



Tropentag, September 14-16, 2010, Zurich

“World Food System —
A Contribution from Europe”

Global Price Changes and Local Livelihoods: The Impact of Agricultural Price Fluctuations on Rural Livelihoods in Cambodia

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Abstract

Since 2008, the high rise in agricultural prices and thereafter, prevailing volatility still are a major issue in the public, political and scientific debate in Cambodia. To analyse and understand their impact on peasant livelihoods, a field study was conducted in three villages from September until December 2009: in Ta Khoey, a rice-producing village south of Phnom Penh; in Kork Deu, which is situated near the Tonle Sap and is mainly shaped by rice farming and fishing; and in Bor Huy, a village at the border to Thailand, where farmers produce maize exclusively for export.

The Sustainable Livelihood Approach provided an appropriate conceptual framework to address the research question. The field data revealed that capital endowment was very low in all three villages. A malfunctioning institutional and political framework further increased vulnerability. Recent price developments thus hit an already very challenging livelihood setting and required the peasants to act. Their struggle to cope with these negative trends deteriorated their food security, increased dependency on external help and raised indebtedness. Adaptive strategies were mainly production and migration based. Changing agricultural prices played however merely a minor role within the decision making process for adaptation.

The study exhibited major drawbacks Cambodia has to face in order to reduce the overall vulnerability of peasant households towards agricultural price volatility. An adequate response to these challenges must not only deal with immediate symptoms but also with the root causes of vulnerability. Peasants are consumers and producers at the same time. Assuring food security in times of high food prices is therefore just as important as providing a basis which allows farmers either to profit from high farm gate prices or to diversify their livelihoods.

Keywords: Adaptation, Cambodia, coping, food prices, sustainable livelihood approach, vulnerability