailand in the 1980s, and South Korea in the 1970s evade the burden of history, they exude a productive and transversal appeal in practices and imaginations of convergence and the possibility of building a destroyed city anew. Implicit in such practices are narratives of high returns, not only through the elite capture of land, but the promise of 100 percent profits and 60 percent rates of return. Such claims, subjective as they may be, soon become absorbed as the myths of speculation and rentier wealth, making it difficult to distill fact from fiction. Predictions of potential wealth are also validated by the presence of multinational firms, which drive up the price of property because they represent a sign of stability. Yet the metaphor driving Phnom Penh’s current growth is one that captures both the political economy of Asian urbanism and helps solicit consensus around the inevitability of growth that is both aspirational and inspirational. Cambodia’s economy and Phnom Penh’s urban growth are thus positioned within evolutionary and linear time, where development will unfold under the auspices of progress as the city of ruin is remade for the future.
CHAPTER 3  
Law as Overregulation

Property is nothing but the basis of exception; the expectation of deriving certain advantages from a thing, which we are said to possess, in consequence of the relation in which we stand towards it.

Jeremy Bentham (1840)  
Theory of Legislation: 137

Reas mean mun rodth  
[People must become rich before the state].

Prime Minister Hun Sen  
(cited in Slocomb 2006: 394)

The state can grant concessions on anything.  
Matthew Rendall, Real Estate Attorney  
(Interview, Phnom Penh, 19 February 2009)

3.1 Overregulation as Opportunity

The law is one of many entangled modalities governing space in Phnom Penh. The life of property in the city – its fragmentation induced by the conjoined 1975 events of the abolition of private ownership and the forced evacuation of the city – complicates the notion of law as a coherent regulatory apparatus. As land constitutes a crucial pillar of the economy, it has been a central object of intervention, legislation, and reform over the past two decades. These reform efforts are intended to make the law rational and the function of land predictable. The impetus behind reform efforts, in theory, is historical. Under the Khmer Rouge, the city was evacuated, the cadastre destroyed, and private property banned. Though the Khmer Rouge was expelled from Phnom Penh in 1979, attempts to reform land only officially began in the late 1980s. Not surprisingly, these efforts to rationalize urban property have hastened its marketization and the consolidation of ownership, while embedding the conditions for real estate speculation in the law itself.

The social life of property in Phnom Penh is rich and complex; property functions as an asset or as an unbundled set of rights incorporated into multiple circuits of exchange, use, and value. Practices of land have been inherently recombinant: customary and neoliberal, socialist and market-driven. While scholars have been attentive to the juridical and institutional transformations that have rendered the category of property legible (e.g., Guillou 2006, Greve 1993), there has been little focus and theorization on the spatialities wrought by such transformations, which I examine in subsequent chapters. But before doing so, I turn to property as governed through the overregulation by law.

Proclamations that Cambodia lacks the rule of law are ubiquitous. The polemics of this charge, however, obscure the fact that Cambodian law is a bricolage of different legal traditions – traditional Cambodian codes embodied in the krams, French civil law, socialist norms borrowed
from the Eastern bloc, and most recently an intensive drive towards marketization with norms adapted from such countries as Japan, Singapore, and South Korea. For example, the country’s recent civil code was drafted by Japanese legal scholars while Korean developers provided various ministries with drafts of Korea’s condominium law before Cambodia passed its own in 2010 (Interview, 4 February 2009). Singapore’s Building and Construction Authority and the Temasek Foundation launched a program in 2011 to train Ministry of Land officials on Singapore’s strategies in land management and urban planning. Furthermore, the very permissiveness of the law – where the law constitutes one of many platforms of legitimacy and authority – makes it difficult if not impossible to differentiate licit activities from their illicit counterparts. Thus while almost all of Phnom Penh is in violation of some planning or building law (Beng 2000), other laws exist to authorize such violations.

These conditions have produced what I call the rule of overregulation as the rule of law. By overregulation, I refer to the myriad of laws, codes, edicts, decrees issued on the land question over the past three decades by the state, which includes the Royal Government, the municipality, along with various line ministries. This overregulation in land has as its corollary the overregulation of the economy in the sense laid out by Cock (2010: 243, 256) in which agents of the state working as individuals “involve themselves in every possible facet” of the economy. While the 1992 Land Law and, its successor, the 2001 Land Law are the most decisive pieces of land legislation, they are among the approximately 140 pieces1 of legislation issued by the government since the mid-1980s to regulate land. There are also various types of law, which include: Sub-Decree (anukret), Circular (sarachor), Decision (sechkdey samrach), Instruction (sechkday nainoam), Law (chbab or kram), Declaration (prakas), and Royal Decree (preah reach kret). Together these regulations are part of a pluralized and uneven field of law.

Land is overregulated by virtue of statute and by virtue of its jurisdiction. It is also one dimension of governance through “excessive bureaucracy” (World Bank 2002: 6). The regulation of property, specifically in Phnom Penh, falls under the jurisdiction of different agencies which include the Ministry of Economy and Finance; the Ministry of Land Management, Urban Planning, and Construction; the Municipality of Phnom Penh; the Council of Ministers; the Council for the Development of Cambodia; and the Ministry of Interior. In theory, under the 1993 Constitution, all laws passed by previous governments remain in force insofar as they are not explicitly annulled or do not contradict new laws. According to the Mekong Law Group (2007: 7), a common interpretation of the Constitution is that laws passed after 1979 remain in force on the grounds that they are compatible with the country’s free market economy. Customarily, laws passed before 1989 are not fully applied in practice, while laws passed between 1989 and 1993 during the transitional period are more widely followed. Laws passed since the 1993 formation of the current government are implemented and enforced unless otherwise overturned.

Legislating land in Cambodia, according to some, has legalized illegalities (Oxfam GB 1999b in CAS 2008). For others, land is caught up in “competing (il)legalities” (Adler et al. 2008). While these characterizations are compelling, oppositions between legality and illegality are, in many ways, untenable. The law itself is built upon exceptionalities; exceptionalities that aren’t outside

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1 This figure roughly corresponds with the number of laws compiled by the MLMUPC as part of the ADB-sponsored Land Legislation Implementation Technical Assistance project.
of the law but inherent to it. For Schmitt (2005 [1922]) sovereignty is exercised through the power to decide the exception; a power that doesn’t suspend the law but creates it anew. Thus, law functions not as a set of constraints but as part of the possibilities of economic life.

A case in point, relevant to the ways in which Asian developers have come to own property in the city: By order of the current constitution, foreigners may not own land in the country (1993 Constitution, Article 44). The exception: If sanctioned by the Council for the Development of Cambodia,² foreign investors can own buildings on leased land (2003 Amendment to the 1994 Law on Investment, Article 16, Royal Kram NS/RKM/0303/008/March 24, 2003). The exception to this exception: Foreigners who are granted Cambodian citizenship may exercise their rights to land (1996 Law on Nationality, Article 7, Preah Reach Kram NS/RKM/1096/30). The Law on Nationality as it pertains to foreign investors indicates that naturalization is sanctioned not on the merit of the individual but through the benevolence and patronage of the state. Following Article 7: “Foreigners may apply for Khmer nationality/citizenship. Naturalization is not a right of the applicant, but only a favour of the Kingdom of Cambodia. In any such case, such application [sic] may also be rejected by a discretionary power.” Thus, the overregulation of law produces exceptions for exceptions; exceptions that command legitimacy from the law itself.

In another sense these exceptionalities become the bases for opportunities. Rao has argued, in her examination of speculation in the city of Mumbai, that regulation “multiplies sites for ‘innovation’” or platforms from which to extract profit based on arbitrage (2009: 994n2). In Phnom Penh, overregulation has been a crucial force in producing real estate booms in the city. While I examine overregulation in relation to urban property and how it provides a scaffold for residents, developers, speculators, and investors to negotiate legal rights, my broader aim is to examine the configurations of speculation and space in the city from a genealogical perspective and to establish how reform, the semblance of peace, and the specter of conflict have opened up the built environment as a prime site for speculative capital.

As a genealogy on land regulation, this chapter is not an attempt to insert land into a telos of bureaucratization; that is, to argue that can or will be rationalized through bureaucracy. Such an evolutionary conception undergirds notions of the “rule of law.” In Cambodia, where development experts dominate public discourse on governance and governability, western observers have clamored for greater rule of law in the country. In his account of Cambodian politics, the former foreign affairs correspondent for The New York Times Joel Brinkley (2009) contends that “corruption rules.”³ The World Bank (2007b: 45), evaluating Cambodia’s reform agenda and its “good governance” strategy, see it as incomplete with accountability non-existent and an overreliance on politicians pervasive. Adler et al. (2008) maintain that Cambodia’s political structure and power hierarchies thwart the rule of law given the structures of institutionalized “legal pluralism.”

In contrast, my aim is to underscore that the pursuit of the rule of law has promoted fragmentation, juridically opening up spaces for regulatory interpretation, intervention, and innovation in property. In the context of an economy governed largely by social relations and

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2 Chaired by Prime Minister Hun Sen, the CDC coordinates all incoming foreign aid and foreign investment in the country.

3 See Ear (2011) for a judicious critique of Brinkley’s monograph of the same name.
patronage networks, urban residents and foreign investors engaged in negotiations related to land must always actively secure their bases of autonomy and legitimacy. The law is one such base built upon exceptionalities that aren’t outside the law but central to it.

The aims of this chapter are first to provide a genealogy of the category of property through its various codifications in Cambodian law; and, second, to lay out the beginnings of an argument that will be examined in further detail in the following chapter: that the overregulation – of property in particular and of the economy in general – have created considerable opportunities for state agents, foreign investors, and power brokers to integrate property in circuits of exchange and accumulation. This overregulation provides the necessary latitude for these actors to use the law and to cobble together legalities as flexibility and permissiveness are built into the legal code. Far from being regressive, the overlegislation of property has provided the means to secure it into circuits of speculation and value.

3.2 Fragmentation, Reconstruction, and Reform in a Post-Conflict City

Writings on life in Phnom Penh between the city’s evacuation in 1975 and the arrival of UN peacekeeping forces in 1991 are scant. John Martson has remarked that the 1980s constitute a “striking lacuna in Cambodian studies” (Marston 2005: 502). The few exceptions include When the War Was Over: The Voices of Cambodia’s Revolution and Its People (1986) by The Washington Post correspondent Elizabeth Becker; Grant Curtis's (1989) Cambodia: A Country Profile; Michael Vickery’s (1986) Kampuchea: Politics, Economics, and Society; and Evan Gottesman in his Cambodia After the Khmer Rouge: Inside the Politics of Nation Building (2003). The 1980s and 1990s, nonetheless, are crucial. They mark the beginning phases of social and economic reconstruction, which brought about the reconstitution of markets and laid the foundation of subsequent waves of speculative booms in property throughout the city.

The period of the 1980s and 1990s are neither eras of restoration nor represent a society in transition; models of social change that assume passage from one social order to another with each organized around a seeming unitary logic (Stark 1994). Rather they reflect the adaptation and rearrangement of existing networks of alliances, social norms, and economic demands that were propelled forward by practical exigencies (e.g., basic needs of the population) and political uncertainties (e.g., the country's pariah status on the international stage and ongoing factionalism). It is in this context that practices around land, however contradictory and competing, shaped its allocation and its redistribution. As the 1980s and 1990s also mark the beginning of Phnom Penh's resettlement, it is during this period that land became rapidly integrated into various configurations of alienation, seizure and sale as well as dispensation and accumulation.

Studies of post-socialist social transformations highlight the ways in which the past continues to inform the present. Ethnographies of post-socialist transitions in Eastern Europe (Verdery 1999, Stark and Bruszt 1998) and China (Hsing 2006, Oi and Walder 1999) illuminate how the social practices and the organization of space continue to be shaped by pre-socialist power structures and cultural norms. Specifically, many have argued that the marker between public versus

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4 By dispensation, I refer to its meaning in both of its senses: one, dispensation as an exemption from rules and requirements and, two, dispensation as the order of things and as an act of distribution.
private is less important than the unevenness and gradations of the transformations taking place. In the context of Eastern Europe, Stark (1996) and Verdery (1999) have shown how the conditions of economic uncertainty have elicited arrangements that obscure individual liabilities while separating out obligations from assets allowing for profit to be extracted and risk controlled. In the case of late socialist China, arrangements of ownership and management produce new forms of social difference and assemblages that are simultaneously socialist and neoliberal (Zhang and Ong 2008). In his discussion of “the social life of things,” Appadurai (1986: 16) argues that commodification is not a linear process relevant here in understanding property's commodification as property is entangled with existing norms and functions:

“Commoditization is...regarded as a differentiated process (affecting matters of phase, context, and categorization, differentially) and the capitalist mode of commoditization is seen as interacting with myriad other indigenous social forms of commoditization.” Stark’s (1994: 1016) notion of “recombinant property” as mixed property forms that transgress and blur traditional property boundaries in post-socialist Hungary with “qualities of private and public dissolved, interwoven, and recombined” is particularly useful as it points to how the slippage between the categories of public and private have opened up the possibilities for accumulating assets and profits. In a similar fashion, Verdery (1999) speaks of “fuzzy property” to describe the overlapping rights, obligations and claims that emerge from property relations in transition. In order to properly situate the social life of property as it emerged after 1979, I begin with a brief historical overview followed by an analysis of land reform undertaken in the 1980s and 1990s.

3.3 Conflict in the City: The 1970s

The colonial order of city was overturned in the 1960s and 1970s by the geopolitics of the Cold War, which reworked Phnom Penh under the sign of conflict, socialism and eventually autarky (Figure 33). Most of the elite fled to the maquis, went overseas, or were killed. US air strikes in the early 1970s were meant to draw the population into cities to turn the rest of the country into a “free-fire zone” based on the “oil-slick principle” according to a US military official (in Time 1 February 1971). For much of the civil war period – from Sihanouk’s overthrow in 1970 to the Khmer Rouge’s victory in 1975 – the city was “under siege” (Time 23 April 1973, Becker 1986: 169) and subject to “strangulation,” common idioms used to capture the city's vulnerability, despite its function as a safe haven from fighting in the countryside (e.g., Time 29 June 1970, Time 1 February 1971, Time 10 March 1975, Frieson 1992). The war made economic recovery impossible and derailed the Khmer Republic’s (1970-1975) attempts to liberalize the economy despite the aegis of the US (Kirk 1971). Though the city’s collapse was always anticipated during the civil war period, it was not until 1975 that such a prediction materialized. The economy post-1975 would undergo further, and more radical, changes.

The city was one of many theaters for the second Indochina War (1960-1975) as both cities of Saigon and Phnom Penh fell in the same month in April 1975 (Figure 34). While Phnom Penh was subject to multiple ruptures and dislocations, the most consequential occurred when the Khmer Rouge regime forcibly emptied the city (Figure 35). As an act of “urbicide,” the city's emptying was meant to “demodernize” it (Graham 2004, 2003). This emptying would have spatial and temporal impacts that would last several decades. The evacuation of the city was intricately planned and executed over the course of several days. An estimated two million of the
city's inhabitants were forced to march into the countryside (Frieson 1992, McIntyre 1996, Kiernan 1985). Hou Yuon, in his 1955 dissertation, “La paysannerie du Cambodge et ses projets du modernisation,” underscored what he and others in the Khmer Rouge leadership perceived to be the rationale of the evacuation – the self-evident country-city divide in need of elimination: “The tree grows in the rural areas, but the fruit goes to the towns” (cited in Kiernan 1982: 13). Ruling the country as Democratic Kampuchea (1975-1979), the Khmer Rouge sought the rustification of society as a means of its purification based on this reasoning. In addition, it sought the radical reorientation of life induced through, among other things, the abolition of money, markets, and private property; policies that were, by design, anti-capitalistic and anti-urban (Frieson 1988).

![Cambodian schoolgirls march through Phnom Penh carrying banners that read “US Go Home” and “Perfidious Albion” before the US Embassy is sacked in March 1964.](https://example.com/image.jpg)

**Figure 33.** Cambodian schoolgirls march through Phnom Penh carrying banners that read “US Go Home” and “Perfidious Albion” before the US Embassy is sacked in March 1964. Photo source: Associated Press.

The city thus became a tabula rasa under the Democratic Kampuchea. Phnom Penh's emptying is mentioned in virtually all periodizations of the city. But, the tabula rasa status of the city requires further unpacking, for the Khmer Rouge emptied what was a ruined city. With the regime’s victory (Figure 36), the Khmer Rouge remade the city less through its destruction than its dismantling. Prior to the Khmer Rouge's occupation of the city, its propaganda was peppered with references to a starving city, a collapsing power structure, and of urban decadence. Upon entry into the city, even the regime’s leaders were “surprised at the extent of the city's decline” (in Becker 1986: 183). Left out of this account is how Khmer Rouge offensives against the city, particularly from 1973 to 1975, were part of this destruction (Frieson 1992) (Figure 37).
Figure 34. US Marine provides cover for Cambodians and Americans boarding marine helicopters during the final US pullout from Cambodia, 12 April 1975 in Phnom Penh. Photo source: Associated Press.

Figure 35. A Khmer Rouge soldier orders storeowners to abandon their shops, 17 April 1975, as part of the city’s evacuation. Photo source: Christoph Froehder in the Associated Press.
 Nonetheless, the object of the erasure for the Khmer Rouge was not the city per se. Rather, it was a rejection of its modernity (Edwards 2007: 2). The Khmer Rouge, for one, left the built environment untouched. At odds with Beng’s (2000: 53-54 citing Kry Beng Hong et al. 1973) contention that only a third of the housing stock remained after 1979, Osborne (2008) and Clement-Charpentier (1994) argue that the built environment remained well preserved. The only structures that were destroyed were the National Bank and the city's largest cathedral on Monivong Boulevard near Wat Phnom.\footnote{According to Ross and Collins (2007: 114-115), the cathedral was dedicated in 1955 and destroyed in 1976. Müller (2006: 57) notes that Vietnamese Catholic parishes existed throughout Cambodia, including one in Phnom Penh. The Khmer Rouge, which banned religion, likely targeted the Catholic church as an institution of imperialism, not only of the French but of the Vietnamese who constituted the majority of its parishioners and a large portion of the city's population. Like other Southeast Asian capitals, the nation’s ethnic majority, the Khmers, historically made up only a minority of the city's population. The biopolitics of Cambodian nationalism, with the Khmer Rouge in essence an ultra-nationalist movement, has been characterized by racism against the Vietnamese (Stoler 1995, Edwards 2007).}

\textbf{Figure 36.} Victorious Khmer Rouge troops parade through Phnom Penh after taking possession of it, 17 April. 1975. Photo source: Associated Press.
In contrast, other institutions of capitalism, such as the cadastre and private property were not spared. The Khmer Rouge formally abolished private property on 20 May 1975 (Kiernan 1996), a month following the evacuation of Phnom Penh. The first issue of the Khmer Rouge journal *Tung Padevat* (Revolutionary Flags) explains the regime’s rationale for eliminating private property in the city:

> If we had kept Phnom Penh, [private property] would have had much strength...We were stronger, had more influence than the private sector when we were in the countryside. But in Phnom Penh we would have become their [private property owners’] satellite. However, we did not keep them in Phnom Penh and private property has no power (cited in Becker 1986: 196).

According to this logic, by abolishing private property and by removing property owners from the city, the linchpin of capitalist society would cease to exist and, with it, capitalism (*Figure 38*). Such constructs of purity and homogeneity were central elements of the regime’s ideology (Frieson 1992: 223; Edwards 2007: 1-7).
The corrupting power of real estate was not an issue raised exclusively by the Khmer Rouge. Following the 1970 coup, real estate was expropriated by the government of the Khmer Republic to offset the corruption of Sihanouk's rule. Greve (1993: 8-9) explains that the real estate holdings of the former regime were confiscated to take away one of its key resources and bases of power: “The pretext was that corruption and abuse of power had put [Sihanouk’s allies] in possession of added land holdings. The houses and land were however, not to benefit the new republic as such but would rather feed corruption among representatives of the new ruling circles.”

Figure 38. Shopping along what was then Avenue Albert in Phnom Penh, 27 June 1950. Photo source: Associated Press.

Similarly, in wiping out the administrative and institutional infrastructure that underpinned the land market, the Khmer Rouge would fundamentally alter what it saw as the decaying relations of space and society by mandating the collectivization of the important means of production. In Pol Pot’s announcement at the 1977 Congress of the Communist Party of Kampuchea, he stated that “85% of the population, that is, the peasants, were in contradiction [sic] with the exploiting class which oppressed them directly, the landowners...It had to be a priority to resolve this principal contradiction in order to mobilize the forces of the peasantry, who were the greatest force” (cited in Frieson 1992: 35). Khieu Samphan, one of the regime's leaders, in his 1959 doctoral dissertation “L’économie du Cambodge et ses problèmes d’industrialisation,” advocated
for structural reforms that dealt with the inequities of distribution between the productive countryside and the unproductive city (Willmott 1981b). But this reasoning proved faulty, as landlordism was rare outside of Battambang province, the country’s breadbasket (Hou 1955 cited in Kiernan 1982, Khieu 1959 cited in Willmott 1981b, Chandler 1993: 152). Thus the party invented an institution of capitalist oppression that did not exist for most peasants (Frieson 1992: 114) as elaborated below.

3.4 The Land Question
Given the central economic role played by agriculture, the land question has been a rural question (Törhönen 2001, Markussen 2008, Sik 2000, Curtis 1989, Pel et al. 2008, Guillou 2006). The landlordism of southern Vietnam, leading to the radicalization of the peasantry there (Scott 1976, Thion 1993), was not a structural issue in Cambodia. In contrast to other Asian countries, mid-twentieth century Cambodia was characterized as “an almost perfect rural Democracy…Cambodia – and it is her good fortune – knows no agrarian problem” (Delvert 1961: 509 cited in Willmott 1981b: 219). Cambodia was considered “unique in Southeast Asia” due to its “real problem of underpopulation” (Steinberg 1959: 28). Demography and territory ensured the peasant's autonomy and mobility (Delvert 1961, Thion 1993). The extensive anthropological scholarship on Cambodian social organization is rural in focus as most of the country, or 80-85%, remains rural. Though focused on peasant society and village life, this extensive body of work provides a purview of common principles of social organization relevant to the coding of the political economy and practices of habit around land. With the rustification of the city in the 1980s, customary norms most often associated with the countryside became principles central to the city's resettlement.

Because 95% of peasants “owned” the land they tilled (all land, in theory, belonged to the sovereign) rent constituted only a minor form of peasant exploitation (Delvert 1961). Identified by the Khmer Rouge as a barrier to radicalization (Frieson 1992: 30), peasant autonomy was predicated on the abundance of land, as a peasant could pick up and leave to cultivate land elsewhere (Hou 1955 in Kiernan and Boua 1982). If there was rural exploitation, it was based on usury and commerce, not rents and wage labor (Delvert 1961). While landlordism was misunderstood by the Khmer Rouge as a structural problem (Willmott 1981), Kiernan (1982: 5) has insisted that landlordism nonetheless increased with independence in 1954 as urban classes, enriched by foreign capital, bought up land usually near the towns from ruined peasants. In contrast, Delvert argued that wealth was amassed not through land but derived through commerce: “La richesse au Cambodge est commerciale, nullement terrienne” (Willmott 1967: 97 citing Delvert 1961: 498). The value of land lay in its yield rather than in the land itself. By the time the French left the country in 1953, the Cambodian elite had embraced private property as an acceptable store of wealth and source of investment (Williams 1999: 6).

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6 Bureaucracy was historically organized along lines of indirect rule based on gradated centers and peripheries of power with the exploitation of space differentially administered throughout the country. The origins of landlordism in Battambang, for example, appear to be related to that region's governance structure and the organization of agricultural production. Osborne (1979: 165) writes, “By contrast, in those areas of northwestern Cambodia that had come under Thai suzerainty in the late eighteenth century, Cambodians drawn from the great semi-hereditary ruling families continued to administer land for the Thai kings in Bangkok.”
Other factors contributing to the lack of centralized governance and, more specifically, lack of land management, include the prevalence of patronage, the subsistence ethic, and the fluidity and flexibility of kinship relations, rural life, and residence patterns (Kalab 1968, Ebihara 1977, Ledgerwood 1995, Chandler 1993, Scott 1976). Such flexibility emerges from what Ebihara (1977), in her ethnography of a Khmer village, has characterized as a “bilateral organization of social life.”

The Khmer kinship system is basically bilateral or cognatic. There is no consistent weighting of either the male or female lines with respect to property ownership and inheritance, the kin terminological system as a whole, and recognition of or behavior toward kinsmen. The family or household constitutes the basic social unit in village life. There are no larger, organized kin groups, although each person recognizes a personal kindred of bilaterally related consanguines and affines. A personal kindred does not have clear-cut boundaries, membership, or function; it might better be considered a ‘field of association,’ whose exact nature varies according to individual recall and choice (Ebihara 1977: 52-53).

Such a system allows “for a maximum range of options, and the choices, made with regard to this range of opportunities will change over time as the opportunities themselves change” (Ledgerwood 1995: 254). For anthropologists in the mid-twentieth century, the flip side of such opportunism was a seeming lack of regimentation and visual order. Thus Cambodian social organization, like other parts of Southeast Asia, was “loosely structured,” in contrast to the tightly integrated structures of Vietnam or Japan (Embree 1950), and the rationalities of land “irregular” (Gourou 1945). “The Cambodian villages are more loose-strung, and the hamlet is the true form of the rural habitat. But the hamlets do not have, any more than the communes (villages), a very strong collective life; they are not very stable, for the Cambodian peasant may move his house for reasons of magic” unlike the villages in Vietnam which “are as deeply rooted as in Europe” (Gourou 1945: 380). The absence of functionally durable groupings aside from the family or the Buddhist sangha (monkhood) has propped up such characterizations of social and territorial flexibility.

The Khmer word for village, phum, meaning an inhabited place, has “no organizational connotations” (Kiernan 1982: 33). Rather phum indicates “only a grouping of houses in particular geographical conditions. One fact seems certain. The “absence of a rural community” (Kiernan 1982: 33 citing Delvert 1969: 235). Kalab (1968), in her ethnography of village life in Kompong Cham province, observed that land was governed by individual autonomy, extensive fluidity, and unenumerated freedoms with whole villages completely vanishing in a few years. The fragmentation – and, more significantly, the unknowability – of landholdings made land difficult to govern (also in Kiernan 1982: 31-33). Peasants, according to Kalab (1968), did not always inform the office of changes in ownership if no dispute was involved and thus the official record often reflected one truth and practice another. The rational administration of land and the ability to calculate average landholdings were made difficult not only because of a decentralized governance structure but because much land was held by individuals not resident in the village while villagers owned land elsewhere (Kalab 1968: 522). Whatever the seeming informality of
rural life and the absence of corporate groupings, relations between individuals were nevertheless governed by a moral economy and patron-client linkages (Chandler 1993, Scott 1976).

Similarly during the war years, 1970 to 1975, no one reported changes in ownership as long as the landowners remained in the area (Frieson 1992: 124-125). The “liberty” of ownership through occupation favored the establishment of individual properties and thus the liberty of property owners (Hou 1955 in Kiernan and Boua 1982), further concretizing the autonomy of the peasant and the peasant household. Peasants in the 1990s confirmed that land ownership was not stratified and that anyone who wanted land only had to go out and farm unused land and “thereafter claim it as their own” (Frieson 1992: 24n39). In addition, peasants could use land, and sell, mortgage and rent it out (Guillo 2006). In return, taxes were collected not on the amount of land used but based on its yields. Under customary governance, land is a resource and asset open to individual capture and alienation with minimal government interference.

Despite the miscalculations of the regime, ownership of land was collectivized during the Khmer Rouge, assumed to be the “property of the people's state and of the people” (Chapter II, Article 2 of the Constitution of Democratic Kampuchea cited in Chandler 1976: 508). But it also belonged to Angkar. Angkar, which translates as “the organization,” was the master of the water and of the earth as went the saying Angkar mchah teuk mchah dei (in Greve 1993). But Angkar also denoted the ruling elite. However amorphous and changing the constitution of that elite, land was under the sovereign authority of this group while at the same time under the nominal ownership of “the people” (pracheachon) defined in revolutionary terms as “the owners of state power, the revolution, and the country” (cited in Chandler 1976: 511). Land could not be owned as private property (kamasat eckachun) since it did not benefit the public as a whole (troapsambat eckachun) (Sik 2000). In an additional twist, “property for everyday use remains in private hands” (Article 2 cited in Greve 1993: 9). In other words, land was subject to multiple sovereignties, a defining feature of land politics that continues today.

Adhering to the centralization of authority practiced by earlier governments and reinforcing its primate city status, the Khmer Rouge leadership lived in Phnom Penh. The elite inhabited abandoned villas and state workers barracks (Osborne 2008: 153-154). Once the Khmer Rouge was ousted by the Vietnamese military in 1979, these same buildings were occupied by the leadership of the People's Republic of Kampuchea (PRK). During the Khmer Rouge period, the city was inhabited by approximately 10,000 residents (cited in Beng 2000: 55-56). The city was comprised of military personnel (Beng Hong 1987), the regime's elite, its bureaucrats, factory workers and the country's Chinese advisors (Becker 1986) though these are speculations given that the city was hermetic during that time. The city was also home to an extensive security apparatus for internal enemies of the state who were incarcerated and tortured in a network of sites including S-21, the former Lycée Ponhea Yat.

Eyewitness accounts following the Khmer Rouge’s fall emphasize the city’s silence and its desolation as palpably stark (cited in Clement-Charpentier 1994: 85, cited in Igout 1993: 19). Two journalists, Richard Dudman of The St. Louis Post-Dispatch and Elizabeth Becker of The Washington Post, granted a rare visit to Phnom Penh a month prior to the Khmer Rouge’s fall, observed that Phnom Penh possessed the “eerie quiet of a dead place” (in Time, 8 January 1979).
In her own work, Becker (1986: 406) has remarked that the city had the “precise beauty of a mausoleum” cleaned of the debris of the civil war. The streets and parks were immaculate though unused. Evocatively, these descriptions capture emptiness and ruin. More importantly, they mark the limits of language to describe a city subject to multiple “falls.”

3.5 Rustification of the City: The 1980s

Descriptions of Phnom Penh in the 1980s and 1990s underscore how practices of subsistence agriculture took place on the ruins of the city’s fabric with farm animals seen ambling about and banana trees planted in front of the city's Central Market (Figure 39). With the PRK in power, the city appeared to be “an overgrown rural settlement” according to The New York Times reporter Henry Kamm, who returned to the city in 1987 (cited in Osborne 2008: 188). Saphan (2011) contends that Phnom Penh was a “vast rural village” well into the 1990s. Not only was the built environment ruralized, so was its population (Figure 40). Only a third of the present residents lived in Phnom Penh prior to 1975 (Curtis 1980: 7, Igout 1993: 20-21, Finnish Inquiry 1982: 36, Beng Hong 1987). Political insecurity and the ebb and flow of refugees returning to the city made it decisively rural while introducing customary ethics into urban land allocation.\(^7\)

The 1981 Constitution of the PRK defined the country as a “democratic state…gradually advancing towards socialism.” The economic objectives of the PRK, outlined in an eleven-point program issued in December 1978, included Point 5, which stated that the new state would:

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\begin{align*}
& \text{CARRY OUT A SOVEREIGN INDEPENDENT ECONOMIC POLICY MOVING TOWARD PROSPEROUS AND AUTHENTIC SOCIALISM…THIS NEW ECONOMY WILL SERVE THE INTERESTS OF THE PEOPLE ON THE BASIS OF DEVELOPMENT OF AGRICULTURE AND INDUSTRY…IT WILL BE A PLANNED AND MARKET ECONOMY ANSWERING THE NEEDS OF PROGRESS OF THE SOCIETY (CITED IN VICKERY 1986: 128).}
\end{align*}
\]

\(^7\) The rustification of the city began earlier in the 1950s during the first wave of political insecurity of the First Indochina War. Between 1941 to 1957 the city tripled in size from 122,000 to 333,900 residents (Kry Beng Hong 1987 citing 1959 Cambodge d’Aujourd’hui figures). Not only did security concerns push peasants and farmers into the cities, so did the country's independence (Goulin 1966 cited in Saphan 2011, Steinberg 1959). The city’s rustification was also its racialization in that the greatest increase of residents between these years were Khmers from the countryside. Until the late 1950s, the city was dominated by non-Khmer minorities, namely ethnic Chinese and Vietnamese (Kry Beng Hong 1987, Willmott 1967). Following the general pattern of economic development in Southeast Asia, all commerce in the country, both foreign and domestic, has been in the hands of the Chinese. Prior to the arrival of the French, Phnom Penh was “primarily a Chinese city” (Willmott 1966: 27). Though immigration policy varied through the years, the French had encouraged Chinese as well as Vietnamese immigration “convinced that the Cambodians were unsuited for many of the functions required for a colony” (Willmott 1967: 33). Accordingly, much of the colonial administration in Phnom Penh was staffed by Vietnamese who were slowly replaced by Khmers following independence. It is said that the racial composition of the city made it possible to live in Phnom Penh in the 1960s and not know a word of Khmer. A racial recoding took place, as seen throughout Southeast Asian cities, following struggles for independence. A second wave of rustification took place during the civil war from 1970 to 1975 (Frieson 1992, Clement-Charpentier 1994) before the Khmer Rouge entered the city.
Figure 39. Psar Thmei, January 1986. Photo by Paul Joseph.

Figure 40. Horse-drawn carts for hire in front of the city’s railway station, March 1980. Photo source: Denis Gray in the Associated Press.
As part of the objective to move towards authentic socialism, Article 17 of the PRK constitution stated: “no one is permitted to buy, sell, mortgage or lease land.” Vickery (1990) contends that land under the PRK was to remain state property so that it could not be used for speculation or as collateral on loans, nor lost in the forced repayment of debt. However, contrary to the state’s desire for socialism, land sales began taking place immediately (Curtis 1989: 35), a process that dovetailed with the events of the 1980s and 1990s and contingencies of the political economy. In the first few years of the PRK, the fragility of the state, the uncertainty of the future, and an environment where tens of thousands of Cambodians were internally displaced made it difficult for the state to impose economic controls (Thion 1993: 106). ASEAN collaborated closely with Peking (Beijing) and Washington to support Khmer Rouge forces and undermine the Heng Samrin’s PRK government (Anderson 1998: 17). Investors from Southeast Asia, in contrast, appeared immediately after the Khmer Rouge were forced out of Phnom Penh, to engage in a lively cross-border trade. These conditions of instability and untapped opportunity would underlie the formation of a frontier economy.

While the economy was meant to be formally planned and regulated (Cheriyan and FitzGerald 1989: 20), the PRK government inherited and operated under conditions of fundamental unpredictability, internally and geopolitically, with a regulatory apparatus that had been gutted by the conflict. There had been no currency or markets for four years and taxes had not been collected for at least nine (Vickery 1986: 128). Even today, decades later, taxes represent only 8% of GDP; low by regional standards (IMF 2007: 33-35). Skilled personnel were dispersed throughout the country or were killed, and survivors fled once the DK fell (Vickery 1986: 128). Stated simply, the state had minimal authority over the economy or society (Gottesman 1989: 321) let alone the institutions to oversee a centralized economy. Instead the state pursued a “relatively open economic policy” (Curtis 1989: 33) to encourage a greater degree of economic activity. Thus, characterizations of this period as centrally planned are misleading. Rather, the legal framework under the PRK was fluid, pragmatic, and incrementalist (Gottesman 2003, Muscat and Stromseth 1989, Curtis 1989).

The economy was nevertheless organized with production and distribution under state control. In 1980, currency was reintroduced and the central bank reestablished, although bartering of goods, the use of other currencies (e.g., the Vietnamese dong and the Thai baht), and rice and gold as the means of exchange (Curtis 1989: 31) continued as before. The buying and selling of everyday commodities was freely granted and, until 1983, left untaxed (Vickery 1986: 129, St. John 1995: 225). Export plantations, industry, wholesale trade and services were conducted by state enterprises. Fishing and agriculture was organized on a collective basis within a dozen or so families comprising a krom samaki or a solidarity group (Cheriyan and FitzGerald 1989, Curtis 1989). Prior to 1985, the economy had only three approved sectors: the state economy, the collective economy and the family economy. In 1985, a fourth, the “private economy,” was recognized by the Fifth Party Congress. The private economy, in existence since 1979, expanded enormously with the sector’s formal recognition by the state. Markets flourished to compensate for the shortfalls of essential goods under DK. Until 1987, all foreign trade was under a state monopoly with transactions governed by annual protocols of the Council of Mutual Economic

The state’s recognition of the necessity of the free market, however transgressive of socialist norms, was made clear in a state order, which forbade the obstruction of the flow of consumer goods (Vickery 1986). The coastal provinces were authorized to trade independently with Singapore and Thailand and because of its low custom duties, Phnom Penh became a hub of inter-regional trade and smuggling, geared specifically to Vietnam (Office of the Council of Ministers, ibid.). Such markets, according to Vickery (1986: 129) weren’t “black markets,” as they were not illicit and there were no attempts to impede them. This market revival was financed in large part by private capital, which had lay dormant for years. Those who were able to establish a foothold in the market were able to use earned profits to finance other trading efforts.

After 1979, agriculture was organized on collective basis to ensure distribution of land, labor, draught animals and tools (Curtis 1989: 61-65). Private use rights were granted beginning in 1979 while the state retained ownership of all land (Curtis 1989: 61). Land distribution that took place in the 1980s was “partly a de facto recognition of lands that people had controlled under the krom samaki system” (Chan et al. 2001: 27). In terms of organizing collectivization – collecting rice as an in-kind tax from farmers, boosting agricultural production, enforcing mandatory sales of agricultural produce to the State – was “pragmatic rather than doctrinaire” with the aim of spurring agricultural production, increasing household level food security, and rehabilitating the rural economy (Curtis 1989: 64-65). As noted earlier, many have commented if not commended the economic pragmatism pursued by Hun Sen and his government (Tarr 1990, Finnish Inquiry Commission 1982, Gottesman 2003). Government interference was minimal, in order to guarantee basic security to each family and to temper conditions of great economic scarcity through mutual aid as practiced in peasant societies (Geertz 1965; Scott 1972a: 108).

In an effort to bolster electoral support for the government (New York Times, 14 December 1989), legislation adopted in February 1989 restored “traditional usufruct rights to land” including the right to inherit property and unrestricted freedom to build on land as a way to encourage the “privatization of agriculture” (Curtis 1989: 35). Until 1989, the sale of land was not officially allowed, but in practice, transactions of agricultural property were common with parents able to pass on private usage rights to their children (Curtis 1989: 63).

Collectivization of resources in the city took on a different form. At least initially, in 1979, only affiliates of the state were allowed to live in the city. Greve (1993: 21), for example, contends that Cambodians returning to Phnom Penh in the 1980s occupied abandoned villas and flats (pteah lveng) with explicit permission of authorities. But the state’s ability to limit the number of residents in the city – a desire driven by concerns over non-communist infiltration – proved futile as many bought state positions or bribed military and police manning the checkpoints around Phnom Penh. Or, they would simply sneak in (Gottesman 2003). By the end of 1980, the city had over 300,000 people residents (Beng Hong 1987), which suggests that the city quadrupled in size in less than a year.
Those working for the PRK government were granted the right to settle on vacant land and occupy abandoned buildings beginning in the 1980s. This privilege would be extended to incoming residents in the 1990s in the run-up to the 1993 and 1997 elections (Beng 2000, *New York Times* 1989). Staff of the Ministry of Education were given housing south of the Independence Monument. Staff of the Ministry of Health were housed west of the Central Market (Interview with MEF official, 7 August 2009). Granted only user rights, residents were able to transfer land and residential units through succession and inheritance (Durand-Lasserve 2007: 5). Ministry workers were also granted plots of land to cultivate food. In an April 1989 resolution on land reform endorsed by the Second National Conference of Cadres “…individual farmers and State officials are entitled to private ownership of plots of land for farming or gardening, which can be transferred to others in line with the State's stipulations” (cited in Curtis 1989: 63).

Clement-Charpentier (1994) notes that housing, at least in the beginning, was explicitly allocated, rather than merely sanctioned, by the state with dwellings in Phnom Penh distributed according to the size of the household and the quality of the home. This distribution was undertaken by the popular committee, housing 10,000 families from April to June 1979 (Clement-Charpentier 1994: 86). With monsoon rains imminent, the authorities calculated that it would take three years to house residents at that pace prompting the state to allow people to settle wherever they liked (Clement-Charpentier 1994: 86).

Igout (1993: 20) also remarks that the state was active in housing allocation through what he calls a “radical social housing policy” called “popular terrains” in which residents were granted residential, but not ownership, rights. These rights, extended to the city's poorest inhabitants, could not be transferred or sold. Most abandoned residences were quickly inhabited. With greater numbers of people entering the city and the lack of housing options, squatter settlements sprouted throughout Phnom Penh. The occupation of land and buildings by an individual was sufficient enough to grant occupants certain usufruct rights. Some saw occupation as ownership with rights predicated on an issued family card with the name of the family and the address of the residence (Mekong Law Group 2007: 53).

Occupants were exempt from paying rent though not from taxes. In theory, the city’s residents were required to register with authorities, with a card issued that documented the legitimacy of their occupancy (Durand-Lasserve 2007: 5, Mekong Law Group 2007: 53). The government sought to maintain this control of the city's population well into the 1990s. According to a 1993 decree, “Those who are lawfully regarded as Phnom Penh residents are those who are registered and approved by the local authority” (Article 1, 1993 Draft Decree, “Public Management and Regulation in Phnom Penh” cited in Beng 2000: 284-285), a vestige of an earlier socialist era.

These enabling platforms, what Stark and Bruszt (1998) call “recombinant strategies,” coupled with reforms efforts described below, intensified the slippage between the categories of public and private property and between use and ownership rights. These slippages were driven both through transition and reform, as well as the introduction of the customary norm – that occupation is ownership – into the city. Not only has this norm fueled the commodification and later privatization of land, it is enshrined in various pieces of legislation such as the 2001 Land Law (and in contemporary urban squatter politics). Notably, customary norms resemble laissez-
faire norms, given that individuals are motivated by private interests and governed by the perception that all land is open to capture. Access to land became mediated through the acknowledgement of local officials without the interference of a centralized state. Furthermore, the state made property accessible to those who could seize it in order to incentivize resettlement and to impart stability to a political context in desperate need of it. Thus, although reforms were designed to clarify property rights, the transformation of property did not necessarily do so. Under the conditions of the city's dramatic social and spatial restructuring, an ethos, once laissez-faire and customary, around land took hold.

In the section below, I examine the reappropriation of land in a city reconciling its post-conflict and post-socialist identities. Of specific relevance is the insight that property reform that took place in the 1980s and 1990s should not be equated with privatization (Walder 1994, Stark 1996, Hsing 2006) as the state retained its ownership over property until 1989. By formalizing the separation of use rights from ownership rights beginning in 1989, the state commodified land (allowed for the use and transfer of land that technically belonged to the state) while it privatized it (granted the transfer of land from state to private ownership). In-between commodification and privatization were incredible ambiguities. And, by leaving unspecified who could expropriate land or profit from its sales, the upward spikes of land prices precipitated by this lack of specification also fueled these processes.

3.6 Reforming Property

Nineteen eighty-nine was a watershed year for reform. In Eastern Europe, property occupied a specific place in socialism’s political economy. Thus, “transforming socialism necessarily put property front and center” (Verdery and Humphrey 2008: x). In Cambodia, property was also central to the transformation of the economy. In line with this transformation, the state also underwent multiple mutations. The Vietnamese-backed faction of the People’s Republic of Kampuchea, comprised of former Khmer Rouge cadres, would mutate in April 1989 into the State of Cambodia (1989-1993). The SOC served as a “bridge” (Slocomb 2006: 375) towards economic and political transition. As a transitional government, the SOC shifted its focus away from an avowed pursuit of socialism to a commitment to “raise the people’s standards of living gradually in every respect” (cited in Curtis 1989: 28) and to bolster popular support (New York Times, 14 December 1989). In 1993, the SOC became the Royal Government of Cambodia. Despite these changes, the state’s leadership has remained relatively intact since in 1979 with Hun Sen the country’s prime minister since 1985.

Following an April 1989 meeting on the Policy of Land Use Management, the Council of Ministers issued a series of measures that reintroduced private property rights and furthered the reallocation of housing and land in both town and countryside. The government had convened a series of seminars, involving high-ranking cadres and officials, in early 1989 to discuss the country's future with a focus on the state’s ideological orientation as well as the role and the structure of the party in political life (Curtis 1989: 34-35). Private property was affirmed in the 1989 Constitution of the SOC passed in May. According to Article 15, “Cambodian citizens have full right to own and use land and have the right to inherit land granted by the State for the purpose of living on it and exploiting it.” Following Article 18, “The private property of the people concerning gains from their labour, legitimate gains, and other legitimate property is
protected by law. The forceful confiscation of the citizens’ property is categorically prohibited” (cited in Greve 1993: 17).

The SOC government subsequently issued legislation designed to apportion property and bring land and housing into a multi-tiered and oftentimes contradictory system of rights. The most significant pieces of legislation from this period are: 1) Council of Ministers’ Anukret No. 25, Providing House Ownership to the Cambodian Population; 2) Council of Ministers’ Instruction No. 3, Implementation of Land Use and Management Policy; and 3) the 1992 Land Law.

It must be noted that these measures were implemented and issued during a late socialist moment. Following Zhang’s (2002) formulation, late socialism is a unique historical moment of an economy in transition characterized by reduced state-managed production, a political-legal system dominated by one-party rule and a political regime committed to a socialist ideology. While socialism is difficult to define, socialist countries are characterized by two central features: the social ownership of the means of production and the monopoly of political activity by one party (Chari and Verdery 2009: 10n7). Cambodia was putatively socialist until 1993 but the state’s socialism was always partial and fragmented as was its bureaucracy (Gottesman 2003).

The contradictions and difficulties of Cambodia’s socio-structural transformations have played out in legislation over land. The 1992 Land Law, like the reforms begun in 1989, granted greater market freedoms to land while retaining a moral economy ethic by extending possession and occupancy rights to subsistence farmers. While reforms beginning in 1989 sought to shed the weight of the past, the 1992 Land Law, which came into effect during the transitional period between 1989 and 1993, reflected recombinant strategies and enabling frameworks to incentivize commodification and begin privatization.

**Anukret No. 25: Privatizing Real Estate**

Issued on 22 April 1989, Anukret No. 25 granted ownership rights to any Cambodian resident in possession of a home or flat. This measure would have the greatest implications in Phnom Penh, as residents found themselves in possession of assets of potentially enormous value (Greve 1993, Shatkin 1998, Muscat and Stromseth 1989).

Following Article 1 of *Anukret* 25, pre-1979 ownership rights were outlawed with land and housing deemed the “property of the people” to be “managed by the state according to law.” This diverges considerably from Instruction No. 3, described below, issued only a few months later which begins with the declaration that all land belongs to the State of Cambodia. The anukret permitted the transfer of real estate, through its alienation or conveyance, into private hands. Article 2 of the anukret was crucial in creating the first explicitly state-sanctioned market in

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8 In contrast, under post-socialism, according to Rofel (1999), the present is understood in relation to, and generally as a rejection of, a socialist past. While socially and politically there was a deliberate rejection of the Khmer Rouge, the legislation of this period suggests that there was not a direct rejection of socialism per se.
property. Through this policy, the state transferred its holdings to the private domain by granting ownership rights to residents occupying homes and land in the city.⁹

Ownership titles could be issued to heads of households in the city and such titles could be transferred or sold. To register ownership, a head of household in possession of a residence simply had to apply with the local authorities, such as the People's Communities of the khum, sangkat or district. Civil servants, military, and state workers in contrast had to apply for ownership through their employer, whether ministry or division.

The People’s Committee of Phnom Penh, led by then-governor Thong Khon, issued Circular No. 5 on 5 June 1989 to clarify the implementation of the anukret, including questions of management and registration. The circular reiterated the key provisions of the anukret (Circular No. 5, Implementation of Sub-Decree Regulating the Granting of Ownership on the House[s] to People Living in Phnom Penh). It permitted the seizure and alienation of all housing and land in the city, excluding land with a public purpose (Article 6, Circular No. 5) or those deemed public buildings (Article 6, Anukret No. 25). Any parcel was subject to use by government bodies, private entities, or in joint public-private partnerships under the condition that taxes were duly paid (Article 13, Circular No. 5). Any citizen, upon receiving a title to a house or a parcel of land, was permitted to sell, exchange, transfer that property, again under the condition that the necessary fees (a stated 10% of the price) were settled (Article 11, Circular No. 5). In an interview from December 1989, Thong Khon remarked that people “may sell their houses to anyone. There is presently no restriction. The Housing Committee has only the right to allocate the housing to those citizens living in them. What they do after receiving title is their decision” (in Cultural Survival Quarterly 1990).

Thus, the anukret did more than transfer the state’s holdings to the private realm. It ensured that any parcel of land and any building could be alienated as long as it commanded the right price between the seller (the government) and a buyer (an individual with means). Because the law left unspecified who could profit from sales or who could act on behalf of the state, land and housing in Phnom Penh came under the control of private interests rapidly. By 1990, an estimated 70% of the economy was privately held (in Pear 1990a). The effects of this legislation would become the basis of speculation in property in the city compounded by political events of the early 1990s described in Chapter Four.

The anukret, in addition, gave municipal and provisional authorities the right to determine the price of property sold to private buyers under their jurisdiction, which reflected the pivotal role

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⁹ Article 1 states, “The land for housing, building[s] and flat[s] in the People’s Republic of Kampuchea is the Property of the people and is managed by the State according to the law. No-one can claim the rights of ownership that existed before 1979 on… various housing land [sic].”

Article 2 reads, “From now onwards the state provides ownership to each Cambodian family occupying any house in Commune or District of the country. It is the authority of commune and District to recognize [such ownership]. The Cambodian family who lives in the house, separate house or flat shall have the right to ownership occupation [sic] and to live there continuously. House ownership [can] be inherited [by] the successors or relatives to use or manage for indefinite period or transferred to any person to use and manage, unless their usage and management is contrary to the law. [F]oreigners shall be prohibited by the state from buying any house or land for residential purpose.”
of decentralized power in the fragmentation of space. With power authorized at multiple levels, property become unevenly and haphazardly privatized. Anyone could be a private buyer as long as that individual was not employed by the state (Russell 1997: 106). According to Article 5, those “who live in any residential house or land shall buy that residential house and land from the State to keep as their own…” The price “shall be determined base[d] on areas, types and conditions. The Council of Ministers authorizes the provincial [and] municipal people[‘s] revolutionary committee to determine the above [prices] according to [the] actual situation of each province or municipality.” Such stipulations vested power in local authorities, which would be crucial.

Instruction No. 3: Recombinant Strategies
Announced a few months after Anukret No. 25 on 3 June 1989, Instruction (Sechkdey Nainom) No. 3 on the Implementation of Land Use and Management Policy established two tenure categories to redistribute what had been collectively held land. These two categories were: 1) ownership rights over residential land, and 2) possession rights over agricultural or farmland. The precursor to this anukret was the state's National Reconciliation Policy, which opened up occupancy rights to returnees. Announced in August 1987, voluntary returnees would be granted full citizenship rights along with “plots of land for dwelling as well as crop fields or newly reclaimed areas according to the concrete condition of the locality where they live” (cited in Curtis 1989: 170). As articulated in Instruction No. 3, residential land could be privatized while agricultural land could be commodified. There were caps on the amount of land that could be held under each tenure category. In the case of residential land, each family could not own more than 2,000 square meters. Agricultural holdings could not exceed 5 hectares. But because there was no systemic way to register holdings – thus prompting Lim Voan, the General Director of the Cadastre and Geography Department of the MLMUPC, to declare in 1996 that of the 4.4 million land parcels in the country, that no parcels of either state or private land had official title (Lim 1996) – these caps do not appear to have been determinative.

Instruction No. 3 brought an effective end to the krom samaki, or collectivized agriculture, system by extending possession rights to households to agricultural land and ownership rights to residential land (in World Bank 2006). The 1989 Constitution of the SOC formally abolished collectivized agriculture (Guillou 2006). While all land in the State of Cambodia was state property, each “Cambodian citizen has the full right to possess and use land, and has the right to inherit land for the residence and business as granted by the state” (Instruction No. 3, Preamble).

Sik (2000: 4) citing a different translation of this latter provision suggests far greater permissiveness in use rights over land: “the Cambodian population has the full right to occupy (kankap) and use (praepras) the land and has the right to sell the land provided by the State for domicile and exploitation.” The Instruction defined three categories of tenure that were carried over into the 1992 Land Law: 1) land for domicile: ownership (kama set) provided by the provincial committee or municipality; 2) land for cultivation (dey damdos) or agricultural land: for production and exploitation or state land allocated to farmers to manage (krupkrong) and use (praepras); and 3) concession land (dey sampatein): greater than 5 hectares based on the right to occupy land (kankap) for large-scale crop production that will contribute to the national economy (in Sik 2000: 5). Land held under these three forms of tenure changed hands at high rates throughout the country (Sik 2000, Curtis 1989).
Under the guidelines of this instruction, the state invited applications for occupation and use rights of occupied land following the formal de-collectivization of agriculture. The newly established Department of Land Titles within the Ministry of Agriculture was reported to have received 4.5 million applications for the right of temporary possession of cultivated land (Williams 1999, Törhönen 2001). Those who applied under these guidelines – guidelines issued again through the 1992 Land Law as part of the Council of Ministers’ campaign to register all lands – were given receipts to verify submissions of a claim (Sik 2008, Markussen 2008). Törhönen (2001: 410) observed, based on his visits to provincial and district land offices, that under the 1992 law, claims were not being processed and that only 1,250 parcels were being registered annually. But receipts also functioned as de facto titles and conferred rights to land as if under ownership. These receipts were routinely exchanged during sale or pledged as collateral for loans. Disputes inevitably arose when multiple claims were made on the same plot with each claimant in possession of a receipt indicating that the government had received – though had not processed – an application for ownership (Oxfam GB 1999a cited in Sik 2000: 45-46). In later years, only full titles registered with the Land Office would guarantee certainty of ownership to prevent outright seizure of land from other claimants (World Bank 2007a). In the meantime, like other legislative measures issued during this period, the practical differences between possession and ownership were left unclear.

1992 Land Law: Codifying Competing Norms

On 10 August 1992, the National Assembly passed a new land law, known simply as the 1992 Land Law. It was designed to bolster existing regulations extending ownership of property to those in legal possession of it (Russell 1997, CAS 2006a) as well as to grant greater freedom on land transactions (Guillou 2006). Similar to legislative measures issued in 1989, the 1992 law retained a core socialist principle – that all land belonged to the state (Article 1, 1992 Land Law, Kret Chbab 100). And like earlier laws, the 1992 law invalidated claims to property prior to 1979. The 1992 Land Law was meant to be provisional issued by the transitional SOC government.

The 1992 law carried over socialist principles while combining them with customary norms. The law reflects multiple regimes of rights organized around three major tenure categories: 1) ownership (kamaset ekachun ptoal) over residences and residential land, 2) possession (phokeak) of agricultural land, and 3) concession (sompatien) of land greater than 5 hectares (or 50,000 square meters) (in Guillou 2006). In addition to ownership, possession and concession, other

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10 Beyond the purview of a socialist state, every political regime in Cambodia has retained sovereignty – or the right to determine the exception – over the dispensation and management of land.
11 The first three articles of the 1992 Land Law are as follows:
Article 1: All the land in Cambodia belongs to the State and shall be governed and protected in agreement by the State. The State does not recognize the land property right existing before 1979. The property right and any other rights related to the land shall be governed by this law.
Article 2: Cambodians have the full right to possess and to use the land and have the right of inheritance of the property provided by the State for living and for doing business.
Article 3: The State guarantees to the user of the land the right to possess, to use, and to receive lawful product of the land. The violation of…private property shall be forbidden except when the public interest requires in cases provided by the law. In this case the property owner has the right to receive in advance just and proper compensation.
rights were permitted including franchise, usufruct, right of use and stay and easement (Article 10, 1992 Land Law). While the government passed legislation without the technical and administrative means to manage land or to create a cadastre, prompting Greve (1993) to call the law “unattainable and superficial,” the 1992 law was meant to facilitate a transition that would bring in the technical means for land administration that the government did not possess.

Originally written in French, possession and ownership are used interchangeably throughout the English version of the law. Guillou (2006) notes that this confusion is part of the French influence on the law as various words are used for the “owner of land” whether possessor, owner, and user. More significantly, like in other pieces of legislation, the practical differences between ownership rights (kamaset) and possession rights (phokeak) are left unclear; ambiguity carried over into the 2001 Land Law. Complicating matters, according to Frings (1994: 53-54), is that the government did not inform peasants that agricultural land could be held only under possession. Indeed, peasants believed that the land that they held was owned.

Nonetheless, the definition of ownership in the 1992 Land Law affirmed the legal principles of the country’s 1920 Civil Code marking “the return of private ownership under Cambodian law” (Rendall et al. 2003: 24). The French introduced modern land management through the 1920 Civil Code, which established distinctions between types of property (e.g., movable versus immovable), the definitions of ownership, and the rights of possession (Rendall et al. 2003: 21). The civil code also allowed for the organization and financing of urban development through the reclamation of land and the expansion of roadways (Fallavier 2003). While most of these principles were derived from French civil law, one fundamentally Cambodian principle was carried over into the Civil Code of 1920 – the recognition of the role of possession in establishing a right to land (Rendall et al. 2003: 21-22). Possession differs from occupation as ownership, in which cultivation and direct occupation bestowed ownership, or a system “founded on possession by common acceptance” (in Thion 1993: 29). In the case of land ownership, the civil code was meant to create a single landholding system to increase land value and capitalized rents (Thion 1993: 29). Despite earlier attempts, none of which were ever realized, by the French to establish a land register that began in 1884 (Kleinpeter 1937), the French once again sought to establish a centralized cadastre to document various rights, among them ownership, possession, and mortgage (Rendall et al. 2003: 22).

Ultimately French attempts to rationalize Cambodia’s land system – the 1884 covenant, as well as the 1902, 1908, and 1912 royal ordinances – failed because of a fundamental misrecognition of the Cambodian social and administrative structure. Guillou (2006) argues that the fundamental flaw of French policy was that it was ascriptive, using Cochinchina (now southern Vietnam), where land was formally administered through a native bureaucratic regime, as a model. At the same time, the French failed to create the necessary bureaucratic measures to facilitate land registration.

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12 The conditions of ownership and possession are stipulated in article 713 of the 1920 Civil Code and article 713 of the revised 1951 Civil Code (Rendall et al. 2003: 25).
As defined by the 1992 law, proprietorship is “the right to manage absolutely and solely any property” with “land proprietorship” reserved exclusively for residential land (Article 19). As specified in Part II of the 1992 law, the principal means of land ownership is through possession; a principle extended to the 2001 Land Law. Temporary possession was devised as a way to transfer land from the State to citizens after the introduction of private ownership in 1989 (Rendall et al. 2003: 39). In order to acquire land through possession, the 1992 Land Law outlines two requirements – a declaration made to the khum or the sangkat with jurisdiction over the area and regular payments of the land tax (Article 66). It was thus possible for any individual to turn occupation into temporary possession and turn temporary possession into ownership.

Crucially, the law left unspecified whether temporary possession applied to both private and public land (Interview with property expert, 7 August 2009). The contradictory principles outlined in the 1992 Land Law can be seen in the following example. Articles 5 and 15 of the law ban the sale of public property. But Articles 16 and 17 provide great flexibility in defining public property. “Any property that does not generally benefit...society...that property shall be considered as private property of the community. All properties of the public domain, in the event where they cease to provide anymore benefit to...society...turn into private properties in accordance with the land cultivation law or franchise, and that properties are no longer unsalable.” Articles 16 and 17 are, consequently, the most permissive permitting the commodification of any property both public and private. These stipulations would be carried over to 2001 Land Law.

Political fragility was a structuring contingency in both the confusion between public and private assets and the mobilization of land as a source of profit. Oxfam GB (1999b) contends that the 1992 law was passed to legitimize the transfer of state properties into private hands (cited in CAS 2008: 11). While the claim has become a common sense account of the urban economy, it is not entirely accurate. Throughout the 1980s, the government sought ways to capture the increasing amounts of hard currency circulating in the market from transborder trade and direct investment. The collapse of the Soviet bloc left the government without access to commercial credit and imports, such as construction materials (Gottesman 2003: 316-317). In 1989, the party passed an investment law in an effort to attract foreign investors from Singapore, Malaysia, Taiwan and Hong Kong (Gottesman 2003: 317-318, Erlanger 1989). Privatization of state enterprises and the elimination of prohibitive tariffs on non-essential goods such as tobacco and alcohol, were thus precipitated by the government’s need for revenue and investments. As a hedge against an uncertain political future, including the possibility that power might have to be shared between warring factions, including the redistribution of state assets, the government transferred the state’s entire industrial sector to the Party (Gottesman 2003: 318). Senior members of the People's Revolutionary Party were reported to purchase real estate and factories...

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13 Article 19: “Proprietorship is the right to manage absolutely and solely any property, provided that it is not prohibited by law. The land proprietorship can only acquired on the residential land. A separate law shall be applied to the land located in the residential area and in the municipality.”

14 Article 59 indicates that “any person can convert temporary possession to ownership through the change of the uses of the land which has already been recorded...in the estate's ownership registration book.”

15 Temporary possession as defined by Article 61 is the “state of affairs which means the act of having an exclusive possession of any property and completing all actions toward that property as the owner did.”
with a percentage of the profits going to the party for use in a possible underground war against the Khmer Rouge (Erlanger 1989).

Privatization of assets, including economic enterprises, thus began apace in this mottled landscape in 1989 (Gottesman 2003: 319). In anticipation of the arrival of peacekeeping forces and foreign investors, the state encouraged urban residents to seek income in the private market. Residents and state officials alike transformed their homes into guesthouses or rented them to international organizations and foreign companies (Erlanger 1989). Aware that sales and leases of state assets were taking place, the MEF issued a Notification (NOT.732ANK) in June 1991. The notification was sent to all comrade chiefs of all institutions instructing them to properly inventory assets and holdings (transportation, machinery, buildings, warehouses, land, gas stations, hotels, and theaters). In the case of a lease or sale to a local or private company, an interministerial committee would determine the rental or sale price to be paid into the national budget.

Structural realities limited the scope of changes envisioned in the 1992 Land Law. First, though ownership took place through the act of possession, titles were seldom issued as noted earlier. Under the 1992 law, one of the requirements to be classified as a possessor of land was that an application for a possession certificate be submitted to, and approved by, the local authorities before possession began. In order to convert possession rights to ownership rights, a certificate of lawful possession had to be provided. However, because knowledge of this requirement was not widespread, few had applied for a possession certificate with the local authorities. Thus, most people were not technically in possession of their land. Failing to meet the certificate requirement threatened to undermine most applications that sought to convert possessor status to ownership (Rendall et al. 2003: 38). By not fully documenting one's rights to land, one could lose ownership to another claimant who did go through all of the necessary legal processes that made him the rightful owner of that property. In the mid-1990s, 85-90% of land had yet to be titled. Thus, what was recognized was not ownership, but possession documented through contracts and receipts issued by local khum chiefs. By not complying with the obligation to declare possession or make regular tax payments, ownership, at least legally, could not be claimed (Rendall et al. 2003: 25). Such loopholes would become the basis of subsequent rounds of land seizures by powerful individuals such as Teng Bunma and his Thai Boon Rong Group (Thayer 1995). Moreover, the internal relocation and movement of people following the signing of the peace accords in 1991 made the regulation of the economy and society difficult with the government unable to inform the public of their obligations (Rendall et al. 2003: 25). Given these difficulties, calls for additional reform were made leading to the 2001 Land Law.

Not only were the laws issued under the SOC both permissive and contradictory, there was no established precedence of one piece of legislation over another. According to his interviewees, Russell (1997: 106) discovered differences of opinion as to which legislation held precedence. He notes that in general, in 1995, the judiciary favored the 1992 Land Law while officials in the Land Titles Office, then under the Council of Ministers, saw the 1989 Instruction as governing principles for land administration. Moreover, state leaders took issue with the ways land was being expropriated for personal use despite the permissiveness of the law. Thus, Heng Samrin is

16 **Sechkdey Chundammag** on the Payment of Proceeds from Lease or Sale of Property into the National Budget.
purported to have complained in July 1990 that, “There are some institutions, organizations, and individuals who have taken land, funds, and buildings that are supposed to be state property to distribute to their factions or their families or to sell for their own benefit” (cited in Gottesman 2003: 32).

3.7 Conclusion

A common charge levied by development experts against the government is that “the law” has been used to formalize usurpations, to legitimate elite capture, and to legalize illegalities. Therefore CAS (2008: 11) contends that the liberalization of the urban land market during this time period was in part prompted by “the desire of high-ranking officials to officially legitimize the residential land they had amassed in Phnom Penh.” In a similar vein, Hughes (2003a: 31) has argued that legislation passed during this period formally recognized what was the ongoing de facto privatization of land that began in the early 1980s. Shatkin (1998: 384) insists that the rise in real estate prices produced a rent-seeking economy in which “some local government officials took advantage of the political confusion of the time to sell off state land.” Shatkin rightly notes that in Phnom Penh, Anukret No. 25 “overnight changed urban residences from state property to private property which could be freely bought and sold” (1998: 384). But the sequencing of the legal code and the sanctioning of multiple logics and tenure systems complicate such claims.

A real estate boom came about as individuals sought to capitalize on opportunities, with the government's explicit encouragement and backing, to supplement their incomes through the lease and sale of property. With Vietnamese withdrawal imminent in 1989 (Figure 41), what has been described as a massive land grab began in Phnom Penh with state officials and members of the military accumulating land for sale (CAS 2008). Companies purchasing land were able to acquire land with state backing, leaving their holdings undeveloped until prices began to increase (CAS 2008: 11). But there was no specification of who had the right to represent the state and the right to profit from land sales. Various land users (state-owned enterprises, military outfits, hospitals, universities, utility providers, government agencies) not only held the use and management rights over the land that they occupied, they also acted as the owners in decisions over them. 17 There is an earlier precedent worth noting in which legislation was used in wholesale fashion to open up property to circuits of rent, profit, and speculation when the city was under colonial rule. The French issued a series of edicts, in the late nineteenth century that gave full sovereignty over Cambodian territory to the French. All land in the kingdom, which had been the exclusive property of the crown, had “overnight become French property and was now up for sale” (Müller 2006: 65). With the exception of wats (Buddhist temples) and royal real estate, all land in the country had become French property backed by military power (Müller 2006: 65-66). The French introduced private property in 1884 to not only end the royal monopoly over land but to benefit from its profits. However striking it is that Müller and Shatkin make identical claims about city's real estate market separated by a century, legislation has been central to how the sovereign state and private capital see territory and its profitability. In this context, the law induced booms in the city's real estate markets by reconfiguring the relationship between law and space.

17 Hsing (2006: 579-580) identifies land as a key arena of urban politics in China, specifically as a struggle over territory and thus power between different state actors.
Ultimately, as part of a broader set of efforts to incentivize resettlement and stimulate the economy, legislation issued in the 1980s was inevitably particularistic, piecemeal, and oftentimes contradictory. Transitions thus were not so much about wholesale change than about gradated transformation and the reworking of old resources in new contexts. In their study of post-socialist transformation, David Stark and László Bruszt argue that institutions “do not simply constrain; they enable” creating spaces for innovative “recombinant strategies” – a “political and an economic bricolage” (1998: 7-8).

Local officials ensconced in institutional norms were granted permission to requisition land and sell it at a price of their choosing. Because property was to take on newfound values, the urban property market boomed amidst regulatory categories that were flexible and pluralized – as possession meant ownership, with state officials operating as private entrepreneurs – that facilitated transactions in property and made property a major source for wealth enhancement. The very permissiveness of the law conferred incredibly valuable assets to those with the capacity to seize them. These regulations also normalized property as a wealth generating arrangement. But it also meant that property itself was part of an interpretive battle that was by no means self-evident but rather legitimated through the law, social norms, patronage relations, and economic expediency.
CHAPTER 4
Horizons of Anticipation

Law is always a structure of illegalisms, which are differentiated by being formalized.
Gilles Deleuze (1988) Foucault: 29

There are no rules or regulations. Everything is negotiated.
Anonymous business executive in Phnom Penh
(cited in Pura 1993)

L’Etat est devenu le principal acteur de la spéculation foncière
[The (Cambodian) state is a principal player in real estate speculation.]

4.1 Property in the City
In the previous chapter, I outlined contours of the overregulation of property to establish the basis for its rapid transfer and integration into the private realm. Overlegislation set into motion processes of alienation, dispensation, and commodification that were neither linear nor unitary. Property became a store of wealth, an asset of value, and a set of rights that were readily bought and sold. Property reforms of the late 1980s and early 1990s brought together laissez-faire norms (Shatkin 1998, Erlanger 1989) and socialist sensibilities, such as the communalization of property, with older ethics of the moral economy (Scott 1976). Reforms, much like subsequent laws, provided multiple formats to commodify property and bring it into different markets of valuation.

Lifting restrictions on real estate “produced a miniboom in speculation, restoration and rebuilding” in the country “inspired by rumors of peace and the hopes of renewed foreign aid that would presumably follow” (Chandler 1993: 236). Immediately, opening up the economy brought about the reemergence of small elite whose conspicuous consumption manifest what appeared to be wealth derived from speculation, rent-seeking, and arbitrage (Vickery 1984, Thion 1993, Erlanger 1989). In spite of property’s overregulation, Phnom Penh of the 1990s was deemed a place of “lawless chaos” (e.g., Sanger 1991, also Curtis 1994), its economy rife with opportunism for speculators where the categories between the illicit and licit and the planned and unplanned were confusing, flexible, and profitable. This ethos, refracted explicitly through Western masculine desires, provides the grist for Matt Dillon’s 2002 film City of Ghosts and Amit Gilboa’s 1998 book, Off the Rails in Phnom Penh: Into the Dark Heart of Guns, Girls, and Ganja.

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1 Phnom Penh of the early 1990s serves as the backdrop for Dillon’s City of Ghosts. A major narrative arc of the film involves an American swindler, played by James Caan, who goes to Cambodia in a scheme to build a 500-room hotel and casino in cahoots with a former Cambodian general and the Russian mafia. The real-life counterpart of Caan’s character is Teng Bunma, once Cambodia’s richest man, who used the windfalls from various business ventures (commodities smuggling, drug trafficking, earnings from property speculation in Bangkok and Hong Kong) to acquire property throughout Cambodian and build the InterContinental Hotel in Phnom Penh in the early 1990s.
A constellation of events in the 1990s including the arrival of the United Nations Transitional Authority of Cambodia (UNTAC) and the ratification of a new constitution in 1993 brought about new influxes of capital and people that would deepen the city’s “fractioning of space” (Lefebvre 1991) and increase “demand for interchangeable fragments” (Lefebvre 1979). Property values continued to spiral upward with some estimating a four to fivefold increase between 1989 and 1993 alone (Beng 2000, Curtis 1994). While the story of property is in part a story of its privatization, the spatialities that emerged evidence other elements at play: namely, the embedding of anticipation and arbitrage in the structure of the city’s economy. The economy’s fluidity and conjurings of untapped wealth allowed the city as a frontier—a zone imagined as unplanned (Tsing 2005: 28)—to flourish with the 1990s a time of rampant growth based on an “economy of appearances” (Tsing 2005: 36-37). Anticipation, for one, governs the temporality of the frontier and, as outlined earlier, slippages between the categories of public and private wealth and assets provide a “fertile space of capital, the deals, the plans and the appearance of the economy itself” (Tsing 2005: 37). In Chapter Five, I examine the emergence of these spatialities in greater depth as it relates to Korean capitalists and capital in the city. For my purposes here, I focus on the overregulation of property introduced in the previous chapter as it mutated in the 1990s, specifically in relation to emergent spatialities of speculation.

By 1990, an estimated 70% of the economy was privately held (in Pear 1990a citing Cambodian officials). Reforms had begun, at least officially, only a few months earlier. According to a report issued in mid-1989, there were over 12,000 private businesses and 2,000 new state-run or private workshops in the city in all sectors of the economy (cited in Curtis 1989: 36). These figures signal the rate at which the private market became reembedded in daily life. Despite the country's isolation throughout the 1980s, dormant and accrued wealth reappeared with such speed that even as early as 1981 Vickery (1984: 239) remarked that Phnom Penh had “already become the unproductive, consumer city which it was before, although on a much less lavish scale.”

Throughout the 1990s, ownership was limited to residential land with all other land held under the principle of possession. But in practice, as noted earlier, the distinction between ownership and possession was not clear as the rights of possession were, like ownership, exclusive, tradable, and enforceable (Russell 1997, Rendall et al. 2003). The self-identification of residents as owner-occupiers is a case in point. In a 2003 MLMUPC survey, 71% of respondents reported to own their land although only 5% held a land certificate (in Durand-Lasserve 2007). In the 1996 Demographic Survey, 92.6% of Phnom Penh households reported to own their homes (in Beng 2000: 56, citing the National Institute of Statistics). And yet 17.1% of the city’s population was reported to be squatters (Beng 2000: 20, citing Urban Sector Group and MPP data). Sik (2000) has suggested that the survey questions themselves may have led to such high rates of self-reported ownership. That is, it is possible that respondents did not differentiate between a land title and an application receipt for a land title. Moreover, the 1997 Socioeconomic Survey conducted by the NIS provided only three options: “ownership with title,” “ownership unsettled/held for free” and “rented/leased.” Survey results showed that 77% of respondents reported to be owners with title (in Sik 2000). These contradictory figures reveal the fluidity of perception as well as between categories of rights and property types in themselves.
In addition to a context of liberalization, uncertainty also precipitated the rapid commodification of property. For one, the collapse of the socialist bloc in 1989 signaled the end of a system of patronage under the USSR (FitzGerald 1994). Trade and aid from within the Council of Mutual Economic Assistance (CMEA) constituted the bulk of the country’s economic links with the outside world until 1989 and the country heavily dependent on aid from the USSR, Vietnam, and other socialist countries (Curtis 1989). With the withdrawal of CMEA aid in 1989, 50% of the state’s budget disappeared. As argued by FitzGerald (1994: 75), the end of this aid and the effects of liberalization reduced the state’s income and increased “speculative commercial activity and administrative corruption in order to beat anticipated inflation.” There was also the possibility of a Khmer Rouge resurgence. Accordingly senior officials were encouraged to buy and sell land to fund a possible guerilla war (Curtis 1989: 36, Erlanger 1989) given that land is one of the “safest forms of investment” in a politically unstable situation (Evers and Korff 2000: 173).

Other kinds of anticipation were also at stake. A 1991 *New York Times* piece captured this anticipation as both temporal and spatial:

> Cambodians, like New Yorkers, spend little time these days discussing the danger of walking around. After all, there is real estate. Even before the Paris accord was finally announced, property prices in Phnom Penh skyrocketed, as Thai and Singaporean investors poured into a land that has been off limits for two decades (Sanger 1991).

The surge in economic activity for one reflected “confidence in the future” (Curtis 1989: 36). Throughout the city, neighborhoods were being “reborn as Cambodians and foreign investors gamble that peace [would] take root and with it [would] come the kind of profits that [had] been accumulated elsewhere in Southeast Asia” (Shenon 1992a). Government officials were said to negotiate deals with foreign business executives asking for fees that were then sent to offshore accounts or used to buy property and luxury goods (Erlanger 1989).

Accordingly the future – as a horizon of anticipation – extended to all corners of the economy. As relative peace and the resumption of foreign aid were expected to pour in, residents were encouraged by the government to seize villas and shophouses in order to put units on the rental market for foreign aid workers and investors. The reforms of 1989, therefore, opened up property as a rent-generating asset for urban residents and built in speculation into the structure of the city. So did other legal measures. In January 1990, the Council of Ministers granted foreigners authorized to reside in Cambodia the right to lease houses and land. The directive tasked various government agencies (the Ministry of Foreign Affairs, the Ministry of Interior, People’s Committees) to rehabilitate residences and land for foreign entities. The circular also granted permission to the city’s residents to lease their homes and lands to these entities in the country. Prior to these measures, overseas Cambodians, investors, and visitors were allowed to stay only in government-approved hotels (Curtis 1989: 128). But starting in July 1989, it became possible for foreign agencies to relocate their offices and living quarters from the limited number of hotels into private rentals (Curtis 1989: 176). The promise of stability brought about waves of Cambodians (exiles returning home from France, the United States, or Australia, or the internally displaced attracted to the possibilities of being in the city) as well as expatriates who were part of
foreign aid missions or private firms scouting for new economic opportunities. Igout (1993: 21) has estimated that 200,000 migrants arrived in the city between 1992 and 1993.

4.2 UNTAC and the Dollar
The Paris Peace Accords, signed on 23 October 1991, brought about a cease-fire between Cambodia’s warring factions – the Phnom Penh government, the Khmer Rouge, the Khmer People’s National Liberation Front, and FUNCINPEC (Front Uni National pour un Cambodge Indépendant, Neutre, Pacifique et Coopératif). UNTAC (United Nations Transitional Authority in Cambodia) arrived with its 20,000 military and civilian personnel to undertake peacekeeping, refugee repatriation, and electoral monitoring and organization. UNTAC’s budget of $2 billion for its mission of eighteen months from March 1992 to November 1993, matched the country’s GDP of $2 billion in 1991 (Figure 42).

From UNTAC’s budget, expenditures spent locally were estimated to be $200 million in 1992 and $100 million in 1991 (UNTAC 1992 figures cited in FitzGerald 1994: 80). Headquartered in Phnom Penh, UNTAC’s arrival precipitated a frenzy in property trading, according to Beng (2000: 62), with prices “set freely” with minimal intervention from the government. But, as elaborated in the previous chapter, the government granted local officials the autonomy to negotiate prices directly with buyers, and buyers were able to determine prices between themselves. If price inflation did take place, it was because property became a valuable asset and its price in the market reflected as much. Although the riel was reintroduced in 1980, UNTAC brought with it the US dollar; its ready convertibility a hedge against possible macroeconomic
and political fluctuations and instabilities. In addition to the surfeit of dollars flowing into the
country through UNTAC, foreign donors pledged $800 million in aid in May 1992, which would
come to stand in for half of the country’s GDP (FitzGerald 1994: 79). The great hydra of the
economy – its fragility, corruptibility, and lack of substance (FitzGerald 1994: 82, Shatkin 1998:
383-384) – created a group of “rentier capitalists” (FitzGerald 1994) who were active in both the
public and private domains of urban real estate, using profits from property to finance other
enterprises while fueling the growth of restaurants, discos, and brothels. External sources of
financing thus have been a central feature of the city’s booms. US aid in the 1960s – like UN aid
in the 1990s – had been the basis for the elite to rent real estate at high prices to the expatriate
community. A subsequent withdrawal of US aid meant that the capital undergirding property
market in Phnom Penh led to a collapse in prices then as well (Osborne 1979: 116). A similar
expectation that demand was transitory propped up prices and drove up the cost of housing.
Because UNTAC did not negotiate housing contracts centrally, its staff had to bid on homes
individually, which also drove up rents in the city. Those working for UNTAC had the resources
to do so as the per diem allowance for a UN officer in 1992 was the same as the per capita GDP
for the country.

Rents increased fourfold and land prices surged exponentially in anticipation of a period of rapid
economic growth brought about through the peace process (Curtis 1994). According to
UNTAC’s own assessment (1992: 8-9), a three-bedroom apartment that rented for $1,500 per
month in the spring of 1992 fetched $1,500 only a few months later that summer. By fall, that
apartment would command $2,000 (in UNTAC 1992: 8-9). Because a standard housing contract
required that rent be paid in US dollars three to six months in advance, high rents paid by
UNTAC staff were thought to directly finance construction and rebuilding (UNTAC 1992: 9).
The expectation and the concentration of demand also undergirded rent spikes. For Beng (2000:
56, 62) the increase in property prices was based on “the manipulation of the property markets
by land speculators” and the government’s ability to regulate the land market hindered by the
absence of restrictions “to prevent speculators” who sought out “unreasonably high prices for
land and housing.” While such differential prices have been considered “distortionary”
(FitzGerald 1994: 85), “formulating expectations or ‘speculating’ about the course of future rent
trends is a necessary part of determining the price one should be willing to pay” which is
“neither inefficient nor undesirable” (Malpezzi and Wachter 2005: 147).

The stratification of the rental market among foreigners from different countries also contributed
to the perception of property as inherently negotiable. As UNTAC was entering the city, so too
were Asian investors. One Phnom Penh resident, Pung Sikhoeur, was able to rent his
three-
bedroom home to a group of Thai investors while moving his family to the outskirts of city. The
rent was equivalent to $300 per month at a time when per capita income was less than $200 per
year. Pung observed, “It is craziness for foreigners to pay so much money. But I am happy to
take their money. If the United Nations comes and takes over, maybe the peace will last, and I
can become truly rich” (in Shenon 1992a). The stratification of the market between different
groups – reflected in the differential rates paid by Thai investors of $300 per month versus the
$1,500 paid by UN-affiliated staff – reflects how property provided ample opportunities for
arbitrage.
With the economy rooted in real estate and trade, the absence of an industrial base and active speculation in the property market elicited concerns by western observers who saw the economy as unproductive and lacking fundamentals. Pura (1993) saw the revival in construction as “deceptive” fueled by “UN spending and speculative money.” Others viewed economic activity taking place as illegitimate, and perhaps illicit, as there was little “real economic growth, as much of the recent investment was concentrated in service sector activities rather than in productive enterprise” (Curtis 1989: 37). Money on display in the cities reflected a “speculative enrichment” (Thion 1993: 187) even though GDP rates in 1992 and 1993 were approximately 8% a year. Igout (1993: 20-21) argued that the rapid growth of “speculative investment” in the city was both spatial – with urbanization galvanized and financed by external forces – as it was temporal with “the uncertainty of the future” the “pretext for wild speculation.” During the 1990s, the municipality allowed private developers to expand the city beyond boundaries established in the 1950s and 1970s (Beng 2006: 84) with private interests driving planning.

4.3 Privatization, Alienation, and Sale

The speedy integration of property into the private realm, propelled both by anticipation of peace and the anticipation of profits, translated into waves of speculative booms in the city. Williams (1999) has contended that all urban land came into the hands of private ownership within a decade after it was legally sanctioned. Citing interviews with municipality officials, Ea (2002b: 4) has provided a different perspective on the privatization of property arguing that most land parcels in the city are owned by private entities rather than individuals: “Most land parcels are owned by...companies.” Central to this integration was the nature of conflict – the semblance of peace and political uncertainty two sides of the same coin – that made the risks and rewards associated with land transfers viable.

Other laws hastened the alienation of state assets. In addition to key pieces of legislation that were passed in 1989, there was a directive to all provincial and municipal governors issued by the National Transitional Government of Cambodia to “protect current legal private ownership” from expropriation (CIR No. 1 SR, 3 July 1993). The process by which state assets were privatized is often narrated as a story of venality and a weak regulatory apparatus, in which officials sold lands that belonged to the state for personal profit (Shatkin 1996, Shatkin 1998, Beng 2002, Erlanger 1989, Thion 1993, Sanger 1991, Kamm 1992) without clear legal sanction. But the overregulation of law indeed provided the bases for the alienation and sale of state assets. Privatization was seen as a viable alternative to protracted restructuring of state enterprises (St. John 1995). Beginning in 1989, the privatization of state assets took place in the form of partial sales, divestures, liquidations, and leases (Curtis 1989, St. John 1995, IMF 2000). FitzGerald (1994) argues that state enterprises were instructed to secure the bases for their fiscal autonomy rather than undergo privatization outright. Whatever the case, there was likely considerable

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2 Other measures include the Prakas on Directives to Implement Public Enterprise Privatization (MEF, PKN No. 280 PrK. SHV. TR., 3 August 1995) on the privatization of state assets; Sarachor on the Maintenance of State Property (MEF, CIR No. 016 SR. SHV, 19 November 1999) or a directive to clarify the sale and rent of state property to clarify confusion of Anukret No. 38; and Ankuret No. 38 on Procedure for Privatization of Public Enterprise (RGC, ANK 38, 19 April 1995) to promote the market economy, strengthen the private sector and to attract foreign investment.
autonomy and thus differences in approach across ministries pursuing privatization. As argued earlier, various institutional land users, whether government agencies, the military, state schools and hospitals, maintained use and management rights over land they occupied. Significantly, they acted as owners in authority and decision making power accorded to them both in law and in spirit. Following the stipulations of Anukret No. 25, local officials were given the right to negotiate the transfer of property into the private realm as long as it commanded the right price on the market. With civil servants’ salaries risible at $5 to $10 a month in August 1989 (Curtis 1989: 41), the proceeds from sales were shared amongst staff of the same ministry (Guillou 2006). UNTAC, with parastatal power, pursued a strategy of reducing government expenditures without reducing staffing (FitzGerald 1994, Shatkin 1998) thus ensuring that civil servants would have to parlay themselves in the private realm to supplement their incomes.

Entrepreneurialism was encouraged in other ways as well. In a January 1990 interview, Hun Sen opined that “even government officials can supplement their meager state incomes by being involved in private economic activity. We are asking people to be more self-reliant” (in Tarr 1990). State policy in general encouraged citizens to gain wealth before the state (Cambodge Nouveau 1996, in Slocomb 2006).

By 1989, sixty-nine of the seventy-nine enterprises destroyed or abandoned during the Khmer Rouge era were restored and back in production, of which half were operated by the Ministry of Industry (Curtis 1989: 94). As early as mid-1992, 40% of state enterprises that were owned by the larger ministries were privatized (St. John 1995). In all but one case, state enterprises were purchased by Cambodian nationals (according to IMF 2000 citing MEF figures) data. But given the importance of patronage and because foreign investors operate through domestic partners, the alienation and conveyance of properties likely took place through a variety of arrangements. Licensing agreements and leases to foreign interests brought needed revenue in state coffers.

In property rights theory and in contemporary practice, temporary arrangements, like leasing, sustain profits (in Verdery and Humphrey 2004). These arrangements in Cambodia can be seen to be reformatted to generate new revenue streams. The case of Soklait, a producer of condensed milk, is instructive of the types of formats and processes that fall under the rubric of privatization. Soklait was owned and operated by the Ministry of Industry until 1989. In June of that year, Soklait was leased to an overseas Cambodian investor on a ten-year term in return for an annual rent of 17 million riels (roughly $133,000 in 1989 dollars). The factory, rehabilitated in 1979, operated below capacity due to shortages of raw materials and spare machine parts, and the general age of its machinery (in Curtis 1989: 38-39). In 1996, before the lease was set to expire, the Ministry sold the warehouse and plant to the private sector for $1.3 million (IMF 2000: 31). The sell-off of state assets (which included processing plants, government-owned hotels, vacant land, warehouse depots, and garages) generated approximately $57.6 million between 1997 to 2005.3

Another crucial conduit of property’s alienation and commodification was the military (Törhönen and Palmer 2004, Beng 2000, Beng and Payne 2004). Specifically, the military and police channeled state land into the private realm, subdividing plots and renting them to squatters

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3 Data from Property Department of MEF cited in Table 24: “Previously State-Owned Enterprises Sold to the Private Sector” in IMF 2006: 60.
(Beng 2000). Beng (2000: 22) refers to these figures as “squatter landlords” who were able to hedge risks of appropriation, including possible demolition and evacuation, given their connections to the state. Indeed, patronage interfaced well with institutions like the police and military (Gottesman 2003, Curtis 1989). Squatter settlements that sprouted across the city in the early 1990s were often formed when families purchased plots appropriated by military officers (Shatkin 1996: 40, Beng 2000: 40). Land set aside for military personnel to be given to them for future demobilization (Thion 1993: 187) was also likely privatized. Whatever the risk, the involvement of the police and military likely imparted legitimacy to squatter settlements and contributed to what was a “healthy market” for squatter housing in Phnom Penh (Williams 1999).

A new tax regime for property was proposed by the Ministry of Economy and Finance in 1994. The Law of Finances issued in 1995 proposed a tax on vacant or unused land. Such proposals were intended to halt increasing land speculation taking place in major cities and sites of future development (Russell 1997: 109). But these measures were never enforced or were easily evaded. No land tax system was in force by 1995 (in Russell 1997: 109 citing interview with Undersecretary of State of MEF, H.E. Chea Peng Chheang). And even today, land is not taxed until it is sold (Interview with financier, 8 August 2008).

4.4 The 2001 Land Law: Categorical Flexibilities and the Production of Value

Although the 1992 Land Law was only in place for nine years, it was replaced by the 2001 Land Law. The main impetus behind the 2001 law was the passage of a new constitution in 1993 (Rendall et al. 2003: 33). That is, a new political regime required a new land regime. While private ownership is enshrined in the 1993 Constitution and guaranteed under the 1992 Land Law, the 2001 law was designed to reflect liberal norms and standards on the question of property. The constitution officially changed the system of governance from a centrally administered to a free market democracy (e.g., “The Kingdom of Cambodia shall adopt the market economy system. The preparation and process of this economic system shall be determined by the law,” per Article 56 of the 1993 Constitution). Rather than amend the 1992 Land Law, it was nullified and replaced by the 2001 Land Law to reflect “the new type of society” envisioned for the country. “Whereas the immovable property law of 1992 may have been consistent with the Constitution of 1989, it conflicted with free market and property rights provisions of the 1993 constitution” (Rendall et al. 2003: 33). Thus, a new law was required to ensure that the country’s land laws cohered with “the principles set out in the new constitution” (Rendall et al. 2003: 33).

As detailed earlier, rights conferred through the pluralization of the law were unbundled, intermixed and recombined to be innovatively capitalized in circuits of exchange and arbitrage.

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4 The 2001 law, following Article 2, defines three categories of immovable property: 1) immovable property by nature; 2) immovable property by purpose; and 3) immovable property by law. Immovable property by nature includes land and buildings firmly affixed to place (Rendall et al. 2003: 13). Immovable property by nature is defined by “the permanence of the land or building”; immovable property by purpose indicates property that has become inseparable from the land or structure; and immovable property by law refers to the rights connected to a parcel of land or a structure or rights embedded in the property itself (Rendall et al. 2003: 13-15, italics in original).
Property refers not only to a physical thing but a bundle of rights. As rights, however “intangible,” they “can be bought and sold like any other item of value” (Rendall et al. 2003: 12). Sustaining this pluralization was a political economy open to all forms of capital whether loans and grants from the panoply of multilateral and bilateral institutions working on the development question or domestic and foreign investors seeking to exploit the economy’s frontier status.

Although the city boasts multiple forms of tenure that are ambiguous as well as mutable, property rights – that is, what gets done with property – are extensive (Payne 2004) (Figure 43). This unbundling and admixture of rights has been further advanced through the 2001 Land Law. With very few restrictions to how property rights can be arranged, “the law” has been crucial in establishing property as a wealth enhancing arrangement for Phnom Penh’s elite and the poor alike. As part of a broader complex of efforts to standardize and rationalize land administration, the 2001 law wasn’t a corrective of earlier legislation per se but another of the many coordinating mechanisms in the production of value over property. It lifted most restrictions on the sale and seize property while ensuring the state’s sovereign right to create a legal basis for investments and projects of its choosing. In addition, the standardization and rationalization of administration accelerated transactions in property, creating new relations of risk and reward.

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**Figure 43.** Multiplicity of rights. Source: Beng and Payne (2004): 184, “Fig. 1. Comparison between the degree of security and right enjoyed by occupants.”
The 2001 Land Law established a regime of ownership for immovable properties with attendant rights guaranteed by the state (Articles 1 and 226, 2001 Land Law). By intent, the law elaborates a system that both conforms to free market norms and improves the legal framework for investments in land (UNCTAD 2003: 55). Reflective of the cosmopolitan bricolage that is Cambodian law, the system of ownership in the 2001 legislation borrows from Napoleonic code, namely Article 544 of the French Civil Code, which states that ownership is “the right to enjoy [jouir – to use and obtain profits] and dispose [disposer] things in the most absolute manner [de la maniere la plus absolue] provided they are not used in a way prohibited by statutes or regulations [par les lois ou par les reglements]” (cited in Harada 2010: 54). These principles are captured in Article 85, which states, “The owner of immovable property has the exclusive and extensive right to use, enjoy and dispose of his property, except in a manner that is prohibited by the law.”

Moreover, while the Land Law was designed to correct the ambiguity of previous laws (Guillou 2006: 318), it would actually become part of a larger constellation of laws advancing ambiguity, compounded by other laws such as the 2007 Cambodian Civil Code and the 1994 Law on Investment. The 1994 Investment Law, and its 2003 amendment, is part of the backbone of one of the most liberal investment regimes in the region. Because all investments must be approved by the CDC, the state’s developmental arm, advantageous breaks, rights and incentives can be specifically tailored and guaranteed by the highest reaches of the state.

There is also the country’s civil law system, which is dominated by public law concepts that strengthen the state’s powers. Recently a comprehensive framework for private law – the Cambodian Civil Code of 2007 – was put into effect in December 2011. The civil code elaborates the rights and obligations between individuals in their transactions with each other. The new civil code is hybrid and cosmopolitan (Atsushi 2010, Donovan 2012). Drafted by Japanese legal scholars, the law, not surprisingly, bears similarities to Japanese Civil Code though it maintains continuity with the previous Cambodian civil code drafted in the French tradition. It also contains common law precepts, likely the product of the active participation of Australian and American advisors in the reconstruction of Cambodia’s legal system (Donovan 2012).

As for the 2001 law, work began to replace the 1992 Land Law subsequent to the passage of the 1993 Constitution. Based largely on the 1992 Land Law, the first draft of the 2001 law was written in 1998. Due to considerable opposition to it, the draft went through additional rounds of revisions. A later draft, written in French and dated April 2000, was submitted to the Council of Jurists subject to another round of modifications after analysis and input from stakeholders. The August 2000 draft was prepared in Khmer, French, and English with some mismatch between the English and the Khmer versions. From September to November 2000, a commission of the National Assembly debated the draft and proposed additional modifications. Based on these deliberations, the draft was revised again in November this time written in English and later translated into Khmer and French. The law therefore not only emerged through multiple and irregular rounds of translation reflecting the mutual efforts of experts trained in different jural

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5 Preah Reach Kram, NS/RKM/0801/14
6 The 1994 Investment Law: Preah Reach Kram/03NS/05Aug94 and the amendment: Preah Reach Kram NS/RKM/0303/008/24Mar03.
traditions, this legal framework, like those that came before it, was a palimpsest of legal
categories, traditions, and vocabularies inherited, copied, and imposed from earlier legislative
reform. Sally Falk Moore (1978: 9) has described this as:

the law as process” or the “piecemeal quality of intentional legal intervention,
whether legislative, executive or judicial, is due to its construction as a response
to particular circumstances at particular moments. The accretion of many such
responses over time makes for a composite, unplanned total result. Even though,
at various times and places, there have been attempts to codify everything once
and for all, in the long term all legal ‘systems’ are built by accretion, not by total
systematic planning.

As Moore maintains, the law is based on accretion and layering, which open up news spaces of
difference, rather than wholesale transformation. The Land Law was finally promulgated on 30
August 2001 (in Rendall et al. 2003: 26-28), hence its name. One of the major aims of the 2001
law was to bring all land, including its registration and classification, under a centralized system
(Rendall et al. 2003: 48).

There are five categories of property recognized in the 2001 law: 1) state public, 2) state private,
3) private, 4) indigenous, and 5) monastery properties. I address only the first three. The
Cadastral Administration under the authority of the MLMUPC is responsible for classifying land
in the land register (Article 238, 2001 Land Law). But these categories are neither fixed nor
permanent. Likely a concession to donors troubled not only by the privatization of state assets
but the unintelligibility of that process, the law was supposed to end “the possibility of legally
entering into possession of vacant state land” (in CAS 2006a: 2). But the very law that eliminates
this possibility also provides other mechanisms to bring state assets into private control
(Interview with MLMUPC official, 7 August 2008). This again embodies fluidity between the
categories of public and private property and the fundamental porousness between possession
versus ownership rights central to seizing territory and bringing it into the private realm. This
categorical fluidity was indeed productive, facilitating transactions in property and encouraging
entrepreneurship at every level. With the 2001 law, a different sort of categorical flexibility
emerged. The law gave the state the right to recategorize land through legal declaration, or to
create exceptions to the law through the law.

According to the 2001 law, public state land cannot be sold. However “[j]ust like a private
citizen can do what she likes with her private property (sell it, lease it, grant rights to others to
use it, etc.) so the State can do what it likes with its private property (sell it, lease it, grant rights
to others to use it, etc.)” (Rendall et al. 2003: 54). State private land can be exchanged, leased,
granted on concession basis or sold to private individuals or legal entities (Mekong Law Group

Per Article 16, “State public property is inalienable and ownership of those properties is not subject to
prescription. State public properties cannot be acquired by the special acquisition provisions of Chapter 4
of this law. State public property may, however, be the subject of authorizations to occupy or use that are
temporary, precarious [from the French to indicate the right to use or occupy land can be revoked] and
revocable in the case the various fee/tax obligations are not complied with except as permitted in Chapter
3 of this law. Such authorizations cannot be transformed into ownership or rights in rem for the benefit of
the holder.”
The state can reclassify public state property as private state property if it is determined, or more accurately declared, to lose its public interest use. This reclassification occurs through decree. According to a MLMUPC official, reclassification takes place through a Royal Decree handed down by the King and approved by the Council of Ministers. Or, the reclassification can be made through a transfer registered with the Cadastral Administration (Rendall et al. 2003: 49). Property transfers ordered by the state are exempt from taxation (IMF 2009: 20-26).

This mutability of categories – through which state land can be recategorized from state public land to state private land – is crucial, as it creates new resources for accumulation and new rights over property. Schmitt opens Political Theology with the statement: “Sovereign is he who decides on the exception.” The exception refers to “a general concept in the theory of the state, and not merely to a construct applied to any emergency decree or state of siege” (2005 [1922]: 5). The exception is part of, and not outside, the order of law.

The exception is more interesting than the rule. The rule proves nothing; the exception proves everything: It confirms not only the rule but also its existence, which derives only from the exception. In the exception the power of real life breaks through the crust of a mechanism that has become torpid by repetition (Schmitt 2005: 15).

Thus the exception is part of the order, even if that order is not exclusively juridical.

All law is ‘situational law.’ The sovereign produces and guarantees the situation in its totality. He has the monopoly over this last decision. Therein resides the essence of the state’s sovereignty, which must be juristically defined correctly, not as the monopoly to coerce or to rule, but as the monopoly to decide. The exception reveals most clearly the essence of the state’s authority. The decision departs here from the legal norm, and (to formulate it paradoxically) authority proves that to produce law it need not be based on the law (Schmitt 2005: 13).

Crucially, the law guarantees the Cambodian state’s “monopoly to decide” the exception granting it the authority to produce law that establishes the legality of its actions. Whereas state public property cannot be sold, as it serves the public interest, there are no such restrictions on state private property. And when the alienation of state private property is allowed, state private property can be sold once the conditions and procedures related to the sale and the management are determined, again, through law (Article 17, 2001 Land Law). Once land moves from the category of state public land to state private land, it can be transferred to either through a sale or concession (Rendall et al. 2003: 54). The decree determines if the land will be used as a concession by a foreign investor or if it will be subject to another reclassification as private land. Thus the decree – which instantiates the sovereign authority of the state – is a central tool of leverage provided by the 2001 law.

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8 Article 16 of the 2001 Land Law continues, “When State public properties lose their public interest use, they can be listed as private properties of the State by law on transferring of state public property to state private property.” As noted earlier, this provision is a carry over from the 1992 Land Law.

9 Of up to 99 years.
4.5 Titling

I have thus far argued that the 2001 law guaranteed the state’s monopoly to decide the exception through which it could back any alienation, conveyance, lease and sale of property, and justify the approval through legal decree. Other processes also have been at play. The law eliminated restrictions on land holdings and purchases. It also recentralized authority over the cadastre thereby reconfiguring access to and power over property. Accordingly the law boosted urban entrepreneurialism while encouraging the involvement of the highest reaches of the state and its representatives on all matters of property. The state, therefore, was able to operate as both agent as well as regulator of the market.\(^\text{10}\)

Whereas the 1992 Land Law restricted the amount of land that could be privately owned and the type of land that could be owned (whether residential or agricultural land), the 2001 law contains no such provisos. There are no limits on the amount that can be owned or controlled and very few restrictions on the kind of land that can enter the private domain (Rendall et al. 2003: 62). The law thus further liberalized property granting private ownership over most types of land. The purchase and the sale of property, moreover, are unrestricted (Ea 2002: 3). There are no grace periods under which property must be held spurring fast turnovers and fostering speculation as profits can be quickly made and shared.

Authority over the cadastre was also recentralized. Pursuant to the 2001 law, Cambodia’s cadastral system is based on title rather than deed (Figure 44). In such a system all ownership is to be recorded by an office of land registration in the official cadastre. This record functions as title. The system is meant to impart a stable and reliable system of land ownership and registration under a central authority. But before this system can come into effect, all land must be registered with the cadastre.\(^\text{11}\) The catch is that also by law, registration of land ownership is optional for those pursuing sporadic registration (individually initiated and expensive with $800 to $1,000 going to the Cadastral Office) and compulsory for systematic land registration (done on commune level where whole areas are registered at the same time for approximately $15 per parcel).\(^\text{12}\)

As of 2003, MLMUPC estimated that 18% of land in urban areas was registered and surveyed and 70% legally occupied (although not registered or surveyed) and 12% informally held without legal title (in Lor 2003). Sik (2000) has calculated that only one percent of the total rural population held legal title to land while a few years earlier Lim (1996) had noted that no parcel

\(^{10}\) Neil Smith (2002) argues that the neoliberal state is the “consummate agent of – rather than regulator of – the market.” Rather than neoliberal, the state is “neo-patrimonial” according to Cock (2010), Pel et al. (2008), and Adler et al. (2008). Following Weber (1978 [1968]), patrimonialism is a feature of many societies where the sovereign employs personal ties in exchange for positions in government. Economically, it is difficult to differentiate between private interests and state interests, as the networks of clients and patrons that transverse public and private domains are extensive.

\(^{11}\) The first clause of Article 69 of the 2001 Land Law states, “The transfer of ownership shall be considered valid upon the registration of the contract of sale with the Cadastral Registry Unit.”

\(^{12}\) The figure for sporadic registration is from Global Property Guide, and the figure for systematic registration, in 1999 dollars, is from Törhönen and Palmer (2004).
of land had undergone a cadastral survey and was thus not officially titled, despite the
government’s earlier initiatives to begin titling land following Instruction No. 3 and the 1992
Land Law. According to the director of the city’s Land Title Department, 20% or 35,000 of
Phnom Penh’s estimated 170,000 plots were registered by 2001 or 2002 with the majority of
registered parcels located in the city center (in Ea 2002b: 9-10). Competing interpretations of the
history of titling notwithstanding, the absence of a centralized cadastre and the categorical
fluidity of property have allowed parcels and buildings to change hands many times and off the
books. Such slippages between categories proved to be fertile grounds for capital, with land
central to attracting foreign investment and the basis of entrepreneurial arrangements.

Figure 44. Sample land title from a parcel in Kampot province. Source: Lor (2003).

Many parcels throughout the country continue to appear to be held under soft title or other forms
of documentation (e.g., receipts for certification application, land survey receipt, transaction
letters signed by each party and stamped with the endorsement of local authorities) recognized
locally at the village, commune or district level (CDRI 2007, Sik 2000). By inviting Cambodians
to apply for certificates for occupancy and use rights in the early 1990s that were never
processed, it was possible for multiple parties to exercise rights over the same buildings and land
parcels. As noted earlier, of the 4.5 million applications that were received, by 1995 only 10%
(or approximately 518,000 certificates) were issued a certificate by 2000 (in Chan and Sarthi

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2002: 8). The World Bank (2002: 3) notes that by mid-2001, only 15% were processed. But receipts functioned as proof of a claim. More importantly as a document it had value and could be bought and sold with sales agreements stamped by local officials. According to the 1992 Land Law, an application receipt was sufficient to claim the right to possession. This has changed with the 2001 law (Markussen 2008). Nonetheless these documents command varying prices on the market. For example, there is a brisk market for family books (Simone 2008), which list the names of occupants at a given address. Soft titles, issued locally, generally indicate possession rights and reflect perceptions of security of holding. Family books, like sales receipts, do not necessarily denote possession rights but do establish a claim to them. Though soft titles are low in cost (they do not require that taxes be paid and there are no legal or service fees entailed), the risks are high as there may be more than one claimant. There have been several instances in which there were competing claims over land between government ministries; between different owners; or between farmers who believe that their cultivation of land grants them the rights of ownership despite the claims of foreign companies allocated rights to that same land through economic concession.

But in the face of such risks, profits still can be made as possession rights can be bought and sold easily in a matter of days. In contrast to soft title, hard title shows ownership registered at the ministerial level and at the national Land Register. Dowall and Leaf (1991) document how tenure and the documentation of tenure determine the value of residential land in Jakarta from those registered with the National Land Agency to those secured through tax receipts. Thus, registered plots are 45% more valuable than those with weak claims (Dowall and Leaf 1991: 714-715). These rights are registered “sporadically” with the buyer paying for most of the transaction costs involved. Transferring hard title can take up to two months. As goes an economy of speculation, profit must be imagined before it can be extracted (Tsing 2005: 57) underpinning the multiple markets that exist for these documents and rights assumed to be embedded in them. These processes continue to thrive buoyed by the standardization and stability of the late 1990s and the early 2000s. Each transaction not only generates profit for the seller and the brokers involved, it boosts the value of property itself (Ea 2002b, Sik 2000, Beng and Payne 2004).

Prior to the 2001 law, legislation was adopted that paved the way for the formation of a key set of institutions among them the Ministry of Land Management, Urban Planning and Construction (MLMUPC)\(^{15}\); the Cadastral Commission which arbitrates unregistered immovable property\(^{16}\);

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\(^{13}\) According to a planner at the Bureau of Urban Affairs (BAU), which is part of the Municipality of Phnom Penh, 80 to 90% of Phnom Penh’s plots were titled by 2008 (Interview, 29 March 2009).

\(^{14}\) Over the last decade or so, family books have been used by squatters to claim occupancy and ownership rights to land in Phnom Penh. In practice, family books have permitted squatters to rent and improve property, access services, and in some cases formal credit (Beng and Payne 2004). Simone (2008) details the intricate processes and partnerships through which squatters speculate on the value of these family books in Phnom Penh. The residence book itself doesn’t guarantee these rights. According to Anukret No. 73 dated 4 November 1997, the family book is used by the police to provide household information. The head of the household, regardless of whether that head is the owner or true tenant of the residence, is obligated to list the names of all members of that household. Such is the complexity of overlegislation.

and the Cadastral Index Map and Land Register. What is today the General Department of the Cadastre and Geography became part of MLMUPC only in 1999. The cadastre was itinerant as seen in the preceding decade, moving from one arm of the bureaucracy to another, as a result of earlier attempts to rationalize land administration. From 1989 to 1994, the then Department of Cadastre was part of the Ministry of Agriculture. Formerly charged with the privatization of rural lands (Curtis 1989: 63), the provincial and district branch offices undertook the Department’s work exercising the authority to issue certificates for both agricultural and residential lands. Under this arrangement, final authority was vested in the provincial governor. With authority delegated locally, the state did not know the amount, locations, or the boundaries of parcels that comprised public land as much of it had not surveyed, mapped, or titled throughout the 1980s and 1990s (World Bank 2002, Törhönen 2001). Between 1995 and 1998, the Department of the Cadastre was under the Council of Ministers at which point authority lay in the director of the Department (in Chan et al. 2001: 27) (Figure 45).

![Figure 45. Cadastral index map. Source: Lor (2003).](image)

This decentralized authority granted autonomy to local officials over land transfers in their jurisdiction and encouraged their involvement in exploiting new opportunities as they arose. Observing the interdependence between state officials and the market in late 1990s, Törhönen (2001: 410-411) describes a process in which officials working for the land register would broker land sales and draft transfer documents in return for a fee. If the land was registered under a hard title, then state officials would list a price on the deed that was in fact lower than the actual sale price. This was done in order to minimize the transfer tax. Lim Voan (in Cambodge Nouveau 1996), the former head of the cadastre, contends the buyers and sellers would underreport the

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17 Anukret 11 dated 22 March 2000 replaced by Anukret 2002 dated 31 May 2002
amount paid up to twenty times of the actual price. This process is described by Chan and Sarthi (2002: iii, italics in original) as follows:

The District Cadastral Office is responsible for evaluating land prices for purposes of taxation. Tax is four percent of the transacted value of the land. In practice, a good amount of tax is evaded. The extent of price concealment varies from one province [Kandal, Kamong Cham, Kampong Speu, Battambang, Sihanoukville] to another, but on average only about 40 percent of the actual price paid is recorded in the official documents, suggesting a tax leakage of about 60 percent. Prices are understated with the active collusion of many parties involved and the process is facilitated through an informal fee. When an agreement is reached, cadastral officials work backwards, to calculate a price, of which the amount paid into the provincial coffer would be equivalent to four percent.

A Cambodian businessman recounted this process to me as it took place in a 2008 transaction involving a state official and a Korean developer, in which the price at which the land was purchased differed from its documented value. Despite the centralization of authority over the cadastre, such negotiations likely take place at different levels of the bureaucracy. But in order to hedge risk, those with access and the resources undertake negotiations with the approval of higher-ranking authorities. In an aside, legal experts estimate that transferring Phnom Penh titles from the city’s own municipal registers to the Ministry may take up to fifteen years leaving municipal plots in continued ambiguous legal status (in Strangio and Chhay 2008). Rather than deterring speculation, legislation has scaled up and expanded spaces for profit-making and profit-sharing. As for the transfer tax itself – the tax that many go through great lengths to avoid – the rate can be negotiated, as much as the price is manipulated, with the rate usually no more than two percent of the value listed on the contract (in Global Property Guide).

4.6 Possession Rights
A major difference in the 2001 law is that it eliminated temporary possession as a means of acquiring land. The boundary between possession and ownership – the porousness between the two both as categories of use and categories of law – continue to be a site of contest and controversy, specifically for urban squatters who claim ownership over land through occupancy. Although land can no longer be acquired through temporary possession, the 2001 Land Law continues to permit possession of land.18 Possession is a lesser right than outright ownership, or

18 Article 39: “While waiting for the possession to be transformed into full ownership, possession in compliance with this law constitutes a right in rem over the immovable property. Such property may be the subject of exchange, transfers of rights and transactions.”
Article 40: “While waiting for the reconstitution of the cadastral plan and land register, the competent authorities shall continue to issue titles of possession to the immovable property. The title is evidence of possession but is not in itself a title of ownership and is not indisputable. The titles of possession shall only constitute definitive and indisputable title of ownership of the property in the absence of any dispute as to the ownership of the property at the time the land register is created. In case of a disputed claim, the determination of the lawful possessor of the immovable property shall be based on the additional
“the most extensive and complete property right” (Rendall et al. 2003: 77, 104). Possession refers to someone physically occupying a piece of land, whether that land is residential or agricultural. The key is that the occupier is not formally recognized or granted ownership by authorities. Possessors generally occupy a piece of property without a formal application although they may have requested official recognition of this possession of property subsequent to moving onto the land. Occupying land or property in a continuous manner renders the occupier the possessor of the land. What is at stake however is whether such possession complies with the requirements of the law; that is, whether the possession is legally valid (Rendall et al. 2003: 104).

In spite of that, possession rights include the right to sell and transfer the property. An individual, as a possessor, can exercise extensive rights over a piece of property completely outside of the purview of the state or the state’s authorization. Not only can such an individual subject the property to exchange, he can transfer rights (such as rights of use as in a lease) to another party or to his heirs and even sell the property (Rendall et al. 2003: 104-105). Possession can be documented through a “title, by a legal document or other kinds of evidence” (Article 71, 2001 Land Law). The right to transfer property through succession or inheritance is valid even if the possessor does not have an actual certificate issued by the authorities. That the possessor never registered his possession does not deprive him of the status of possessor and the rights in rem over such property; a status protected by Article 42 (Rendall et al. 2003: 105). Most significant among the rights of possession is that all possessors have the right to convert possession into ownership. This right to convert possessor to owner status was introduced in the 1992 law and is recognized in the 2001 law. It was designed as a bridge to interface between the old system in which all land was state owned to a system of private ownership rights. The 1992 law granted ownership rights to anyone who had been in legal possession of land for a period of five years.

Under the 2001 law, the right of a legal possessor to apply for ownership continues to be recognized (Rendall et al. 2003: 106). There is no practical difference between ownership and possession in those cases in which the possessor physically occupies the property in question. The major difference between an owner and possessor is that the former can retain the status of owner, leave the land vacant, rent it to someone else while a possessor will lose his status if he vacates the land (Rendall et al. 2003: 122). The 2001 law confirms that those in legal possession of land for five years (at the time the law came into effect) can register as the owner of the land.\footnote{Article 30 states, “Any person who, for no less than five years prior to the promulgation of this law, enjoyed peaceful, uncontested possession of immovable property that can lawfully be privately possessed, has the right to request a definitive title of ownership” (Article 30, 2001 Land Law).} The subsequent article requires that ownership be registered and recognized by the proper authority (Article 31, 2001 Land Law). The rights claims of urban squatters have hinged on the provisions stated in Article 30 and Article 38; that squatters have rights to land in the city based on occupation of over five years in ways not allowed under the 1992 law. The latter law required that a possession certificate be properly issued prior to an application of ownership.

With the 2001 law, “merely having moved onto the land is sufficient to earn someone possessor status” (Rendall et al. 2003: 38). Such a provision has created the grounds for massive investigation of all relevant evidence. \textit{A title of possession to an immovable property is one kind of evidence but is not in itself determinative” (my emphasis).}
contestation and competing claims rendering all possessors legally eligible to become owners. Article 30 is often cited by rights groups who claim that the poor have unequivocal rights to the city as guaranteed by law. Many squatters in establishing their right to property have argued that they have been in the city for decades. In part, such declarations do not make mention of other stipulations in the law: that any temporary possession claims made after the law’s passage will not be recognized or the fundamental contradiction within the 2001 law is that one cannot acquire land merely through the act of possession (Rendall et al. 2003: 37). Article 35 grants the state and its representatives the right to evict those without official title. Evictions can be negotiated by the official titleholder without consulting occupiers. And unlike the state, which can recategorize land if it chooses to do so, squatters occupying state public property cannot convert their occupation into ownership despite having paid for their tenancy. Rendall et al. (2003: 54-55, according to Article 19 of the law) write,

What is of immediate significance in the new law is the denial of legal possessor status to anyone in occupation of State Public Property. Even though they may have occupied such land innocently and in complete ignorance of the fact that it was State Public Land, they will not be allowed to convert such possession into ownership in accordance with Chapter 5 of the law. Furthermore, they are required to vacate the property with no compensation or reimbursement for monies spent improving or maintaining the property.

In an additional twist in which exceptions to exceptions are always at hand, those in possession of state private property are given the right to convert this possession to ownership after five years, assuming that possession began prior to the enactment of the law (Rendall et al. 2003: 55). It is the state that maintains its monopoly to decide the exception in these cases as well, recognizing, at will, the rights of a legal possessor of land versus that of a “speculative possessor” (Article 32, 2001 Land Law).

4.7 Planning Phnom Penh: Competing Legibilities and the “Economy of Appearances”
I have so far argued that overregulation through law has provided multiple ways to bring property into circuits of value as well as value into circuits of property-holding. Specifically, the pluralization of law has produced the necessary conditions to make property a fertile object of deal making, accelerating its marketization, and generating rents and profits for those with access to it. This overregulation, I contend, is part of the “functional fragmentation” (Rao 2009) of property, authority, and legibility of the city have been conducive to the rapid spikes in property prices seen most acutely over the past ten years. The average cost of property in Phnom Penh was $3,416 per square meter in May 2009. Land that was $500 per square meter in 2000 is reported to have cost $4,000 per square meter in 2007 (in Global Property Guide) and, in some cases, $5,000 per square meter (Campbell 2008). From 2006 to 2007, the rate of return for certain parcels of property were said to be 100 to 200% depending on the time of purchase and

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20 Article 35 of the 2001 Land Law states those with proper jurisdiction left undefined (in the English translation of the law those with proper jurisdiction are referred to as “competent authorities”) may on behalf of the state “force occupants without title or insufficient titles to vacate” property. The courts, moreover, “may not...refuse to order the removal of an occupant in favor of a person who presents a valid and complete cadastral title” (Article 35, 2001 Land Law).
the property’s location (International Herald Tribune, 9 March 2008). Property prices are estimated to have increased 60% in 2006 and 80% in 2007 (cited in Galliano 2008). What then of planning?

If relations of property are governed through the surfeit of law, planning in Phnom Penh takes place through a functional ambiguity. The way that the city is mapped is a case in point. Phnom Penh is comprised of eight khan, or districts. The rural districts are often described as the suburbs or the periphery. The urban khan of Daun Penh, Chamkarmon, 7 Makara, and Toul Kork make up the city center which cover a compact 28 square kilometers (NIS 2008, Beng Hong 1987). The rural khan are Russei Keo, Dangkor, Meanchey and Sen Sok. Sen Sok was split off from Russei Keo in 2009.

The boundaries of the city have contracted and expanded over time. Notably, the exact size of the city depends on the source given that different government agencies provide competing estimates of the city’s size. The Municipality, for one, has reported that metropolitan Phnom Penh (both urban and rural districts) is 375 square kilometers (MPP 2005). The National Institute of Statistics, which is under the Ministry of Planning, puts the city’s area at 290 square kilometers (NIS 2008). A planning document from 1987 indicated that the city was 401 square kilometers (Beng Hong 1987).

Confusing matters is how the urban is defined. For statistical clarity and for urban planning purposes, the government redefined the urban in 2004. Whereas in the 1998 census the urban was a matter of location, the 2008 census the urban became a matter of density. Thus in 1998, what counted as urban was a relatively ad hoc grouping of areas with some holdovers from earlier administrative eras: 1) all provincial capitals in the country (Cambodia is made up of twenty-four provinces each with its own capital); 2) the four urban districts of Phnom Penh mentioned above; and 3) whole provinces (i.e., Sihanoukville, Kep and Pailin). In 2008, an area (in this case the commune, which is an administrative unit that makes up a district) was considered urban if it met these criteria: 1) a population density above 200 persons per square kilometer; 2) male employment in agriculture below 50%, and 3) a total population above 2,000 persons (NIS 2008).

If there is wide variation in what should be a relatively straightforward determination of the city’s size, this variation isn’t unusual. In the 1980s, the Ministry of Planning put the city’s area at 46 square kilometers (in Curtis 1989); a figure that seems to be derivation of the 1921 census when the city was said to be 47 square kilometers (in Thomas 1978: 11). These figures likely only include the four urban districts of the city. And yet contrary to the Ministry of Planning’s estimate, Kry Beng Hong, the deputy governor of Phnom Penh from 1993 to 1998 (Pen 2000: 83), who authored the planning document cited earlier contended that urban Phnom Penh was 28 square kilometers in size (Beng Hong 1987); a figure identical to the Municipality’s 2005 estimate.

These discrepancies show that the city is indeed mapped but mapped according to multiple logics (whose origins are unknown or left undefined) that elicit incompatible estimations but each seemingly as valid as the other. As the National Institute of Statistics (2008: 2) notes, the 2008 census was undertaken without “precise and detailed maps” at a scale required for a census. In
lieu of detailed maps, photographs, and satellite images were used as references. Even before the conflict, the anthropologist William Willmott remarked that Cambodia lacked reliable statistics in every field. In part this was because Cambodia was a protectorate rather than a colony. Moreover because it was deemed economically unimportant by the French, the country did not receive the kind of statistical attention afforded to Vietnam (Willmott 1967: 12). With the civil conflict, the destruction of institutions such as the cadastre, and extraordinary vacillations in the city’s population (Figure 46) knowledge has not been standardized but fragmented through different representations and realities.

![Population of Phnom Penh by Year](image)

**Figure 46.** Population volatility.


In piecing together technical documents, whether statistics on the economy, planning maps, and building laws, the one constant that I found was the persistent variation in presumed facts about the city and the economy. The lack of standardization and the operation of functional ambiguity have been amplified by the fact that Phnom Penh is a city without a master plan. The last plan in effect dates to the 1950s (Chhay and Huybrechts 2000), likely drawn up by Urban Technical Services in 1950 (Igout 1993: 15) and expanded in the 1950s and 1960s by the planner and architect, Vann Molyvann (Vann 2003). Despite the French-financed Master Plan 2020, which has been in the works since 2002 (BAU 2007), it will likely never be ratified given the politicized nature of urbanization and its immense profitability. According to one city planner,
the master plan has been “stuck” since 2005 yet to be reviewed by the Council of Ministers (Interview, 29 May 2009). Even if the master plan were to be approved, it would indeed function as nothing more than as a reference according to a land ministry official (Interview, 4 August 2009).

In addition to the absence of a plan, it is also unclear how much of the city is titled as elaborated earlier. According to one planner at the municipality, 80 to 90% of Phnom Penh has been titled through the donor-funded Land Management and Administration Project (LMAP) (Interview, 29 May 2009). But other experts, such as the land attorney Matthew Rendall, contend that much of the city remains under ambiguous legal status (in Strangio and Chhay 2008).

Anderson (1991: 173) has examined how the institutions of the census and the map (the spatial corollary of the census) have made “totalizing classification” possible. Specifically “the formal apparatus of the census conjured up, by delimiting territorially where, for political purposes, they ended. Conversely, by sort of demographic triangulation, the census filled in politically the formal topography of the map” (Anderson 1991: 174). Although the census and the map are models for, rather than models of, what they purport to represent (1991: 173), they nonetheless function as part of a regime of legibility. Such legibility, as Scott (1998) argues, is the goal of rational planning: to imbue logic onto space. If “the map signifies the massive production of knowledge, the accuracy of calculation, and the entire politics based upon a knowledge of population and territory” (Mitchell 2002: 9), then the variations described above show that these objectifications of territory and the calculations of the population and the economy are, in fact, negotiated and indeterminate. These competing legibilities, sustained through the lack of standardization are part of the city’s economy of appearances; a concept used by Tsing (2005) to describe how the lack of fixed boundaries allow for deals, imaginations, and money to flourish.

Planning takes place on an ad hoc basis in reference to a general set of laws: the 2001 Land Law, the 1994 Law on Land Management, Urban Planning and Construction, and Anukret 86 on building permissions (Figure 47). There is also the power structure at stake. The Municipality of Phnom Penh has restricted autonomy to plan the city (Fallavier 2003). Phnom Penh is a municipality, a specific administrative unit, and thus controlled directly by the central government in contrast to the autonomy of cities in the provinces (Curtis 1989: 26). Because the city’s governors are appointed rather than elected, the municipality’s leaders are part of a broader set of power networks whose positions are located in longer chains of command. Many decisions are made outside of the municipality with municipal autonomy conditioned by relations between vice governors and their ministerial counterparts (Fallavier 2003). And projects above a specific size and value must be vetted at the highest reaches of government, reflecting not only the centralization of power when it comes to urban projects but a hierarchal one as well. Although the municipality gained financial autonomy in 1998 (through Law on Financial Regime and Property of Municipalities and Provinces, Preah Reach Kram/CH-RKM-0298, 25 February 1998), its budget must be approved by the Ministry of Interior and ratified by the National Assembly. The city does not collect taxes (property taxes go to the Ministry of Economy and Finance) and it cannot raise its own revenues. City-level decision-making on issues related to the development of the city, in effect, do not exist complicating the idealized role of urban plans that serve as the blueprints for development based on the planners’ “ability to control the future through action guided by rationality and centralized authority” (Holston 1989: 46). Planning,
according to land ministry officials, is “technical” rather than official or political (Interviews, 7 August 2008 and 4 August 2009). As I argue later, these laws and the fragmentary nature of planning have opened up the city to interpretation.

Figure 47. Technical specifications for construction dated 30 August 2007. The columns specify building type (shophouse, setback shophouse, residence, office building or business, apartment building, office building or business) and the rows building and parcel characteristics (size of plot, number of floors, floor area ratio, setbacks, land use, vehicle storage). My thanks to Erin Collins for help with the translation from the Khmer.

In addition to the absence of a master plan and with only a partial cadastre, there is no official body that publishes price histories of property. This absence has been interpreted by an official at the Ministry of Economy and Finance as engendering the conditions for the true functioning of the market. Prices are determined not through state intervention but through free market mechanics (Interview, 7 August 2009). A similar ethos is expressed in the work of real estate economists who argue that real estate prices and rent growth expectations are central to determining prices. “Formulating expectations or ‘speculating’ about the course of future rent” is “neither inefficient nor undesirable” (Malpezzi and Wachter 2005: 147). It is this context that prompts the Bureau of Urban Affairs of the Municipality of Phnom Penh (2007: 185) to observe, “L’Etat est devenu le principal acteur de la spéculation foncière” (the state is a principal player in real estate speculation). But “the state” is not a unitary block but rather a web of relations and power networks involved in all facets of political and economic life.

The lack of a singular regime of legibility and the ambiguous mappings of the city open up spaces for innovation in regulating space as well as in pushing through urban projects and advancing profits and deal-making. That such innovations can be negotiated means that the
future is radically open ready to be colonized in the present (Giddens 1991: 133) central to the project of speculation in property and part of the frenzy of the market (Figure 48).


4.8 Conclusion
While property became fully commodifiable under the 2001 Land Law regime, rights in property continue to operate in differential markets and processes of valuation that are exceptional, overlapping, and flexible. Prior to the resumption of peace, property was subject to various reforms. Reforms, rather than systematic and homogenizing, have been transformative and pluralizing while incrementalist and fragmentary. The “fractioning of space,” or its segmentation and differentiation according to Lefebvre (1991: 351), has been attained through the overregulation of law and the inherent negotiability of sovereignty over space. Specifically, as property in Phnom Penh has been subject to erasure, reform, and renewal historically and juridically, legislation over property has created a common sense economy of property that is, at all times, adaptive and flexible. Rather than subscribe to the commonly levied charge that
property is another manifestation of state corruption, which in scholarship has universalized constructions of state-space-society relations (Gupta 1995: 378), I argue that the pluralization of law has created a predictable mode of rule: that of overregulation. Declarations that there is no law in the country or that everything – in one way or form – is illegal cannot be reconciled with how the laws become the basis of new legalities; new legalities that underlie Phnom Penh’s speculative urbanism. The law has no essence in its intent and through its regulation administers exceptions. In a context where citizens were instructed to gain wealth before the state, the rule of law constitutes a platform for rights to be unbundled, rearranged and negotiated creating multiple markets for property. Rules governing property operate both through categorical fluidity as well as through the extreme permissiveness of the law allows for innovation through which the built environment is shaped.
CHAPTER 5
The Logic of Korean Capital in Phnom Penh

*Why should landscape be any less dramatic than the event?*

Frederic Jameson (1991)

*Postmodernism, or, The Cultural Logic of Late Capitalism:* 364

*We want to be ready for the future and build the biggest building in Phnom Penh possible.*

Mr. L, Planner with GS Engineering & Construction’s International Finance Complex

(Interview, Phnom Penh, 8 June 2009)

*Cambodia is high risk, but it’s also high return.*

H.E. Dr. Hang Chuon Naron, General Secretary for the Ministry of Economic and Finance

(cited in Kinetz 2007)

5.1 Interconnections of Urban Norms and Forms
In this chapter, I look at the metropolitan ambitions of Korean developers in Phnom Penh. From 2004 onward, Korean firms began advancing the most high profile urban projects for Cambodia’s capital subsequently triggering a frenzy in its property markets. If these projects had materialized as planned, Phnom Penh would have come “to resemble a mini version of high-rise Seoul” (Cain 2008). Imagining themselves as truly global, Korean developers have sought to inscribe Seoul onto Phnom Penh while also using the success of transnational investments in Ho Chi Minh City as a point of reference. But as goes the messiness of urban experimentation and the calculus of risk and reward when betting on urban futures, many of these projects are no more than projections; imaginations conjured rather than enacted with some suspended midway through construction and others canceled altogether. While Korean developers have been “very good at selling…the plan” and putting proposals out there as if “a fait accompli” (Interview, 19 February 2009), the most spectacular of these plans remain mere images and dreams (for examples, see Figures 3 and 4). I draw upon interviews with those involved as project managers, as sub-contractors and engineers, or as representatives of some of these proposals (e.g., World City’s CamKo City, GS’s International Finance Center, Yon Woo’s Gold Tower 42, POSCO’s The Star River, and the Phnom Penh Tower by Hyundai’s Amco). I also situate these metropolitan ambitions in older geographical linkages to highlight how the spatialities of these relations are temporally embedded. My aim here is to examine inter-Asian urban circuits, namely the citations and rationales underpinning the presence of Korean developers in Phnom Penh. If in an earlier era the referent for Phnom Penh was Paris (or a provincial town in France), its contemporary referent is the Asian city. Although this referencing is not universally embraced, particularly for those nostalgic for the city’s mid-century modernism, the circulatory capacity of Asian urban forms are also “worlding practices” with claims to a global urban modernity (Roy and Ong 2011). In looking at the imaginaries and experiments of Koreans in Phnom Penh, who function as interlocutors and experts of development and construction, and their interconnections, I seek to make concrete the ways that “inter-referencing practices drive
speculations on the city’s future” (Ong 2011a). In the previous chapter I argued that overregulation created the necessary scaffolding to speculate in property in Phnom Penh radically opening up its markets to negotiation and capture. Against this background and following earlier waves of Asian investors, Koreans developers keyed their entry into the city propelled by additional factors including the desire to bring a “culture of construction” to Phnom Penh (GS Engineering & Construction Investor Guide 2008) and to take advantage of the “chance to get profit from the land” in Cambodia (Interview, POSCO representative, 8 June 2009). In this chapter, then, I locate Koreans in Phnom Penh within a broader set of relations that make the inter-Asian capitalization of urbanism possible.

5.2 Inter-Asian Circuits and Citations

Contemporary experiments in city-making taking apace in Phnom Penh are driven as much by capital, or at least anticipated capital, as they are by its connections to other cities within Asia. In a mutually reinforcing fashion, a comparative logic drives foreign investment: that Phnom Penh’s future, like its neighboring cities, is ascendant. I outline the organization of these circuits, and their earlier iterations, as articulated capital and as imaginaries of the urban.

For investors who have jockeyed for a piece of the city and the economy at large over the past several years, Cambodia is the Vietnam of the 1990s and the Thailand of the 1980s (in Lim and Ismail 2008, Moore 2010). But Cambodia has historically been an important target for Asian investors with capital entering the country dominated by inflows from within the region (see Figure 28). As Shatkin (1998: 382) argued during an earlier moment of rapid socio-spatial change, “Today, as one of the few remaining areas of conflict in the post-cold war period in the region, major economic players in Asia see Cambodia's stabilization and economic development as key to the continued success of the booming economy of Southeast Asia.” For Hsing (1998: 11), “The increasing intraregional investment within Asia has been one of the most distinctive phenomena in Asia’s new economy. The four East Asian dragons - Hong Kong, Taiwan, Singapore, and South Korea - have not only changed their role from capital receivers to capital exporters, the main destination of their direct overseas investment has been within Asia, especially in the ASEAN countries and China.” This inter-Asian capitalization, spearheaded by Japan in the 1970s and 1980s (Yoshihara 1988, Ong 1991), undergirds Ohmae’s (1996) characterization of a regionalization based on linkages within sites and populations in the Asia Pacific region as part of a “borderless world.” By the 1990s, the dragon economies became the largest investors in Southeast Asia, overtaking Japan in capital outlays (Hsing 1998: 12-15). These inter-regional relations are not just circuits of investment, however. The economy is also propelled forward through experts and technicians, models of urbanism and development, and shared horizons. The Cambodian economy’s thickening is thus produced through these connectivities as regional players have been at the forefront of its investment landscape.

This story of Cambodia’s anticipated growth is predicated on other interconnections as well, specifically a view of Cambodia’s future from the prism of others’ pasts. Asian investors, armed with memories of their countries’ own underdevelopment, have seen the “miracle” of

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1 A referent for the economies of South Korea, Singapore, Hong Kong, and Taiwan, the Asian miracle denotes not only rapid growth that took place from the 1960s to 1980s but growth without an increase in poverty.
development firsthand and its great circulatory capacity. Between 1965 and 1991, the twenty-three economies of Asia grew faster than all other regions of the world (World Bank 1993). Korean developers have been the most explicit in citing the success of Seoul as the basis to participate in urbanizing Phnom Penh. Seoul is the “miracle on the Han River,” a reference to South Korea’s rapid economic development and the spectacular transformation of Seoul within a single generation. As an indicator of growth, Korea’s per capita GDP rose 770% in thirty years (cited in Wu 2000: 572). Not only do developers seek to share Korea’s success elsewhere, but the idiom of equivalence – that Phnom Penh is the Seoul of forty years ago – is part of the “aspiration to a possibility” (Chua 2011) of the Seoul model. Whether the model is entirely replicable is less important, if not impossible (see Lie 1998), than how this “self-scripting” of success travels as fragments (Chua 2011).

Whatever the roots and the productivities of these linkages, a number of global indexes have consistently ranked Cambodia in the bottom quartile of the world’s economies. The World Economic Forum deemed the country to be among the world’s worst in competitiveness. In terms of business climate, the World Bank ranked the country near the bottom. Transparency International determined the country to be world’s second most corrupt country in its annual Global Corruption Barometer in 2007. And, in 2009, the Economist Intelligence Unit (part of the group that publishes The Economist magazine) levied the claim that Cambodia had among the highest political risk globally, ranking the country fourth for potential fallout in light of the recent onset of the global economic crisis (in EIU 2009). Among the various conflations between economic uncertainty and political instability in EIU’s index is an overreliance on what it calls “underlying vulnerability” and a pathologization of poverty in which poverty is seen to contribute to violence. To make the latter argument, EIU cites a University of California study.

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2 This World Bank study, in addition to suggesting that the region is far more economically integrated than it is according to Jomo (2003), is an attempt to assert expertise over models of development that refute, if not negate, the Bank’s own “free market” prescriptions and policies (e.g., minimal state intervention, depersonalized market transactions). See Smart (1997), Jomo (1997), Jomo (1998), Evans (1979), Wade (1990), and Cheng and Gereffi (1994) for the debates on how the political economy of development defies normative models.

3 I first came across the citation of the Korean model as an idiom of equivalence on a research trip to Phnom Penh 2005. I met a Korean American missionary who, in his early 60s, made a striking comparison: that Phnom Penh reminded him of Seoul in the 1960s or the period prior to the country’s takeoff. John Lie (2008: 186), describing a visit to Korea in the 1960s, writes that Seoul was “a city of shocking poverty and inequality: truly pathetic beggars roamed – and fortunate were those who were able to amble – the streets next to the overworked oxen pulling rickety carts.” By seeing Seoul in Phnom Penh, and linking their landscapes of ruralization and ruins, part of his calling, as he saw it, was to share Korea’s miracle and its ascent as the world’s eleventh largest economy as a model of possibility for Cambodia. Korea’s success, accordingly, allowed him to proselytize to a populace that is predominantly Buddhist.

4 The Korean model has been the subject of extensive debate, e.g., Woo (1991), Amsden (1989), Lie (1998), Chang (2006), and Cumings (1997).


6 Among the indicators for vulnerability are inequality, state history, and corruption (in EIU 2009: 15).

7 The actual UC campus is left unnamed. And the report does not give the full citation to the study.
in which a 5% decline in national income in African countries\(^8\) was calculated to increase the risk of civil conflict the following year by 30% (EIU 2009: 20-21). As argued in Goldman (2005), poverty has always been associated with risk and security in regions of the global South since the Cold War. Here the geography of Africa “absolute otherness” by the West through “negative interpretation” but one based on a false separation between “the objectivity of structures and the subjectivity of representation” (Mbembe 2001: 1-6) – transcends specificity and location to become the universal problem space of crisis and conflict. The flaws in EIU’s methodology are not supposed to matter for the “threat of unrest is grave” enough such that the “risk of complacency far outweighs any risk of exaggerating the dangers” (EIU 2009: 17). In response, the prime minister lambasted the EIU including during his keynote at the 5th Asia Economic Forum, which I attended with 700 others, asking why the report chose to ignore the preceding decade of peace and how the country could be ranked on par with places still in the midst of war.

The merits of these indexes notwithstanding, these rankings are part of a regime of intelligibility in which representations of the market are treated as “evidence.” Such representations are linked to older development debates about poverty and its assumed pathologies and geographies. Presuming that the realms of society, politics, and the economy are bounded and discrete, these indexes are part of a regime of knowledge over the economy, in which the complexity of governance and the question of growth are reduced to an ethos of illegality and a culture of corruption. A corollary exists in Marxist economic thought. For example David Harvey, in *A Brief History of Neoliberalism* (2005), examines capitalism as a global universal form in its movement through time and space, even if its territorialization renders it place specific and particular. But because “Asia” does not conform to his Hegelian narrative, Harvey devotes an entire chapter to the question of China in “Neoliberalism ‘with Chinese Characteristics’” (2005: 120-151). He describes China’s “spectacular emergence” as a matter of historical coincidence, “an unintended consequence of the neoliberal turn in the advanced capitalist world” (Harvey 2005: 121).\(^9\) China’s emergence is thus derivative and the history of capitalism, if such a history can be told, partial and selective.

\(^8\) Also left unspecified.

\(^9\) The bias against Asian capitalist forms is not exclusive to Marxist geography. Yoshihara (1988), for example, characterizes Southeast Asian capitalism as ersatz; inauthentic because it is responsive rather than dynamic; distorted by government interference; confined to the tertiary sector of finance, property development and trade; and based on rent-seeking and speculation. Anderson (1998: 307) sees the Asian miracle, in somewhat teleological fashion, as the basis of speculation: “The very length of the miracle [in Southeast Asia] encouraged not merely the ruling elites, but also the new middle classes to use their high levels of savings to plunge into every kind of speculative, unproductive, and rent-seeking endeavor.” Finally Woo-Cumings (1999: 19), sharing Yoshihara’s view that Southeast Asian capitalism is ersatz, notes that its economies are not driven by “a nationalist mobilization for export-led growth, as in Japan and Korea, but a kind of ‘protection ring.’” That is, Southeast Asia exhibits “indiscriminate ‘crony capitalism’” (Woo-Cumings 1999: 19) based on speculation and dependency on external sources of financing.

In a much-needed departure, Ong (2006) provides an armature to analyze the spatialities of neoliberalism, specifically within Asia. She argues that neoliberal capitalism must be seen as an “assemblage,” following Deleuze and Guattari (1987) and Ong and Collier (2005), of economic strategies and political practices. As an analytic, the notion of assemblage allows for a sharper focus on emergent, decentered, and heterogeneous forms overlooked in structuralist analyses of society and economy. In contrast to
Cambodia’s remarkable growth, highest in Asia second to China, sits at odds with representations of its ungovernability. After all, how does an economy that ranks so poorly do so well? To reconcile these contradictions, narratives of corruption and venality are further mobilized to rationalize growth. My point here is not on whether corruption exists. Rather it is to question its analytical function particularly when corruption is ascribed greater productivity and explanatory power than is warranted. If both the persistence of poverty and the presence of wealth in Cambodia are treated as functions of corruption, thereby reducing capitalism to a zero-sum game, then corruption becomes thin cover for miscomprehension, foreclosing alternative viewpoints about how the economy is constructed, wealth generated, and interests vetted. An account of the economy should take into consideration its constitution as a complex set of intersecting practices, relations, and representations whose mediations are open-ended and diffuse. Entanglements of risk, uncertainty, and profitability have been crucial to the economy’s growth. These perceptions are not unitary with differences in perception the starkest between regional investors who have been pioneers in the Cambodian economy and western observers. Although not mutually exclusive, these gaps in perception are tied to fundamentally different representations and relations of the economy and their intelligibility.

Following Thai prime minister Chatichai Choonhaven’s pledge to turn the battlefields of Indochina into new markets in the 1980s (Volkman 1990: 4, Curtis 1989: 37), traders and investors from Thailand, Vietnam, Hong Kong, and Singapore began arriving to the country prior to the cessation of hostilities; the economy identified as a market for export commodities, a frontier of extraction (gems, precious timbers, other primary materials), and as a frontier of capitalist accumulation more broadly (Shatkin 1998, Curtis 1989, Chandler 1993). In the two decades since that declaration, Asian investors have pledged on average 90% of foreign investments, which topped $10 billion in 2008. In contrast foreign donors committed $1 billion in development aid in 2009. Whereas investment capital is inter-regional, multilateral aid is predominantly from the West and Japan. Foreign aid in the country, of course, maintains an important function – as a signal of stability or at least a commitment to it.

The Council for the Development of Cambodia (CDC), which coordinates both official development assistance and foreign direct investment, is the highest decision-making authority for investment in the country. The CDC is headed by the most powerful figures in the country including Prime Minister Hun Sen, the Minister of Commerce Cham Prasidh, and the Minister of Economy and Finance Keat Chhon. Under a 2008 anukret, the CDC is required to obtain the Council of Ministers’ approval on proposals with capital of $50 million or more (as well as approval for proposals that are economically and politically sensitive or involve infrastructure concessions). That is, projects with greater stakes are “protected” with the backing of the highest executive body in the country.

Harvey (2005), “neoliberalism” is not an economic force that unfolds linearly across history and geography. Rather, neoliberalism is a set of governing technologies and economic practices that can be adopted without changing the overall state apparatus or the status quo (also in Ong and Zhang 2008).

Notably, only pledged amounts – rather than actual capital received – are calculated and published by the CDC as the CDC has no mechanism to monitor implementation. Pledged amounts include those projects that have yet or may never be fully implemented or those rolled over from previous years making investment figures appear much higher than in reality (Personal communication, Staff in the division of economic affairs at the US Embassy in Phnom Penh, 30 July 2009). Thus of the $10 billion of foreign investment pledged in 2008, only $821 million was invested (in Kay 2009a). These pledged amounts nonetheless have a performative function in the “economy of appearances” (Tsing 2005) where the spectacle of growth is imagined and that imagination generative of further investments.

Over the last decade, Korea has emerged as one of Cambodia’s largest investors joining others who have targeted its post-conflict economy as a terrain for accumulation. Korean developers historically have been motivated by an intense supply-side rationale (S. Kim 1988, Ronald and Jin 2010); a rationale that has prevailed in Phnom Penh where there is no identifiable market for the kinds of projects that are being proposed. “We build first. That was our strategy to get leadership” in the words of GS Engineering & Construction’s Mr. L (Interview, 8 June 2009). Such stakes in claims are “driven by investors’ belief that they must act quickly before the most valuable sites are grabbed by others and before new regulatory regimes become inevitable” (Simone 2008: 197). Competition between investors accordingly is rife.

5.3 Ties that Bind
Inter-Asian linkages have been central to Korea’s fortunes. Southeast Asia was a crucial experimental terrain for construction companies beginning in the 1960s and the grounds for “worldmaking interconnections” (Tsing 2000) of urban norms and forms (Rabinow 1989). Construction firms expanded to the Middle East in the 1980s and returned to Southeast Asia with the spread of neoliberalism. Currently, Southeast Asia is Korea’s second largest market in overseas construction and third in overseas investment (Steinberg 2010: 9). In tracing these linkages temporally, I point to how contemporary circuits of inter-Asian urbanism and forms of inter-referencing are embedded in older geographies of experimentation in construction and capital.

Park Chung Hee’s first five-year plan for Korea’s development was “mapped out with Vietnam in mind” (Armstrong 2001: 533).11 The Vietnam War did two things. First, the war provided one of the major contingencies for Korea’s economic miracle.12 The military agreement between the US and Korea accounted for 7-8% of the latter’s GDP from 1966 to 1969 and provided 19% of foreign earnings (Woo 1991: 93-96). As much as the Korean War was vital for Japan’s recovery

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11 Park Chung Hee is credited for Korea’s integration into the global economy, overseeing an economically critical phase of the country’s development. He ruled the country with an iron fist from 1962 until his assassination in 1979.
12 Taiwan, Singapore, and Thailand benefitted from this war-induced boom as well (Woo 1991: 95). That is, connections within the region were forged through the productivities of conflict and the geopolitics of the Cold War. Japan’s incorporation of and control over the Pacific Rim in what it called the “Greater East Asia Co-Prosperity Sphere” reflects an earlier imperialist moment of regionalism (Ong 1991, Watson 2007).
(Johnson 1982), the Vietnam War was crucial to South Korea’s development. Like Park, who was aware of the Korean War’s role in the resurgence of the Japanese economy in the 1950s (Lie 1998: 63), Korean officials and businessmen were conscious of the historical parallel and saw it to be Korea’s turn for economic ascendance. Whereas Japan “earned” $800 million from Korea’s war, Korea earned $960 million from the Vietnamese conflict a decade later (S.J. Kim 1970: 522). The war paid for the construction of Korea’s first national expressway, the Seoul-Busan highway, built between 1968 and 1970 (Lie 1998: 64); a major cornerstone of a national transportation infrastructure. The war also allowed Park to maintain his grip on power as modernization legitimated his authoritarianism (Lie 1998: 76). Not only did Park win the 1967 in a landslide, internationally outsiders began to identify South Korea as “an ally and as a political model in Asia” (S.J. Kim 1970: 530).

Korea’s war-related income combined (direct aid, military assistance, procurement and soldiers’ allowances) was estimated to be over $1 billion between 1965 and 1972 (Woo 1991: 94, Cumings 1997: 321, Lie 1998: 64). Two, Southeast Asia became the material grounds for experimentation for nascent construction and logistics firms. Of the $423 million of foreign construction contracts granted between 1965 and 1973, nearly three-fourths were located in Southeast Asia (S. Kim 1988: 226). During the peak years of the war in 1968 and 1969, an estimated 16,000 (of the 26,000 foreign civilian employees) Koreans were in the country as technicians, businessmen, and workers (Lie 1998: 64). Hyundai Construction was awarded a $5.2 million contract financed with World Bank loans to build the Pattani-Narathiwat in Thailand in September 1965 (S. Kim 1988: 226, Woo 1991: 96) representing the first time a South Korean firm was granted a contract in a foreign country. Vietnam specifically was “a frontier for Korean enterprise” (Cumings 1997: 321). With many firms now household names, including Hyundai and Hanjin (the parent company of Korean Airlines), Southeast Asia functioned as a “laboratory” (Woo 1991: 97) for cultivating building and infrastructure expertise.

13 Japanese prime minister Yoshida Shigeru is said to have called the Korean War “a gift from the gods” as it galvanized Japan’s post-war economy (in Armstrong 2001: 533).
14 Japan also profited from the Vietnam War. Although it had no troops committed to the conflict, it received the lion’s share of US military orders estimated to be ten times greater than orders placed with Korea (in S.J. Kim 1970: 525). Japan was, accordingly, the largest single beneficiary of the war (Woo 1991: 92).
15 Although South Vietnam would eventually lose the war, its 1967 Constitution was nearly an exact replica of South Korea’s (S.J. Kim 1970: 532).
16 At its peak, the number of Korean troops exceeded all other Allied nations’ forces in Vietnam combined. A total of 300,000 Korean troops were deployed from 1965 to 1973 (Woo 1991: 93). By committing Korean troops to Vietnam, Park was able to forge stronger ties with the United States as well as elicit greater US troop commitment to South Korea, still technically at war with the north. The US paid the military allowances of all Allied troops. Whereas the monthly allowance for a US troop at sergeant rank was $333, for non-American troops allowances were $279 for Filipinos, $60 for South Vietnamese, and $58 for South Koreans (in S.J. Kim 1970: 525n21). Although at the bottom of a racialized-national hierarchy, Korean soldiers provided important foreign currency sources.
17 Reconstruction following the Korean War and the US military presence provided the grounds for the cultivation and growth of Korea’s domestic construction industry in the 1950s and 1960s (S. Kim 1988: 230). Kim Suk Joon, the chairman and chief executive of one of the world’s top building companies, Ssangyong Construction & Engineering, observed that all of post-war Korea was a giant construction site and a “crucial training ground for its builders” (in Salmon 2009).
The architecture of relations between Korea and Southeast Asia was thus initially established at the nexus of conflict and capitalism.

The Middle East, awash in petrodollars after the 1973 oil crisis, opened up a “new frontier” for Korean contractors who were seeking to expand after the decline of the market in South Vietnam (S. Kim 1988: 226). In early 1976, the state converted military bases in Korea into training centers for construction workers, financed jointly by government and construction companies (Lie 1998: 88) as part of the state’s push to export construction laborers to the Middle East. By 1980, South Korea was the second largest exporter of construction services in the world. Foreign exchange earnings amounted to over $11 billion from over a six-year period from 1979-1985 (S. Kim 1988: 225-229). In line with its overarching control over the political economy of development (Woo 1991), the state managed all aspects of overseas construction. Only firms licensed by the ministry of construction were allowed to operate abroad; firms needed ministry permission in order to bid on contracts in overseas markets; and the government specified where firms could operate (S. Kim 1988: 232). New global market forces meant that chaebols needed to restructure to become more competitive. Southeast Asia once again became a target for Korean foreign direct investment (Lie 1998: 156), including in property speculation.

5.4 Speculation and Space
A bedfellow of construction is real estate. Stories of speculative dealings in property circulate widely in everyday Korean life, a common subject of gossip among families and friends and a featured topic in the press when it involves politicians or tycoons. Speculation has been identified as a feature endemic to Seoul since at least the 1970s. The Korean word for speculation – toogi – is a compound of tooja, or to invest, and naegi, meaning to wager or gamble. In what follows, I briefly outline the “culture of speculation” (Rao 2009) in the city of Seoul to highlight a coordinate of inter-Asian urbanism – how speculation in property circulates in and through Asian cities as a common sense platform in the production of space and a vehicle in the production of value. By focusing on how property in Korea is configured as a “tournament of value,” my aim here is to outline the ways in which the profitability of property in Seoul functions as a reference point for Korean investors speculating in Phnom Penh, itself urbanized through speculation.

Urban property has historically been one of the most profitable investments in Korea. J.S. Lee (1997) calculates that the value of urban land in Korea’s twelve largest cities increased nearly

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18 From 1975 to 1986, the Middle East represented 90% of new contracts (S. Kim 1988: 225).
19 Speculation in Seoul has been debated most prominently by economists (e.g., Son 1997, Kim and Suh 1993, Xiao and Park 2009, Chung and Kim 2004).
20 “Tournaments of value are complex periodic events that are removed in some culturally well-defined way from the routines of economic life. Participation in them is likely to be both a privilege of those in power and an instrument of status contests between them. The currency of such tournaments is also likely to be set apart through well understood cultural diacritics. Finally, what is at issue in such tournaments is not just status, rank, fame or reputation of actors, but the disposition of the central tokens of value in the society in question” (Appadurai 1986: 21). Drawing upon Georg Simmel, Appadurai examines how exchange creates value as “exchange is not a by-product of the mutual valuation of objects, but its source” (1986: 4).
800 times between 1962 and 1993 with a compound average annual growth rate of 21.5%. When adjusted for inflation, the increase in land values averaged 11.3% per year. The preference for real estate among individuals and corporations reflects the lack of alternative assets with comparable rates of return. Extensive property holdings were used to prop up the earnings of chaebols exporting at tight profit margins (Kong 1996: 51). In the 1980s, $16.5 billion of chaebol funds went into buying land for speculation and for resort development (in Wu 2000: 578). The profitability of property, that is the large capital gains from real estate, moreover is in part a function of its inadequate taxation (Kim and Suh 1993, Ronald and Jin 2010, Sohn and Yim n.d.) compounded by excess liquidity and the structure of the rental market. For example, a unique rental contract known as chonse is typical for housing rentals. In lieu of a monthly rent, a tenant gives the property owner a lump sum deposit at the beginning of the contract, usually 50% of the unit’s value. The deposit is subsequently returned at the end of contract period (Park et al. 2010, Xiao and Park 2010). But in the interim, the property owner is flush with highly liquid rentier capital commonly directed towards the acquisition of more real estate.

The predominant housing type in Seoul is the apatu (from the English loanword, apartment) located in a high-rise building. The state’s promotion of apartment living and high-rise towers (urban forms that Korean developers are currently pushing in Phnom Penh) were part of a developmentalist project that sought to inscribe modernity and nationalism onto the built environment. Although the Korean National Housing Corporation (KNHC) was established in the early 1970s to build public housing (Ronald and Jin 2010: 2372), the state directed the private sector to supply housing in the form of large apartment blocks while it encouraged the public, in turn, to purchase the units within them. Jung In Kim (2008: 117-118) calls this arrangement a “state-initiated speculative housing development” under the guise of a social welfare policy, although it was not a public housing program by design or intent. Despite the state’s investment in the expansion of owner-occupied housing beginning in the 1970s, ownership rates actually have decreased from 63.6% to 54.2% between 1975 and 2000 (Ronald and Jin 2010). This signals not only a concentration of ownership but also a concentration of wealth derived from ownership. For the sake of comparison, in Singapore, 90% of the population currently lives in public housing through the expansion of a home-ownership program that began in the 1960s under the Housing and Development Board (HDB); an arrangement, not incidentally, made possible through the nationalization of land (Chua 2011). In Hong Kong, the state’s Housing Authority encouraged homeownership at subsidized rates through the Private Sector Participation Scheme (PSPS) and the Homeownership Scheme (HOS) leading to increased rates of ownership, at least prior to the handover in 1997 (Chu 2010). Through these programs, ownership among Hong Kong residents grew from 23% in 1976 to 52% in 1997 (cited in Ronald and Jin 2010: 2370).

Real estate continued to be the preferred means of parking excess cash in Seoul following the Asian financial crisis of 1997. Seoul’s market rebounded with the value of apartments rising 106% from 1998 to 2006 (Xiao and Park 2009: 620, 627). With high returns and low risk (e.g., minimal tax burdens and transaction costs), high-end apartments in Seoul have seen an 80% price increase between 2001 and 2003 (Sohn and Yim n.d.). The government has sought to curb speculation over the last few decades, most recently identifying what it calls “speculation zones” accordingly adjusting property taxes upward, raising the capital gains tax, and prohibiting the sale of pre-sale contracts (or units that are purchased before construction is completed, indicating
that the units are being bought as investments rather than as dwellings). All of Seoul was designated a speculation zone in 2008 (Ronald and Jin 2010: 2381). The Korean government, moreover, is said not to know the market value of housing units as there is no official database on prices (Sohn and Yim n.d.: 5). These conditions (e.g., excess liquidity, the preference for and profitability of real estate as an asset class, the structure of the housing rental market, development driven by deeply enmeshed state and business interests) undergird what Rao (2009) calls the “culture of speculation.”

In the lead-up to the 1997 financial crisis and its aftermath, the Korean government began loosening regulations on capital outflow reversing its position on retaining capital within the country (Chang and Yoo 2000, Jwa 1994). Kim Young-sam, Korea’s president from 1993 to 1998, promised to accelerate the liberalization of the economy and promote the overseas movement of Korean investment, what he called segyehwa (in Kong 1996), or globalization, through its decision to apply for membership to the OECD. In contrast to its prior involvement in every transaction of capital outflow (Woo 1999, Lew and Wang 2010), the state was forced to deregulate finance and cede its control over the economy to “the market” following its membership to the OECD in 1996 (Chang 1998: 1559). Deregulation has meant a virtual removal of restrictions on the inflow and outflow of mobile capital (Wade 1998: 1539). Due to a chronic foreign exchange shortage, historically, a strict control of capital outflow was paramount to Korea’s political economy of development. A centerpiece of the state’s control was the Foreign Exchange Management Act, which put severe limits on the use of foreign exchange including on overseas real estate acquisitions (Chang and Yoo 2000: 108-109). Korea began actively investing abroad beginning the mid-1980s when its foreign exchange position improved; the consequence of years of trade surpluses (J.K. Kim 2010: 90). In the 1990s, capital outflows targeting overseas direct investments in real estate, barred by the government until that time, began in earnest.

Thus Koreans began to speculate in property markets transnationally. Under Korean president Roh Moo Hyun (2003-2008), whose policies were perceived to be anti-bourgeois and populist (Xiao and Park 2010: 624-635), overseas foreign real estate became a “haven of choice” for wealthy Koreans seeking to park their money abroad (Newsweek, 4 September 2004). During the first six months of 2004, the government estimated that illegal foreign exchange transactions amounted to $1.2 billion, that Koreans were sitting on $300 billion of idle cash with Seoul’s stock market stagnant (Newsweek, 4 September 2004). To evade restrictions on the amount of money that could be sent overseas, businesses sought out creative ways to channel money through shell companies or move funds under false names. This Newsweek piece, titled “The Rich Hit the Road, is prescient precisely as it describes the practices that would later lead to the suspension of Busan Savings Bank, the backer of CamKo City, in 2011. According to Korean prosecutors, beginning in 2006, the executives of Busan Bank took out billions of dollars of illegal loans from its affiliates to set up 120 special purpose companies. These companies,

21 In 2005, the government increased capital gains taxes for those with two properties to 50% (from 9 to 36%) and to 82% (from 60%) for those with three or more properties (Xiao and Park 2009: 625). But the government has raised the capital gains tax every year since its introduction in 1974 with no impact on prices (Sohn and Yim n.d.: 5).
22 This recalls Karl Polanyi’s (1957) incisive observation that markets are planned whereas planning is not.
established under false names, began investing in construction and real estate projects, including in Cambodia (Im and Kim 2011). Korean pension funds have also found their way to Phnom Penh. Gold Tower 42, according to its developer Yon Woo, is financed by DaeHan Real Estate Investment Trust. DaeHan was established by the state-funded Housing and Commercial Bank and the state-controlled Korea Housing Financial Cooperative. As a real estate trust, it is under the supervision of the Korean Ministry of Construction and Transportation; its parent company the Military Mutual Aid Association (MMAA) which controls all of the trust’s shares (Kim et al. 2002). DaeHan’s capital was estimated to be over $7.6 billion in 2011. Investments in overseas real estate by Koreans increased 174% in 2010 compared to 2009 according to the Finance Ministry, which announced that the value of these purchases amounted to $611.5 million (individual investors bought $565 million of real estate and corporate entities $46.5 million) that year (in Knight 2011). At its peak, Koreans purchased $1.2 billion of overseas real estate in 2007 coinciding with Phnom Penh’s property surge.

Thailand is instructive for how the capitalization of urbanism coupled with the preference for real estate as an investment vehicle renders speculation both translocal and transregional. Foreign investments in Thailand have also been predominantly from within Asia. In the 1990s, over half of investments came from Japan (Wade 1998, Phongpaichit and Baker 1998). In the first half of the 1990s, property prices in Bangkok increased at a rate of 40% a year in a sector dominated by private agents (Wade 1998: 1541). Capital was invested where returns were expected to be highest irrespective of the overall development of the city. Thus, “expected profits from the use of land” became the “main mechanism for the structuration” of Bangkok (Ever and Korff 2000: 216, 227). To understand the productivities of inter-Asian linkages, what is noteworthy is that the real estate boom in Thailand (as well as in the US) was sustained by Japanese equity and debt capital while Japanese investments overseas were linked to Japan’s domestic real estate boom (Edelstein and Paul 2000: 70).

Rao (2009: 1000-1001), writing on the productivities of urban speculation in Mumbai, observes that exorbitant price of real estate is a result not so much from the lack of space but rather the lack of availability with land value appreciation central to the capitalization of urbanization. Speculation takes place not only “through the activities of builders and developers, but it also circulates through other forms of cultural activity and representational practice as well, specifically those forms and representations that lay claim to the future” (Rao 2009: 1001). Among such representations of the future and a crucial means of transmitting knowledge about speculation and space are rumors of property’s profitability. “Because of the process of dissemination that they open up, stories differ from rumors in that the latter are always injunctions, initiators and results of a levelling of space, creators of common movements that reinforce an order by adding an activity of making people believe things to that of making people do things. Stores diversify, rumors totalize” (de Certeau 1984: 107, italics in original). Similar to rumors are myths that, as J.S. Lee contends, proliferate about urban property: the myth of land scarcity, the myth of its profitability, and the myth of the “futility” of land policies. Thus, in practice, people are “willing to buy land at an inflated price because they expect to sell it later at an even more greatly inflated price” (1990: 91). Similar rumors and promises of speculation’s productivity – as an economic practice and a spatializing one – circulate in Phnom Penh. One such rumor is that certain parcels of residential land in urban areas bought for a few hundred dollars in the late 1980s were then sold for a few thousand dollars several years later. In the mid-
1990s, such land was said to sell for tens of thousands of dollars (in Chan and Sarthi 2002: 25). A corollary narrative about the property’s profitability exists for buildings. According to Oknha Em Buntha, the executive director of the Khmer-American Development Company, a villa in the historically wealthy area of Boeung Keng Kang I that cost $50,000 to $100,000 in 1992 was valued in excess of $1 million fifteen years later (in Campbell 2008). Prior to the economic downturn, real estate experts saw 100% annual increases in the value of property for a number of years between 2004 to 2008. As described by a real estate attorney in Phnom Penh:

Korean interest triggered off a lot Cambodians to invest in land with the expectation that they were going to sell it to Koreans at inflated prices. And everybody was a land agent here three and a half years ago. You couldn't talk to a motodop [motorbike taxi driver] without him telling where to buy land and you could buy this piece of land and double your money in three months. It was all true (Interview, 19 February 2009).

That is, cultures of speculation travel horizontally across space, though their localizations are specific. While real estate represents anywhere from 54.9% (in Haila 2000: 2241) to 75% (World Bank’s World Development Report 1989: 87) of the world’s wealth, the economy of speculation and high values of property have been prominent features across Asian cities. A United Nations report from 1968 noted that speculation in land in the largest Asian metropolises undergirded “urban land prices [that were] higher in the developing countries in Asia than even in the most developed countries” (cited in Evers and Korff 2000: 173). At its peak, Japan’s land value was the world’s “single largest bastion of wealth” valued at an estimated $20 trillion in 1991, double the world’s equity markets (Edelstein and Paul 2000: 64-65). Of the largest non-Western multinational corporations, virtually all are Asian firms whose activities are devoted to property development (Haila 2000). The average exposure of national economies to the real estate sector reflects its importance. In 1996, real estate as a percentage of GNP was as follows (in Quigley 2001): 76% in Hong Kong; 58% in Taiwan; 58% in Malaysia; 44% in Thailand; and 17% in Korea. And in Southeast Asia, capital accumulation has taken place “largely in terms of land speculation and concentration of urban land in a few hands” (Evers and Korff 2000: 181, also Anderson 1998, Wilson 2003).

Overseas construction continues to be Korea’s “most important service export” (S. Kim 1988: 226). Contracts topped $70 billion in 2010 with its largest markets the Middle East and Asia. According to KOTRA (Korea-Trade Investment Promotion Agency), overseas construction contracts totaled $10.9 billion in 2005, $16.4 billion in 2006, $39.8 billion in 2007, and $47.6 billion in 2008. Korean construction firms have built the world’s most extravagant projects: the Marina Bay Sands Hotel in Singapore, Burj Khalifa in Dubai, Petronas Towers in Kuala Lumpur, Taipei 101, and Jumeirah Emirates Tower Hotel in Dubai. In between the arrangements of debt capital that finance these visions of excess and verticality and the laboring bodies who toil on these construction sites are Korean builders who operate as “middling modernizers” (Rabinow 1989). Their technical qualifications and their building expertise have rendered these spectacular projects into reality. Whereas the division of labor for these megaprojects is specific with the conceptualization and design done by world-renowned architects and the execution of these projects contracted to Korean firms, the oft-cited successes for Korean developers in Phnom Penh are projects that are more proximal though equally speculative. They include Phu
My Hung and Diamond Plaza (Chae 2003), both in Ho Chi Minh City. Phu My Hung, or Saigon South, is the award winning development by a venture company of the same name; a joint partnership between Taiwanese CT&D (Central Trading and Development) Group and the Ho Chi Minh City Government.\(^{23}\)

If Seoul serves as one reference point, so do the profits garnered in Vietnam where Korea is Vietnam’s largest foreign investor to date (in Kwak 2010: 311 citing totals between 1988 and 2007).\(^{24}\) The promise of CamKo City, the $2 billion satellite city located on Phnom Penh’s urban fridges, for example, was predicated on the success of Phu My Hung. Mr. O (Interview, 4 February 2009) arrived in Phnom Penh because of CamKo City. He remarked, “Our company is a project management firm. We arrived in 2004 initially because of CamKo City. In Korea, new town developments happen with state support. But, because there is no state support here, Korean firms thought that they could take it upon themselves to do new town developments, and in Vietnam such development has taken place. It’s called Phu My Hung in Vietnam” (my translation from the Korean). Phu My Hung, as Mr. O describes the project, is “famous and built by a Taiwanese developer. Of course it was not a Vietnamese developer. This developer came in and built this new town and it has been such a global success, that we thought that it would be possible to replicate here. So we came in 2004 with the idea that it is possible to come to a stranger’s country with independent financing to build new towns.”

5.5 Constructing the Economy through Brokerage

Mr. K\(^{25}\) is the director of the Phnom Penh branch of Amco, the construction arm of the Korean chaebol, the Hyundai Group. Amco is behind the Phnom Penh Tower, a twenty-two-story office building on Monivong Boulevard, the city’s main commercial corridor (Figure 49). It is one of the few Korean commercial projects to have seen completion. Like other Korean proposals, the Phnom Penh Tower’s global ambitions – “the new headquarter of the world’s economic and financial leaders” (Figure 50). I met with him to understand the calculus of Koreans in Phnom Penh, specifically the influx of Korean developers in the city.

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\(^{23}\) The Saigon South Master Plan was the recipient of the 1997 National Honor Award for Urban Design by the American Institute of Architects and the first project in Asia to win the award. CT&D commissioned Skidmore, Owings & Merrill (SOM), Boston-based Koetter Kim & Associates, and the Pritzker Prize winner Kenzo Tange to develop the plan. The chairman of CT&D and Phu My Hung Corporation, Lawrence Ting, once called the “King of Vietnam” for pioneering investment in the country beginning in the 1990s, leapt to his death in 2004 embroiled in financial scandals in both Taiwan and in Vietnam (Taipei Times, 25 September 2004).

\(^{24}\) H.J. Kim (2001: 633) notes that the Vietnamese and Korean governments have sought to disavow the past (specifically war atrocities committed by Korean troops in Vietnam during the war there) in favor of the benefits of market reform, trade, and capital linkages.

\(^{25}\) Interview in Phnom Penh, 5 June 2009. The interview was conducted primarily in English. My modifications to his statements are bracketed.
Figure 49. Amco’s Phnom Penh Tower completed in 2011. The structure, on the busy commercial corridor of Monivong Boulevard, was once the site of the Ministry of Tourism. The land on which the building sits was likely procured through a land swap; a mechanism through which highly valued state land is transferred to a private developer. In return, the developer usually builds a replacement structure elsewhere in the city. Photo from www.phnompenhtower.com/ppt-development.php?ppt=construction, accessed 3 January 2012.

Whatever I believe to be the advantages of being Korean when meeting Korean developers in Phnom Penh, a crucial difference here is that Mr. K is a contact established through my Chinese-Cambodian friend, Ms. S.26 Her father is a partner on a number of Amco’s projects in the city.

26 By Chinese-Cambodian, I mean ethnically Chinese and culturally Cambodian. Following Willmott (1967: xiii), I do not use the term Sino-Khmer with its “logical difficulty” as it “refers to descent rather than ethnicity.” Given the complexities of identity and the politics of transnationalism, along with various trajectories of the Cambodian diaspora subsequent to the civil war, the term Chinese-Cambodian is itself is imprecise as Ms. S holds a US passport. Although her family is part of the Teochiu speech group, she does not speak the language or any dialect of Chinese for that matter. The majority of the Chinese-Cambodians I met in Phnom Penh were Teochiu. This aligns with Willmott’s (1967: 17) observation from forty years earlier that most Chinese in Phnom Penh are Teochiu.
Figure 50. Amco’s promotional brochure for Phnom Penh Tower. It declares “A New Paradigm for Investment in Cambodia! The intelligent office for global business! PHNOMPENH TOWER. Be ready to embrace the remarkable PHNOMPENH TOWER, now underway to become the new landmark of global business in the center of Cambodia’s capital city. As the new headquarter of the world’s economic and financial leaders, PHNOMPENH TOWER will shape a new paradigm for investment.”

This partnership between Mr. K, the representative of a Korean construction firm, and Mr. S, an oknha, illuminates the centrality of interpersonal relations in facilitating and constructing the economy. Specifically, Cambodian power brokers are crucial intermediaries for foreign investors who seek access to the economy and the state. Oknhas, or tycoons, are part of the economic elite.\(^{27}\) The collective wealth held by the elite is thought to be roughly equivalent to the country’s GDP (Personal communication, 13 June 2009). In 2007, nominal GDP was $8.9 billion (IMF 2009). Cock (2010: 256) contends that foreign investment allows the elite to appropriate wealth and reproduce itself without playing a meaningful role in the economy, which he sees as based on rent-seeking. While this is true, the economy is comprised predominantly of small to medium-size family firms that are diversified both in activities and in holdings. In the realm of urban property development, moreover, Cambodian developers have had the greatest success in bringing projects to completion. For example, OCIC (Overseas Cambodia Investment Corporation, the development arm of Canadia Bank) is the most prominent developer in the city. Its projects include Canadia Tower, housing the country’s first stock exchange (a joint Korean-

\(^{27}\) I prefer to look at the elite as a grouping organized through particularistic social ties, rather than as a class, the latter which presupposes durable interests that are bounded and comprehensive (Scott 1972a).
Cambodian partnership), Koh Pich (Diamond Island) City unveiled in 2006 on the isle adjacent to the Tonle Bassac River, Sovanna Shopping Center, and Sorya Shopping Center near the Central Market. Its other projects are Rose Condominiums, Diamond Condominiums, Mekong Condominiums, Toeuk Thla Plaza, and the Old Stadium Complex. Although tightly knit, the elite is not unified nor fixed. Many of these tycoons are ethnic Chinese (e.g., Kith Meng of the Royal Group, Kok An of Anco Brothers, Lim Chhiv Ho of Attwood Export-Import Company, Phung Kheav Se of Canada Bank; see also WikiLeaks cable Reference ID: 07PHNOMPENH1034 on the subject, “Cambodia’s Top Ten Tycoons”).

There is extensive inter-group competition as each firm must actively secure new bases of wealth whether distribution rights over commodities and goods, special economic zone concessions, or joint ventures with foreign firms. They also serve as brokers of the economy. They are “sought after as business partners because they can use their political influence to gain access to the corridors of power and build the credibility of their business or organization. Gaining access is an elaborate and highly ritualized hierarchy mediating dance for external investors, and the reason why…Oknhas…are highly sought after, since their employment in the service of foreign investors seeking influence becomes necessary” (Ear 2009: 3-4).

Oknha S has extensive connections in the political and economic realms. Specifically, the partnership between Oknha S and Mr. K embodies how network relations are at once transnational as well as localized and particularistic, and bonds not only instrumental and contractual but also affective and reciprocal. Notably, Ms. S and her siblings describe Mr. K as “trustworthy” and “caring.” When asked what accounts for these characterizations of Mr. K, Ms. S cites the many instances when Mr. K encourage Oknha S to limit his alcohol intake for the sake of his health; an injunction that is rare given the prevalence of drinking among businessmen, Oknha S’s status and disposition, and the ritualized nature of drinking in business and political life. Prior to this interview, I had met Mr. K socially on a few occasions at dinners hosted by Ms. S, where I learned that the two men golfed together and often socialized over food and drinks. In other words, the partnership between Mr. K and Oknha S was not merely contractual and instrumental but based on trust with relations of brokerage also relations of trust.

Whereas Smart (1993) and Hsing (1998) discuss how investors from Hong Kong and Taiwan, respectively, capitalize on ethnic ties and cultural commonalities that transcend nation-state borders to expand their investment interests in southern China, Korean-Cambodian relations draw upon a similar repertoire of trust, obligation, and reciprocity. Despite the absence of ethnic or linguistic affinities, the cultivation of norms is paramount. Similar to guanxi relations or “network capitalism” as described by Smart (1997) and as “long-term personal ties” that build trust by Hsing (1998: 8-9), these affective ties called yongo jipdan in Korean are described by Lew and Wang (2010: 183) as an “intricately webbed nexus among state/non-state and official/non-official sectors”; that is, where the divisions among the public and private domains are porous and negotiable. What they describe as relations of the economy within Korea also extend transnationally. The counterpart of yongo jipdan for Koreans in Cambodia is khsae, or webs of personal relations. These ties are built upon trust and are maintained through reciprocity.

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28 The relations of race, the economy, and the city are dealt with most extensively in the work of William Willmott, including The Chinese in Cambodia (1967) and The Political Structure of the Chinese Community in Cambodia (1970). Penny Edwards’ “Ethnic Chinese in Cambodia” (2009 [1996]) examines these relations from a contemporary, that is post-conflict, vantage point.
whether through the exchange of gifts, favors, and opportunities. The cultivation of such ties, which cannot be reduced to corruption, coercion, or bribery (Yang 1988, Smart 1993), must be understood by its intent. If the intent is for security and for opportunity, then the exchange of gifts and favors should be seen as part of the facilitation of the market (Wark 1999, Smart 1993). That is to say that such exchanges reduce bureaucratic interference and produce infrastructure and institutions in their absence (Smart 1997). These ties are a form of social capital, an important mechanism for reducing transaction costs or as an asset that once cultivated can be mobilized through ties of association between persons (Granovetter 1985, Sayer and Walker 1992).

Among the projects in store for Amco include a new bridge that will link the northern waterfront of Phnom Penh to Chuoy Changvar peninsula. A planner in the municipality mentioned this proposed bridge project in a separate interview; a bridge that is part of the city’s unratified master plan. When I, in turn, ask Mr. K about this bridge he is surprised that I know of it since it has yet to be announced. But such is the nature of information in the city. Before meeting him at his office, I had scoped out the location of the proposed tower. It dawned on me that it was going to be built on the location of the Ministry of Tourism; that is, on state land. I had visited the Ministry of Tourism a year earlier at that very location and its building had since been demolished and the land fenced off in preparation for construction. When pressed on this latter issue, on how a Korean firm was able to acquire state land, he was, unsurprisingly, less forthcoming on the mechanics of such a land transfer. He would not tell me if the acquisition took place as a land swap or as a leasehold, or if the land was formally privatized and if so, the cost of land at the time of purchase. There are multiple ways that foreign firms can gain control of state land, which I detail below.

When I ask Mr. K for his perspective on the presence of Koreans in Phnom Penh’s property market, he gives two reasons. The first involves a story of equivalence between Seoul and Phnom Penh. Such equivalence comes in the form of historical correspondence and comparability between the two cities with the post-war reconstruction of Seoul a counterpart to the post-conflict revival of Phnom Penh. In his story of equivalence, Seoul and Phnom Penh are treated as the same city at different historical moments of development. Because of this equivalence, he describes a knowledge regime, one that is transversal, which allows Korean developers to understand Phnom Penh because of their experience with and in Seoul. The second reason he gives is predicated on the contemporary conditions of capital accumulation in Korea that have prompted Korean capitalists to go abroad.

Mr. K relates the period of Korea’s development from the 1960s to 1980s.

[Under] Park Chung Hee, [the] former president, Korean area develop[ed] very quickly and at that time…most of the Korean company [growing] very quickly also. And they know that Cambodia [has] similar conditions [to] Korea… [its] environment, [its] economy [from] 1975 to 1980, especially south[ern] part of Seoul area, [which] has been quickly developed.

Seoul is dissected by the Han River, which divides the city both topographically and economically. Prior to the earlier 1960s, all of Seoul was located north of the river. The
remaking of Seoul initiated in the 1960s under Park Chung Hee tied the development of the capital to the development of the nation. Government plans to expand Seoul southwards as part of the city’s New Seoul Project structured expectations of urban-driven growth,\(^\text{29}\) which in turn, undergirded speculation in urban property. Orchestrated by the state, this urban entrepreneurialism ensured that development would be channeled through urban construction and profits earned devoted to land purchases. That is, the state directed private demand towards property while yoking growth to urbanization and profitability to real estate.\(^\text{30}\)

Gangnam (literally, south of the Han River) was one such targeted site of urban expansion and a state-sanctioned laboratory of speculation. It continues to be “one of the most speculative areas in Seoul” with price inflation outpacing the rest of the capital (Chung and Kim 2004). What were once mudflats – that is, a virtual tabula rasa – in the 1960s became a showcase for a new vision of urban modernity. The television drama, *Giant* (2010), documents Gangnam’s transformation brilliantly as a speculative terrain produced through cooperation between the state, the military, and construction interests. By the 1980s, it became a “thriving center of conspicuous consumption” (Lie 1998: 2). Abandoning the existing Gangbuk (the area north of the Han River) urban areas in favor of constructing a tabula rasa, Gangnam became a showpiece of modern skyscrapers, apartment blocks, and high-end consumption (J.I. Kim 2008: 104).\(^\text{31}\) Two decades after Gangnam’s development, real estate prices appreciated 1,000 times their original value by 1991 (J.I. Kim 2008: 113) averaging $10,000 to $15,000 per square meter. More importantly, the state was a key speculator using innovative instruments of land acquisition and land trades to finance construction while underwriting high property returns such that by 1975 real estate prices began to skyrocket (Lankov 2011). Gangnam continues to be known for its affluence as well as for a scale of speculation that makes that affluence possible.

Mr. K continues:

Now there are a lot of apartments there, the commercial center is there. But [that] area was farmland until 1975. During that time the government and then the private sector…start[ed] to buy land [in] those areas, they start[ed] to develop those areas and land price[s] quickly increase[d] two to three times in one year.

\(^{29}\) These projects included the Yeouido Project, the Gangnam Project, the New Capital Project, and the mega-event, the 1988 Seoul Olympics (in J.I. Kim 2008).

\(^{30}\) Part of the state’s ability to requisition land for urbanization was premised on an innovative planning technique, *toji g蜗k jungri* or land repartition. Indeed, the technique itself was a holdover from the period when Korea was a colony of Japan (1910-1945) used by Japanese urban planners in the modernization of Seoul in the 1930s. As described by J.I. Kim (2008: 109-111) the technique, designed to requisition land and boost real estate values, was scaled upwards by Seoul’s planners to guide the city’s expansion in the 1960s. Under the city’s development plan, landowners were obligated to develop their land according to the plan’s provisions. Knowing that owners did not have the financial resources to carry out infrastructure upgrades, the state took it upon itself to develop the land directly. In return, the state would appraise the land at inflated values. This arrangement was beneficial to the state, which did not have the funds necessary to buy out landowners outright as well as to landowners who found themselves in possession of incredibly valuable assets.

\(^{31}\) The development of Gangnam was driven specifically by security concerns and intra-Korean competition with North Korea, while propelled forward by economic development demands (J.I. Kim 2008).
[Those] people, or companies, who had land in those areas have become rich man or rich company. The companies who invested in other areas have not gotten much benefit….The Korean developer or contractors understand now Cambodian circumstances, not now, but in 2007 and 2008 at that time, the circumstance in Cambodia is similar at that time in Korea. Korean people have experience on how to get money, how to earn money through real estate business and land development.

He refers to the preceding two years of Phnom Penh’s real estate market when upswings in property values marked a new speculative boom in the city. “Like many housing markets across the world, speculative buying and inflated land values produced a lot of phantom growth in Cambodia in recent years” (Marks 2009). Much of this phantom growth was driven by the presence of Korean developers. From 2006 to 2007, profits were purported to be 100 to 200% depending on the time of purchase and the property’s location (International Herald Tribune, 9 March 2008). Like the idiom of equivalence, the idiom of familiarity and a shared knowledge of the structures of the economy were also mentioned by other informants as well. For example, Mr. A of POSCO (Interview, 8 June 2009), a well-known Korean construction firm, explained the presence of Koreans through diverse conceptualizations of risk. Mr. A differentiated what he saw as the risks of doing business in the US and Europe, given the barriers of access, including language, and the regulatory environments which he called “strict.” In such tight markets, opportunities are harder to come by. Investment in Southeast Asia, in contrast, is viable. There is less competition, and thus greater opportunities to make contacts in the highest reaches of government allowing a company, whose entry is well-timed, to dominate the market. Closing out projects in socialist countries like China and Vietnam is relatively difficult as is repatriating profits. In contrast “taking money out of Cambodia is easy.” And whereas the economy is considered opaque and risky and governance corrupt from certain vantage points as noted above, Asian investors are behind much of the country’s foreign direct investment. The incredible uncertainties seen in the post-socialist economies of Eastern Europe were seen to lead to low levels of investment and disincentivize risk taking (Stark 1999: 1019). In contrast, as elaborated by then secretary of state of Cambodia’s Ministry of Economy and Finance, Sun Chanthol, “When people are only two hours away from Cambodia, they can assess risks better than those who are far away. Asian investors do not see a civil war here.”

Mr. K then provides a more contemporary reason of why Koreans have come to Cambodia.

In Korea or to control to the big company, and even to build big…commercial building[s], you have to get a lot of approval[s], permit[s] approved [and so on]. It is very difficult to develop Korea anymore. The government started to control [property] very carefully. So Korean big construction company or developer, they try to look for another countries to invest their work. There’s the second reason.

Mr. O (Interview, 4 February 2009), a project manager who oversees a number of Korean-built condominium complexes in Phnom Penh under the name DeCastle, further illuminates why Koreans are in Cambodia: “That’s easy. Cambodia’s not socialist. Vietnam is socialist. So is China. There are many instances of Korean construction firms failing in China. Though many went to Vietnam, it’s difficult to extract your money from the country since it’s socialist.
Thailand? Thailand’s already developed. Malaysia? Even if we wanted to expand to Malaysia, they have laws there that stick. That makes working there difficult. Cambodia? There are no laws. They use the dollar. It is possible to get freehold rights to property here” (translated from the Korean).

Mr. K set up Amco in 2007.

But why the Korean people, or Korean investor[s] why [do] they expect Cambodia will…grow? We understand…neighbor[ing] countries like Thailand or Vietnam or Malaysia or Indonesia, Philippine[s]. And even Cambodia have a lot of negative point[s], some people, they expect Cambodia will…grow that much or [a] little bit than that much because the economic condition, economic power will affect, factor, make it grow like this. China and America, Japan – they donate continuously [to] Cambodia to support something, even South Korea also. So we expect Cambodia will…grow. I don’t know how much. Yeah I’m sure little bit less than neighbor countries. I’m sure at least much better than now. That’s why they start to buy some land here, they start build something here. But I can say, not every Korean company, [but at least] some Korean company who already invest here have this kind of mind[set]. That’s why they buy land, build something, [but] we’ll see in five years if Cambodia develop more, more, more. They need office, need residential area. That’s why they’re doing this kind of stuff (emphasis in original).

Investors familiar with the productivities of speculation in their home cities have come to speculate on the city’s future as well as on city space. They see a platform to sell to the greater Mekong Region” (in Tripathi 1996). From 2002 to 2006, the number of Korean residents in Cambodia reached a high of 10,000, reflecting to the amount of economic activity occurring in Cambodia during this time period (in Minder 2008). Other guarantees and mechanisms of access have been critical as well.

5.6 Foreign Control of Real Estate

The Cambodian state began actively courting foreign investment beginning in 1989 guaranteeing investment capital and eliminating market restrictions, including the repatriation of profits in hard currency (Gottesman 2003, Curtis 1989). This external underwriting of the economy continues to be crucial to the country’s growth as well as to perceptions about the country’s growth potential. Joint state-private sector investments were encouraged premised on the expectation that investment would further stimulate productivity and entrepreneurialism. There
were no limits placed on the size of the joint venture or any other private sector business (Curtis 1989: 34).

To further facilitate the external capitalization of the country’s economy, the 1994 Law on Investment, amended in 2003, opened up all economic sectors, including state-owned enterprises, to private initiatives. The law on investment was passed the same year as the country’s declaration of its privatization policy, in 1994. Compared to the region as a whole, Cambodia currently has one of the most open and liberal foreign investment regimes with 100% foreign ownership permitted in most sectors (US Commercial Service 2009). The conservative think tank, the Heritage Foundation, ranked Cambodia 35th of 170 countries in its Index of Economic Freedom, well ahead of Malaysia, Indonesia, Vietnam, and Laos, due to the lack of regulatory barriers, fiscal burdens, labor market restrictions, and its overall trade policy (in UNCTAD 2003).

In a context of such openness, the investment law encourages foreign speculation in the economy (Cambodge Nouveau 1996). Incentives for foreign investments, moreover, are generous. There are no restrictions on capital conversions for investors. Currency entering and exiting the country is not monitored. There is a 100% exemption from import duties for construction materials and production equipment, and no price controls on goods produced or services rendered by investors (US Commercial Service 2009). Foreigners may not own land outright, a prohibition explicitly meant to prevent speculation in real estate and to offset the price volatility of property as an asset class (Chun and Hor 2009). However there are a variety of legal mechanisms and corporate arrangements that allow foreign control over land and buildings.

The types of land available to investors fall into three categories: 1) public land – available through the State Property Department of the MEF available for lease to both domestic and foreign investors; 2) leased land – from the state, from companies, or from individuals; and 3) freehold land – from private individuals for sale (UNCTAD 2003: 55). The 2001 Land Law mandates the creation of a Cadastral Land Register that records all encumbrances on land titles, including long-term leases. A title search will often show registered encumbrances or other issues that might affect the legal transfer of land (Mekong Law Group 2007: 52-53). Foreigners can secure control over land through such long-term lease arrangements with minimum terms of at least fifteen years; rights granted through the 2001 Land Law as rights in rem in land. Long-term leases, like ownership rights, can be sold or transferred through succession and can be pledged as security for financing (Mekong Law Group 2007: 52). Though the terms of a given leasehold vary, they can be valid up to 99 years. That is, they are virtual freeholds. Raffles Hotel le Royal, near the American Embassy and Wat Phnom, is held under a 99-year leasehold for instance. Leaseholds of 70 years carry an option for renewal. 35

32 Preah Reach Kram/03NS/05Aug94.
34 Anukret No. 38.
35 “In accordance with the Constitution and relevant laws and regulations pertaining to the ownership and use of land:
The option to renew a 70-year leasehold as permitted by the 1994 Investment Law was dropped in the 2003 amendment of the law. But it continues to be a formula in use (in Kolesnikov-Jessop 2008). The 1994 Investment Law amended in 1997 and again in 2003 allows long-term leases of up to 70 years. This same provision grants foreign ownership rights to property (but not land): “Use of land shall be permitted to investors, including long-term leases of up to a period of 70 years, renewable upon request. Such use may include the right of ownership of real and personal property situated on the land as may be permitted by law” (Anukret on the Implementation of the Law on Investment of the Kingdom of Cambodia). In addition, investors with rights and privileges approved by the Council of the Development of Cambodia have the right to own buildings constructed on leased land. That is, foreign ownership of buildings on land leased long-term by the foreign entity is permitted by law. The means by which such ownership can be registered has not yet been established (Mekong Law Group 2007: 52) though with the promulgation of the condominium law in the last few years, which I elaborate below, a registry for buildings is likely in the works if it has not yet been established.

The law is unclear as to whether buildings from qualified projects can be transferred between foreign investors or whether foreign investors can own buildings built through projects not approved by the CDC (in US Commercial Service 2009). According to the Cambodian Civil Code, a building or structure that is immovable is treated as one element of the land (Article 122, Cambodian Civil Code in Atsushi 2010: 38). But if a building is owned by one individual on a parcel of land owned by another, then the building does not become a component of the land but a component of a lease with use rights over the land (Articles 123-124, Cambodian Civil Code in Atsushi 2010: 38). In contrast, as stated in the investment law, a foreigner may own a building but not the land on which it sits. Construction made to a leased property becomes the property of the lessor (Rendall et al. 2003: 157 citing Article 108, 2001 Land Law). Prior to the 2001 Land Law there was no mechanism to register leaseholds on land titles. This has been remedied with the introduction of a lease certificate and a long-term lease registration. Long-term leases can now be registered with the national Cadastral Land Register and recorded on the land title of the property. This certificate can be traded and used as security for loans. Foreigners may be registered as the mortgagee of land “giving secure exposure to real estate investments” (Mekong Law Group 2007: 52). Nearly all foreign investments entail some sort of investment in immovable property (Mekong Law Group 2007: 52).

With the constitution forbidding foreign individuals and entities from owning property, a foreigner can purchase land in the country through a company. The 1994 Law on Investment allows a foreigner to securely purchase land through a majority Cambodian-owned company that has been locally incorporated. In a typical arrangement, a foreigner will take two Cambodian nationals as partners in a landholding company (with the 51% majority split between the

1. Ownership of land for the purpose of carrying on promoted investment activities shall be vested only in natural persons holding Cambodian citizenship or in legal entities in which more than 51% of the equity capital are directly owned by natural persons or legal entities holding Cambodian citizenship.

2. Use of land shall be permitted to investors, including long-term leases of up to a period of 70 years, renewable upon request. Upon such use may include the right of ownership of real and personal property situated on the land as may be permitted by the law” (Article 16, Law on Investment).

36 Anukret/88ANK-BK dated 29 December 1997, Article 17.2.
Cambodian counterparts and the foreign investor with the remaining 49%). To hedge against the risks of this company structure, investors can create such safeguards as establishing different classes of shares with different rights with one class held by the Cambodian counterpart and the other the foreign counterpart; minority control documents, or private agreements drawn up in which the Cambodian shareholder confers special rights to the foreign shareholder such as power of attorney or permanent majority on the board; and land security where the company registers the mortgage on the land, such that the land cannot be transferred without the foreign counterpart’s consent (in www.globalpropertyguide.com/Asia/Cambodia/Buying-Guide).

Notably, with investments of a certain size, investors can obtain Cambodian citizenship with its constitutionally guaranteed right to land. A number of my informants made mention that many of the larger foreign-financed projects had been secured this way. The Taiwanese owner of the $10 million City Mall complex near the Olympic Stadium is said to have Cambodian nationality, for example (Interview, 26 March 2009). Mr. K of Hyundai’s Amco also pointed out that there was a Korean national with Cambodian citizenship through which many Korean corporations purchased land in Phnom Penh. Mr. K went further to make the very bold claim that Koreans owned at least half of the most valuable land in the city (Interview, 5 June 2009). An application for citizenship by a foreign investor is considered if a sizable investment in the country is made because the investment is seen as a contribution to the nation, its reconstruction, and its future. Foreigners with a letter of authorization for investment from the Council for the Development of Cambodia with an initial capital investment of 1.25 billion riel (approximately $330,000) can become Cambodian citizens without satisfying residency or language requirements.37 Friends have told me that this capital threshold is actually much higher, likely exceeding $1 million. Given that citizenship is granted as a “favour of the Kingdom of Cambodia” and that any such application may be “rejected by a discretionary power” (Article 7, Law on Nationality), an applicant must ensure the approval, if not the patronage, of the highest bodies of power such as the Council of Ministers, the Ministry of the Interior, and the offices of the President and Prime Minister to secure these rights.

In the case of GS Engineering and Construction’s now-suspended IFC project, the project manager Mr. L described how he purchased the land on behalf of his firm. After overseeing the development plan while in Seoul, he arrived in Phnom Penh in November 2007 in order to purchase the 6.8-hectare plot as well as to seek government approval for the project, secure construction permits, and so forth. According to GS’s investor relations guide the land purchase was finalized in December 2007. To secure its investment, GS created a landholding company based on a joint partnership. The local partner, whose identity Mr. L would not disclose, owns a portion of the company and GS the other. When I asked him to clarify the actual landowner of the IFC site, he stated outright that “GS owns this land.” The land title is in the company’s name issued to “GS-PP Development.” The cost of the plot was $80 million or the equivalent of $1,176 per square meter. Given that the cost of commercial land in that area goes for two to three times this price on average, it is unclear if GS secured the land at a discounted rate or if in fact the transaction price listed was less than the actual amount paid; part of the logic of arbitrage described in Chapter Four.

37 Article 10, Law on Nationality, Preah Reach Kram NS/RKM/1096/30, 9 October 1996.
Whatever the constitutional prohibition against foreign ownership of land, various institutional and legal mechanisms allow foreign investors the ability to secure property in the country. With the law used as a platform of access to the economy, additional laws have been passed in the past few years to facilitate investment in property. In a move to boost investment in real estate and increase confidence in the economy, the government passed a law in 2010 permitting foreigners to own real estate. Whatever the existing mechanisms by which foreigners have been able to own property and land outright, this law facilitates, standardizes, and renders property acquisitions more transparent. In its draft form the “Law on Providing Foreigners with Ownership Right[s] Over Private Parts of Co-Owned Buildings” can be seen as another example of overregulation (rather than deregulation) of property creating platforms for opportunism in its markets. This law is designed to clarify the foreign purchase of property and to create a class of individuals of foreigner owners while providing the necessary protections of that class, who are investors at the order of magnitude protected by the CDC.

The new law will allow for separate titles to be issued for apartments and condominiums extending the rights (including the right of transfer and inheritance) of individuals to own property above the ground floor. The law notes that a given building may not be more than 70% foreign-owned according to revisions requested by developers. The draft law originally limited foreign ownership of a building to 49%.

Several years before the passage of the condominium law, the Korean developer of the De Castle condominium towers38 established a set of legal arrangements with government officials in what can be seen a prototype of the condominium law. Through an agreement approved in 2006, condominium owners were able to secure freehold rights over their units backed by title deed. Moreover, the head of the development firm is a Korean with Cambodian citizenship (Interview, 4 February 2009). In other words, this foreign developer worked with the government to create mechanisms, modeled after Korean property code, that would allow his clients – other foreigners – to purchase property with the government’s backing nearly five years prior to an actual law being passed. What this shows is how the law, property, and speculation can be refashioned together in the name of political and economic expediency to facilitate the further expansion as well as the security of the market.

5.7 Conclusion

While the Asian miracle and its models may not be entirely replicable, the “aspiration to a possibility” (Chua 2011) is the linchpin of inter-Asian imaginations of growth that invoke “Asia” of which Phnom Penh is part. These circuits, however fluid, are not seamless. Rather they are governed by risk and friction. Moreover, invocations of Asia and its global ascendance should not be confused as an account of an Asian cultural-capitalist triumphalism. Korean developers have staked claims in Phnom Penh’s future drawing upon Seoul’s own past as a post-conflict city. Seoul figures not only as a potential model of emulation, the city’s trajectory imbues Korean developers with authority and expertise in constructing the urban. In such invocations what is important is not whether the success of Korea and the model of urbanism of Seoul are imitable. Rather it is how invocations of success, precedence, and replicability travel as

38 There are two in the Toul Kork area and one in Boeung Keng Kang I.
fragments\textsuperscript{39} subject to contest if not incompletion. Tracing the movement of single fragments within cultures of speculation in fact makes the narrative of equivalence tenable given what are fundamentally different configurations of the political economy, the state, and the urban question. Thus Koreans can see Phnom Penh as Seoul despite how Korea’s political economy was state driven and state intervention crucial to cultivating domestic industries while Cambodia’s economy is dominated by foreign capital governed through patronage relations in and through the state.

In addition to citations of Korea as a potential model of success, inter-referencing of Asian successes drive real estate values (Ong 2011a: 17) that include allusions to cities like Saigon as part of a broader quest for new markets of construction and new terrains for real estate investment. As such, Korean developers have been major advocates for Cambodia’s economy, encouraging their compatriots to enter the field, relating vantage points based on other sites and moments in which they have been direct participants. Within such practices, I traced Korea’s inter-Asian linkages historically to underscore how such interconnections are also temporal. By returning to the question of overregulation, moreover, I looked at how the built environment as an emergent spatiality operates as a principal site of arbitrage, brokerage, and speculation transregionally as well as translocally. The liberalization of both the economy and property together with the arrival of foreign aid and investment created a context in which “intense real estate speculation accompanied and fuelled the boom” in the city (Thion 1993: 186). While Thion (1993) was writing of Phnom Penh’s boom years of the early 1990s, driven by inter-Asian circuits as well as multilateral aid, a new cycle of boom and property development was induced by the Korean-led property frenzy that began in 2004. Accordingly this chapter focused on the operation of transnational property capital and its attendant discourses in the city of Phnom Penh, the emergence of Korean investors underwriting projects of the built environment, their networks of association that allow them to create zones of urbanity, and the construction of urban experiments between cities.

\textsuperscript{39} Chua (2011: 50) writes, “‘Singapore as Model’ cannot be and is not a desire for mimicry, for cloning. No doubt…a singular fragment – or a combination of several fragments – of the Singapore development journey and practices can be studied and assembled and inserted into new contexts, even if the results are, for various reasons, seldom without some slippage from the imagined or desired. More important, Singapore as Model is one of aspiration to a possibility to be successful, just as Singapore has been successful.”
EPILOGUE

Speculation in Phnom Penh is not new. In this dissertation, I look at Phnom Penh as a city of speculation and its overlapping and disjunctive regimes and habits over space. This project accordingly traces the contours of various life moments of the city – Phnom Penh as a colonial city, a post-independence capital, as a post-conflict tabula rasa – and their linkages to contemporary visions and efforts of remaking. I also look at the relationship between the city and the economy, specifically how the economy is a political terrain and a heterogeneous field along with the relations and modalities that make the city knowable and governable. Conversely, I also pay attention to how the economy organizes the city through circuits of value, reciprocity and norms of governance, alliances and rumors that give the city an object-ness in form. Finally, I analyze speculation as a logic not only in the urbanization of capital but the capitalization of urbanism driven by the city’s linkages within the region.

Phnom Penh is also a city of fragments. Fragmentation marks the city’s history and geography not least by the sheer emptying of the capital in 1975. The city’s history and geography also reveal the challenges of writing about contemporary change and rapid waves of renewal. Such fragmentation of space and history have established the conditions for the speculative urbanism of Phnom Penh. Speculation, as an economic act and cognitive mode, is based on the calculus of risk and reward and set against the horizons of the present and future. Speculation in various markets (e.g., commodities, futures, currency) has as its spatial corollary the city; its market space.

This work also looks at various forms of associational life in the city, between state officials, private interests, and Cambodian power brokers. Specifically I survey the role of investors from South Korea who have arrived to the city in droves with the aim of redrawing the city’s skyline through high-rise towers and bedroom suburbs in a city historically associated with mid-century modernism and the politics of war and ruin. By underwriting the future of Phnom Penh, Korean investors are able to consolidate the developmental achievements of Korea and mark the future of Seoul as an icon of Phnom Penh’s “Asian” future. As memories of Seoul’s past are folded into visions of Phnom Penh’s future, moreover, Korean investors are also motivated by other reference points: profits accumulated through property speculation in Seoul and foreign investment in cities such as Saigon.

Accordingly, speculations taking place in Phnom Penh exceed the boundaries of the city as they are embedded in a broader array of property markets and transnational cultural logics. Tied to such efforts is a particular invocation that frequently arose that positioned various cities in the region along a trajectory of ascendance. Phnom Penh was identified by residents and investors as the Saigon of fifteen years ago, the Bangkok of twenty-five years ago, and the Seoul of forty years ago. Implicit in such inter-referencing is how the city is understood, regulated, and governed through opportunism, patronage politics, and authoritarian state power. The innovative modes of urbanism taking place in Asian cities require attention to the ambitions and forms of city-making taking shape in such sites. In addition to shared conditions of the political economy, there is also the level of familiarity with business climates within the region including the recognition that in order to secure the bases of investment one must cultivate interpersonal
relations, actively negotiate access to state power, create bureaucratic arrangements that are flexible, and to forge guarantees and infrastructures for development. Following Smart (1997), personal relations, rent-seeking behavior, and negotiations often confused for corruption facilitate market growth in ways that are often dismissed as market impurities. Smart proposes examining these acts of brokerage as constitutive of social and legal infrastructures for market capitalism where none exist or are underdeveloped that may prove to be more efficient and contribute to create innovative economies of growth and mutual aid. Market exchange cannot provide the conditions for its own existence and thus non-market relations and alliances provide the necessary grounding for the market and its agents to thrive. Infrastructure is neither juridical or physical as in the neoclassical view of the market in which the only infrastructure needed is composed of private property rights, the rule of law, and “possessive individualism” (C.B. Macpherson 1962). Mitchell (2002) has articulated a similar sort of embeddedness calling into the question the assumption that the economy separates market relations from the social networks in which they are embedded. Rather embeddedness provides platforms for economic and social engagement. Infrastructure is thus not only physical but social deployed to stabilize a social field of interaction (Simone 2004).

Speculation thus renders the city a field of experimentation, enabling calculability in Simmel’s sense under conditions of uncertainty and possibility. Here, risk and opportunity become the productive forces in urban economic life. In part, speculation undergirds how real estate has come to represent at least half of the country’s wealth and how the city’s reconstruction is financed mainly through external sources. Part of the emergent spatialities of speculation is one that is regional – a transnationalism marked by the presence of Asians within Asia in principal sectors of the Cambodian economy. This presence is starkest as seen in the efforts of Korean developers to redraw the city’s skyline as noted above. But such efforts have precursors in the earlier waves of Asian capitalists who entered the country while peace remained wholly contingent and the economy entirely fragile. Investors continue to seek to capitalize on the country’s “frontier” status, to exploit its resources and offerings, and to take advantage of the inherent negotiability of the market. While the country’s poverty has made it an object of development for international aid agencies (it boasts the highest per capita number of non-governmental organizations in the world), the city has been objectified by investors as part of the remaining Asian frontier framed in the idiom of possibility including an ability to mimic the growth trajectories of neighboring capitals. In a region that abounds with a surfeit of “miracles,” “tigers,” and “dragons,” Cambodia is part of the remaining Asian frontier (along with junta-controlled Myanmar and Laos).

In part, identifying Asians within Asia illuminate the machinations of an urban cosmopolitanism and certain norms of development that have been foundational to economic growth. Cities like Seoul, Tokyo, and Saigon, post-conflict in their own right due to wars and occupations, have re-assembled themselves by shedding the weight of history and building anew. Inter-Asian referencing also entails shared modes of urbanism identifiable laterally across disparate cities in their entanglements and collusions.

In taking into account the sedimented layers of history alongside the city’s political geography, this project also argues that the urbanism of today has older roots in the rentier economy of the city. Following the city’s emptying in the 1970s under the Khmer Rouge, attended by a
protracted era of violence, risk, and geopolitical instability, the last few decades have been marked by a return of refugees and an influx of investors. Accordingly, this project gives due consideration to historical connections of capital and urban property politics in the constitution of the city.

Examining the city’s post-conflict urbanism requires methods of analysis suitable to this line of inquiry. While its poverty has put Cambodia on one map, it is the city’s highly differentiated terrain of governance and history, and its significance as an understudied site that makes this a case that can unsettle and contribute to theories and policies on cities in transitioning economies. Phnom Penh’s present aim to reestablish itself as the “Pearl of Asia” is not entirely novel given the Asian region’s economic dynamism. However, contemporary urbanization cannot be adequately explored through the idiom of globalization; one that assumes that capitalism as a globally transversal mechanism has found Cambodia. In such a narration, cities are functions rather than sites where economic integration is assumed to occur through flows of connectivity that create continuity not only of form but the homogeneity of discourse itself. Some cities become global cities through vectors of finance capital (Sassen 1991) and those bypassed by such lines of flight become black holes of marginality, structurally irrelevant to both knowledge and practice (Castells 2000: 410). This division continues to mark urban theory in the enduring separation between First World cities, the source of theory, and Third World cities, that emerge as problem spaces in need of reform. This division requires radical rethinking (Robinson 2002, Roy 2009a). Accordingly, I pay due attention to how the city is dismantled and assembled through struggles over urban growth, and the processes of negotiation of urban renewal by an array of actors.
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APPENDIX

A Note On Method

My method foregrounds emergent spatialities of city-making that render the object-ness of the “peripheral” city (Simone 2010) of Phnom Penh. As an ethnography of speculation, I examine the circulation of capital, the movement of ideas, forms, and visions about urbanism, and the practices built around them. Because these movements are transnational as well as translocal, I see Phnom Penh a sociospatial problematic while also radically open. Methodologically, while concerned with the emergence of urban forms and their calculations, my study also examines speculation as a platform for making space in Phnom Penh and the city as integrated into a nexus of inter-Asian urbanisms.

My entry into the field began in July 2008 via the Center for Khmer Studies in Siem Reap. My fieldwork would end fourteen months later. I was hired to work on the annual forum of the Pacific Rim Council on Urban Development (PRCUD), “Siem Reap: Urban Development in the Shadow of Angkor.” For four months, I researched the genealogy of urbanization of Siem Reap, Cambodia’s third largest city (with 10% of Phnom Penh’s population), the colonial logics that continue to shape heritage stewardship, and the paralegal and legal apparatuses that govern the icon of Cambodian nationalism - Angkor Wat, part of the spectacular mortuary temples built between the 9th and 13th centuries. This project was vital in helping me situate the interconnections with external forces central to Cambodian urbanism, the relations between urbanism and modernity, and the technologies of power that made the ordering of space and the city possible. It was through this work that I would meet one of my principle informants and interlocutors, a Chinese-Cambodian businesswoman whose resources and networks are vast.

We did not meet by sheer chance. In fact, the director of my host institution wanted me to help recruit her to his board. He reasoned that because we were both bicultural - her family left for North America after the Khmer Rouge period and returned to Cambodia in the 1990s to capitalize on the economy’s liberalization - that somehow I’d be useful. Though that plan did not pan out, it was through this fortuitous introduction that I would have access to an array of social networks parlaying her contacts into interviews and relying on her to vet gossip as well as “the literature.” I met the rest of her family, became a regular fixture at family gatherings, and spent days leisurely hanging out at her office. It was through my relationship with the members of this family that provided the most interesting ethnographic moments. It provided a platform for me to observe how Chinese-Cambodian family firms, as is the case throughout Southeast Asia, practice business through diversified holdings and interests. Her firm dealt in construction and materials as well as agricultural production, as well as activities that I call brokerage. By that I mean, how firms like hers function as power brokers for foreign investors looking for a Cambodian partner. Such power brokers not only wield vital personal connections, or khsae, with the state but provide access to information about the economy and the broader governing logics at stake. It helps that the patriarch of this family is an oknha. Often translated as tycoon, it is a title of honor that denotes wealth, prestige, and connection. Another friend, whose father is an oknha pointed out that oknhas comprise an internally differentiated and stratified group according to the strength of their khsae, their relationship to the ruling party, and the size of their assets. Based on
a law passed in 1994, the title of oknha is bestowed by the state upon those who contribute to the reconstruction and the development of the country whether by directly financing projects or through donations. According to a 2007 Oxfam report, 23% of the country’s territory belonged to oknhas who are “known to be high-ranking land speculators” (in Duong 2008), who likely use their holdings in anticipation of future business opportunities and economic partnerships. Historically, the term was reserved for those who had accrued enough wealth and reputation to be appointed provincial governors - or oknha - by the King (in Willmott 1966: 26). The contemporary usage of the title and the ties that bind politics and business clearly resonate with its historical root. My interactions with this family yielded the most intriguing types of data including commentaries and gossip about the business community. On some days, members of the family would take me along to visit their property within Phnom Penh; holdings, if these trips were any indication, that appeared to be extensive.

These sorts of interactions - interviews in the form of casual chats that took place at homes, karaoke and hostess clubs, hair salons, bars and restaurants - were incredibly insightful. I resurrected old connections from an earlier research trip to Phnom Penh in 2005 that elicited new contacts and so on. Through these contacts, I would also vet gossip and media reports on the business community, the economy, and on urban property. These conversations were part of the circulations of rumors and gossip that constitute what I see as critical forms of knowledge about the city and its markets. They also provided genealogies of property ownership transmitted orally, and information on past and imminent business dealings that weren’t featured in the press. Because the city is small, these contacts made the geography of the city and its individuals intelligible in ways that I would not have been able to do on my own. Typically, their statements hinted at the larger webs of significance when it came to calculations both social and economic as well as temporal - the future an important time horizon of growth folded into the present. Friends would expertly glance over a room and modify their talk if in the presence of familiar faces, point out key figures by name and make mention of their histories and their business dealings. Some topics, given the sensitivity around the origins of personal wealth, were off-limits at least if asked point-blank.

There was also the formal interview. Some interviews were with those that I had contacted through my networks. Many were based on cold requests via email. With one exception, all of those who responded replied in the affirmative. Interviews were all done in English with the exception of a handful of interviews in Korean. Cambodians involved in commerce, politics, and research are typically multilingual; a product of geopolitics and globalization. My informants were a diverse group comprised of officials at the Ministry of Economy of Finance (MEF), the Ministry of Land Management, Urban Planning and Construction (MLMUPC), and the Municipality of Phnom Penh; architects, developers and engineers; venture capitalists; journalists; lawyers; economists; businessmen; bankers; and government advisors. Those affiliated with the government without fail requested that the interview be left unrecorded. Given the politicized nature of urban development, those in government were weary of potential fall out. My questions varied though content-wise were meant to elicit information on perceptions of property and the economy, attitudes on investment both domestic and foreign, on law and regulation, and changes in and of the city.
The last sort of interaction was participant observation in diverse economic activities and more ceremonial events. For example at the invitation of a friend, I went to the official launch of the Royal Cambodian Limousine Service, the exclusive transportation provider for the state. The friend was the country’s official supplier of German luxury cars. The ceremony was attended by H.E. Keat Chhon, the Minister of Economy and Finance and a Deputy Prime Minister, and Oknha Kith Meng, the current president of the Cambodian Chamber of Commerce and the head of The Royal Group. On another occasion, I sat in on the 5th Asia Economic Forum hosted by the University of Cambodia and held at the Raffles Hotel Le Royal where Prime Minister Hun Sen delivered what seemed to be two keynote remarks rolled into one. Because the forum was held a few days after the 2009 G-20 summit, the prime minister emphasized, quite formally, the need for a nationwide response to the global economic crisis. The second part of the keynote was much more colloquial as it was direct in which he attacked a global index for ranking Cambodia among the top in the world for political risk. And again at the invitation of an informant, I attended the annual meeting of the Korean Associations of Greater Asia. The representatives from each Korean Association from across the region convened to discuss business opportunities and to present information about their recent investment ventures. More importantly such forums were meant to build ties. I also went to conferences on various topics related to the economy and the city, as well as social events like weddings, dinners, and parties. From these activities, I culled how lifeworlds were integrated, information transacted, and globalisms constructed.

My race-ethnicity, gender and age were assets. Being a Korean American woman proved beneficial with my Korean informants, all of whom were men. As an outsider on these fronts, I was non-threatening, my questions forgiven for being naive while eliciting responses that were both patient and forthcoming. As a student at Berkeley, my Korean informants with school-aged children invariably would ask if I moonlighted as a tutor. My race-ethnicity worked in my favor with my Asian informants who appeared more comfortable talking to me about the economy. Socially it was an asset as I was always invited to tag along to gatherings held at clubs patronized exclusively by young Cambodians and Asian expatriates. That social scene was vastly different from the one of western expatriates. It helped that I didn’t make any statements deemed overtly political or anti-state. Many were perplexed about my life as a graduate student inquiring if I had a job. Most also asked how my work was planning related and what planning meant in a city like Phnom Penh.

The global financial crisis took hold midway through my research. It was a fascinating time to witness the debates about risk and arbitrage unfold. For some time, there were interesting assurances made that the Cambodian economy was insulated from the global crisis because it was “decoupled” from it. This claim reminded me of debates within globalization discourse about the structural irrelevance of certain parts of the Third World. The crisis also created anxieties in the form of risk talk. Rather than discussed as productive and central to the boom in the city, this risk talk harkened back to specific idioms of fragility and venality used to understand the Cambodian economy during an earlier moment when the country was still a conflict zone. Many of these interpretations proved sensationalist and ungrounded. The impacts of the crisis on the property market were uneven, and not all attributable to the global downturn.

In terms of the archive and the record, I drew upon a range of texts written in English, French, and Khmer on the history and contemporary development of the city and its economy. I drew
upon that important cultural product - the newspaper - where linkages are imagined fixing space and consciousness in time (Anderson 1991). I drew upon a number of presses, most extensively Cambodia’s two English-language dailies, *The Cambodia Daily* and *The Phnom Penh Post* (the latter which was published as a fortnightly paper until it went into daily circulation in 2008 when I began fieldwork), as well as the Korean-language dailies *Joongang Ilbo* and *Chosun Ilbo* (two of “the big three” papers in South Korea) for being representative or productive of common sense discourses about Korean investment practices in Cambodia. In Phnom Penh, I visited the holdings of the National Library, the National Archives, the Center for Khmer Studies in Siem Reap, and the Cambodia Development Resource Institute. Despite the sheer oversupply of policy reports and technical briefs written by the ADB, the World Bank, USAID, Oxfam, Japanese International Cooperation (JICA), L’Agence Française de Développement (AFD), various divisions of UN and the subcontractors, consultants and specialists that together comprise the apparatus of development over the last two decades on a wide range of topics, none of these publications were held in any centralized or systematic fashion. I was surprised to discover that the World Bank and JICA resident missions in Phnom Penh did not hold copies of their own reports in their public collections. These frustrations were offset by those serendipitous encounters with Cambodian scholars who had troves of documents to share. Moreover, I was able to access an extensive amount of material at the University of California, Berkeley library which has among the strongest Southeast Asian collections in the country.