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"Currency is a Most Poisonous Tool": State Capitalism, Nonmarket Socialism, and the Elimination of Money during the Cambodian Genocide

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Introduction
On April 17, 1975, the revolutionary army of the Communist Party of Kampuchea (CPK; better known as the 'Khmer Rouge') entered Cambodia's capital of Phnom Penh. Their victory marked the culmination of years of political turmoil and armed conflict but not the cessation of violence. Upon assuming power, senior officials of the CPK initiated a series of economic and political programs that resulted in the death of approximately 1.7 million men, women, and children.

The coordinates of the Cambodian genocide are relatively well established. In just under four years, Khmer Rouge cadre forcibly evacuated towns and cities; collectivized the peasantry onto large-scale agricultural collectives; abolished money and markets; eliminated formal schools and hospitals; and prohibited the practice of religion. To date, scholars have conceptually and empirically addressed each of these practices save but one: the abolishment of money and markets.

Hereetofore, scholars routinely misrepresent and misunderstand the decision made by senior leaders of the Communist Party of Kampuchea to abolish money. Prasso, for example, explains, "The Khmer Rouge ... set out to impose the strictest Marxist doctrine yet implemented in the Communist world." He continues: "Money and private property, according to Karl Marx, promote the individual over the community. Thus, Khmer Rouge leader Pol Pot, who had studied Marx's writings while a student in Paris in the 1950s, ordered that money, markets, and private property be abolished." Prasso concludes, "In Pol Pot's Cambodia ... all barter, private commercial activity, private ownership, means of exchange, and stores of value were prohibited and punishable by death. Personal possessions were also prohibited, with the exception of a change of clothing and a personal set of eating utensils brought to the collective at mealtimes."

Aside from sweeping assertions unsupported both by documentary evidence and survivor testimonies, Prasso mischaracterizes the form and function of money in Democratic Kampuchea. Indeed, historical reconstructions of party policy indicate neither that Pol Pot decided unilaterally to abolish money nor was the decision made in haste. As civil war raged across the country, key CPK leaders, including Pol Pot but also Ieng Sary, anticipated introducing their own currency, to replace that of the former government. In December 1973, for example, Ieng Sary brought sample...
banknotes from Beijing for Pol Pot’s approval. Meanwhile, CPK officials imposed a temporary system of barter until they might introduce their currency later in 1974.7

There is no sustained account of the Khmer Rouge decision to curtail currency or, more pressing, of the form or function of Democratic Kampuchea’s economy after the CPK leadership eliminated money and markets. In this paper, I fill this gap by providing a conceptually grounded and documentary supported account of Khmer Rouge economic policies. I demonstrate how senior leaders of the CPK sought to implement a non-monetary and non-market economy but, in so doing, initiated a hybrid economy that aligned more so with Soviet-styled state capitalism than strict Marxism.8 My argument unfolds in four sections. First, I provide some general remarks on Marx, money, and markets. The purpose here, is to establish a common foundation for readers, in order to properly assess Khmer Rouge monetary policies pursuant to an orthodox reading of Marxism. Marx, in particular, critiques capital as an economic system, with money as symptomatic of the problems of production for exchange. This is key point, one that CPK officials apparently misunderstood, believing that the physical elimination of money offered a straightforward path to socialism. Second, I position CPK macro-economic policies within the context of the Non-Aligned Movement and revolutionary socialism. I maintain that these larger movements significantly informed subsequent policies in Democratic Kampuchea, notably the introduction of import substitution industrialization. Third, I comment upon the decision of senior CPK personnel to eliminate currency. This was a decision fraught with internal dissent and evidence suggests CPK leaders remained uncertain if the abolition of money was desirable or feasible. Fourth, I critically evaluate the contradictions of CPK macro-economic policies, specifically, the suspension of money and markets domestically while participating in the global economy in order to rapidly accumulate much needed capital for investment purposes. These contradictions, I conclude, established the structural context of the subsequent Cambodian genocide and the resulting famine that resulted in a massive loss of life.

Marx, Money, and Markets

Money is a socially accepted general equivalent, that is, a common scale against which other commodities can be valued. However, we need to distinguish between money in general and money in its commodity form, that is, money as it appears and functions in capitalism. Money, of course, precedes capitalism and has evolved historically to perform various functions assigned to the sphere of exchange and general circulation.9 It is important, therefore, to make explicit the specific forms money assumes and to evaluate how these correspond to dominant economic systems.

Under capitalism, money in its commodity form serves multiple functions, including a medium of exchange, as means of payment, as a store of value, and as a unit of account.10 For Marx, however, money (in commodity form) is not simply a thing, that is, it is something more than a gold coin or paper banknote. Instead, money in its commodity form is representative of social relations unique to capitalism. Indeed, Marx’s critique of the capitalist system derided production for exchange, premising that the dominance of exchange value in capitalism encourages both alienation and

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9 Bill Lucarelli, “Marxian Theories of Money, Credit and Crisis,” *Capital & Class* 34, no. 2 (2010), 199.
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societal inequalities. To this end, Marx’s vision of a stateless, moneyless and classless society aimed to encourage the fullest development of human consciousness and creativity.

Marx offers no clear indication of how a regime of associated producers might function in the absence of money. The theoretical idea of ‘nonmarket socialism’ however, of a cooperative, sharing society that has dispensed with money, has various adherents. From the nineteenth-century onward, myriad socialist, communist, and libertarian economists and philosophers have contemplated the elimination of money and the promotion of a nonmarket and nonmonetary economy. A common argument forwarded by some socialists, for example, was to replace money with time-chits or labor vouchers; however, this would merely replace one representation of value with another. As Marx explains, “it is impossible to suspend the complications and contradictions which arise from the existence of money alongside the particular commodities merely by altering the form of money.” In other words, the substitution of one form (e.g., time-chits) for another (e.g., banknotes) does not negate money as long as the fundamental relations of exchange remain constant. In similar fashion, the removal of banknotes from circulation, or even the physical destruction of banknotes, does not effectively rectify the problem. For Marx, money represents the problem, that is, money is a symptom of the capitalist mode of production; the problem is production for exchange and the accumulation of profits for profit’s sake. Under capitalism, the social relations between people are transformed into a material relationship between things (i.e., commodities), while capitalist modernity is characterized by increasing alienation, exploitation, inequality, and misery. As Marx writes, “The need for money is … the true need produced by the modern economic system [capitalism], and it is the only need which the latter produces. The quantity of money becomes to an ever greater degree its sole effective attribute: just as it reduces everything to its abstract form, so it reduces itself in the course of its own movement to something merely quantitative.”

In volume one of Capital, Marx begins with the concrete commodity and derives a number of theoretical abstractions: exchange value, use value, value, surplus value, abstract labor, socially necessary labor time, and so forth. As his analysis proceeds, Marx progressively develops these concepts in his critique of capitalism. Commodities, including money in its commodity form, are not things but rather relations, foremost among them being the relationship between use value and exchange value. On the one hand, commodities, as products of human labor, possess some useful quality for people while, on the other hand, commodities have exchange values, in that one commodity may be exchanged for another commodity through the use of a universal equivalent, this being money. Within an economic system predicated on exchange, such as capitalism, commodities do not exchange according to their degree of usefulness; instead, a quantitative relation that appears in all commodities structures their exchange to accumulate surplus value. Later, I demonstrate this process within the context of CPK economic policies; here, suffice it to say Marx sought to move beyond capitalism in its totality. The elimination of money, to reaffirm, is a means to an end as opposed to an end itself. Subsequent followers of Marx, including those in Russia, too often, mistook the symptom for the ailment.

The allure of a money-less economy lies in the hope it can help create a society free of exploitation and oppression. Nonmarket socialism, for example, focuses on use rights and use values. Local communities foster self-sufficiency in the production and exchange of goods and

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12 Nelson, The Poverty of Money, 505.
13 Ibid.
14 Beilharz, Negation and Ambivalence, 24.
services; in turn, these communities network with other communities across a range of scales to collaboratively manage joint resources and, in so doing, facilitate solidarity. In this system of networked, community-based socialism, peoples’ needs are expressed as use values and the powers vested in their use rights to commons facilitate direct decision-making without recourse to money.19

In Russia, Bolshevik leaders attempted to abolish the monetary system and impose a nonmonetary and nonmarket economy.20 In practice, however, this proved exceedingly difficult; cash was required for state-produced goods and services; monetary taxes demanded; and foreign trade required currency. Effectively, money remained a tool of state policy.21 The Soviets retained a form of paper money; and goods and services were ‘priced’ although prices were determined by the Party and not the market.22 Elsewhere, such as in China and Cuba, Communist party leaders also considered the viability of a moneyless communism; but again, the need for capital doggedly remained.23 Simply put, few empirical examples exist of widespread experimentation in the area of nonmonetary exchange in modern society.24 Democratic Kampuchea offers one such example.

Macro-Economic Policies of the CPK

Following the Second World War, Western powers challenged and frequently opposed demands for political and economic independence raised by their former colonies. Often, deadly conflict erupted, as nationalist leaders resisted the imposition of colonialism. In addition, Western powers introduced new forms of imperialism, often shrouded behind the façade of modernization and development. For example, the establishment of international organizations, including the World Bank and the International Monetary Fund, imposed myriad structural programs that served to incorporate Western technology and methods of production into the so-called developing world. For many nationalist leaders throughout colonies and former colonies, Western-imposed economic programs constituted nothing more than another form of oppression and exploitation. For these nationalists, the realities of foreign aid belied the humanitarian rhetoric of self-governance and they decried the hypocrisy and material inequalities that accompanied modernization.

Anti-colonialism was not necessarily synonymous with anti-capitalism, but the two movements often found common cause. Notable in this regard was the emergence of the Non-Aligned Movement (NAM) in 1960. In the shadows of the Bandung Conference, a handful of nationalist leaders from the Global South convened in Belgrade, Yugoslavia in an effort to chart a course separate from the unfolding Cold War confrontation of the Western Powers and the Eastern Bloc.25 Proponents of the NAM forwarded several initiatives to promote and implement economic growth and development programs, often but not always within existing institutional structures. Of paramount concern were the guiding principles of self-reliance and self-determination, that is, political and economic sovereignty from foreign governments.

In practice, there was no singular form, no official template for economic growth under the NAM. Several leaders, however, found in Josef Stalin’s state-guided industrialization a working model for national development. Perceived as a successful counterpart to Western colonial practice, the Soviet Union offered an approach seemingly free of geopolitical encumbrances of asymmetric

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trade relations. In this way, anti-colonial nationalists rendered Soviet-styled socialism a strategy that could guide their countries in the struggle to overcome underdevelopment. For several leaders of the CPK, the aspirations and agendas of the NAM appeared promising.

During August 16-19, 1976, delegates from 86 member-states of the NAM convened in Colombo, Sri Lanka. The assembly was momentous for several reasons. The conference, for example, marked the first Summit of Non-Aligned members held on the Asian continent, an important event marked by the resultant Colombo Declaration: “The history of Asia had been marked by successive periods of foreign conquest and colonial domination.” The Declaration continues: “The struggles of the Asian peoples for freedom, justice and equality have been victorious. A resurgent Asia enters the last quarter of the twentieth century with its peoples united in their determination … to overcome the problems of underdevelopment and the adverse consequences, economic, technological and cultural, resulting from long subjugation to colonial rule.”

Notable also is the explicit recognition by members of the NAM of the recent victory of the CPK. Sixteen months prior to the conference, armed forces of the CPK captured Phnom Penh; now, participants in Colombo recognized their revolutionary triumph.

The context of the NAM is extremely important for our understanding of CPK economic policy, not least because senior officials apparently drew inspiration and guidance from the revolutionary socialism espoused by the NAM. Two months removed from the Colombo Conference, CPK Standing Committee member and Foreign Affairs Minister Ieng Sary spoke at the 31st Session of the United Nations’ General Assembly in New York City. The Session, Ieng Sary explained,

…takes place at a time when all the peoples of the world of the non-aligned countries and of the Third World are waging a victorious struggle everywhere against imperialism, colonialism, neo-colonialism, Zionism and all forms of foreign interference, aggression, expansionism and exploitation, for independence, sovereignty, territorial integrity, for the right to determine their own destiny and for the establishment of a new international economic order on the basis of justice and equality.

Of significance, Ieng Sary pledged that reconstruction in Democratic Kampuchea would conform to the principles of the NAM. To this end, he vowed “Democratic Kampuchea will always continue to follow a policy of independence, peace, neutrality and non-alignment. … Our people resolutely defends its independence, national sovereignty, territorial integrity and its inalienable right to determine its own destiny.”

In light of the subsequent military conflict with neighboring Vietnam, and their staunch alliance with China, the words of Ieng Sary may sound hollow. However, the economic programs initiated by the CPK line up readily with those championed by the NAM. Two weeks prior to the Colombo Conference, members of the Standing Committee of the CPK drafted the Party’s first Four-Year Plan. As Chandler explains, the CPK never officially published and distributed the 110-page typewritten text and much of the Plan appears never to have been set in motion. The document, however, remains one of the most revealing sources of Party intention available.

As stressed in the Four-Year Plan (and countless other documents), Party leaders professed a strong commitment to self-reliance and self-determination, two terms widely misunderstood

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29 Ibid.
by many scholars of the Cambodian genocide. In conventional accounts, the emphasis on self-reliance and self-determination by the CPK is rooted in Marxist political philosophy, and that Party members sought to construct an isolated society bordering on autarky.\textsuperscript{32} In actuality, Khmer Rouge rhetoric echoes that of the NAM and, seen in this light, hardly appears extreme or radical. For example, economic growth and development, as detailed in the Plan, stands on “independence, mastery, and self-reliance.”\textsuperscript{33} To this end, Party officials affirmed that they might accept foreign aid, but would refuse any offers that infringed on their sovereignty.\textsuperscript{34}

Once in power, CPK leaders effectively took possession of all productive apparatuses throughout the country. Land and livestock, tools and tractors were all confiscated in the name of the Party. Note, however, that the fundamental (and exploitative) relationship remained. As Stephen Resnick and Richard Wolff explain, a “change in ownership of productive assets, from private to state, does not necessarily entail a change in the capitalist, exploitative class structure of production. When it does not, state capital(ism) is just the substitution of state functionaries for private individuals in the roles of capitalist appropriators of surplus labor.”\textsuperscript{35} In other words, much like the Soviet Union, CPK officials set Cambodia on a path toward state capitalism.

Two objectives figure prominently in CPK state economic planning: the necessity to raise the people’s standard of living quickly and to increase capital from agriculture in order to modernize industry.\textsuperscript{36} Both were to be achieved through the promotion of an economic strategy of import substitution industrialization—an approach widely adopted from the 1950s onward by governments throughout the Global South.\textsuperscript{37} Effectively, governments would impose tariffs, quotas, and other protectionist policies while simultaneously investing in the manufacturing of products currently imported. Accordingly, import substitution industrialization constitutes an economic strategy of self-reliance and self-determination. Such an approach is readily evident in surviving CPK documents. Minutes from a meeting held on May 8, 1976, for example, indicate, “We will decrease importing items next year, including cotton and jute, because we are working hard to produce ours. We will import only some important items such as chemical fertilizer, plastic, acid, iron factory, and other raw materials.”\textsuperscript{38}

To promote effectively a program of import substitution industrialization, Party leaders determined what they could produce locally and what they had to import. Thus, CPK officials premised that Democratic Kampuchea was brimming with “such things as land, livestock, natural resource, water sources such as lakes, river and ponds” and that these afforded them “great advantages compared with China, Vietnam, or Africa.”\textsuperscript{39} Officials postulated they could “export and sell many products such as kapok, shrimp, squid, elephant fish, and turtles” in order to “earn foreign exchange.”\textsuperscript{40} Indeed, so optimistic were Party leaders, they expounded, “There are great possibilities for exporting peanuts, wheat, corn, sesame, and beans. The objective would be to save


\textsuperscript{33} CPK, \textit{Four-Year Plan}, 48.

\textsuperscript{34} Document No. E3/1616, “Meeting of the Standing Committee 9 October 1975,” archived by the Extraordinary Chambers in the Courts of Cambodia (ECCC) at \url{http://www.eccc.gov.kh/en} and the Documentation Center of Cambodia, Phnom Penh.


\textsuperscript{36} CPK, \textit{Four-Year Plan}, 51.


\textsuperscript{38} Document No. D00698, “Cooperation with the Ministry of Commerce,” archived at the Documentation Center of Cambodia, Phnom Penh.

\textsuperscript{39} CPK, \textit{Four-Year Plan}, 46.

up these products for export.”41 Ominously, the report cautions, “Almost anything can be exported, so long as we don’t consume it ourselves, but set it aside.”42

Faced with a seemingly endless array of natural resources to exploit, Party officials determined that agriculture—especially rice—would form the keystone of their economic policies. As indicated in the Four-Year Plan, “We stand on agriculture as the basis, so as to collect agricultural capital with which to strengthen and expand industry.”43 In doing so, CPK officials actually continued policies initiated under the former French colonial government and that of former leader Norodom Sihanouk. Senior planners of the CPK determined rice to be their main comparative advantage. For Party leaders, the decision was profit-oriented: “For 100,000 tons of milled rice, we would get US$20 million; if we had 500,000 tons we’d get $100 million. … We must increase rice production in order to obtain capital. Other products, which are only complimentary, will be increased in the future.”44

Monetary Policies in Democratic Kampuchea

With military victory achieved in April 1975, senior CPK leaders faced the enormity of reviving a devastated economy. Much of the country’s productive infrastructure had ceased functioning. For example, only 300 of the country’s 1,400 rice mills and 60 of 240 sawmills remained usable when the CPK seized power. A shattered transportation network further hindered economic recovery.45 Paradoxically, several key officials thought it possible to promote economic growth and development in the absence of currency.

On September 19, 1975, senior leaders of the CPK announced the elimination of money. Party officials, however, did not make the decision in earnest but apparently came to the point after years of deliberation. In 1973, for example, senior members debated the need for currency in post-revolutionary society and, if retained, the form and function of currency. The matter remained unsettled in May 1975, as CPK leadership summoned all military and civilian officials of the new regime to a special meeting held in Phnom Penh.46 Held over five days, with approximately 1,000 participants in attendance, the conference detailed plans agreed upon by members of the Central Committee of the CPK. As Kiernan describes the meeting, this was the Party’s first major attempt to announce its political writ, with many topics discussed and key decisions rendered.47 For example, CPK officials called for the establishment of large-scale agricultural collectives—a practice initiated in piecemeal fashion in 1973—and paved the way for communal dining. Notably, Deputy Secretary Nuon Chea proclaimed that building socialism entailed two components, agriculture and industry, and that the former would be modernized within 15 years through the application of scientific methods. In addition, Nuon Chea foretold the elimination of both money and markets, explaining that the existence of these would restore private property, itself an anathema to the Party’s Marxist-Leninist principles.48 Subsequent Party documents, including articles and commentaries published in the CPK’s propaganda magazine, Revolutionary Flag, stressed the evils of money and markets. As explained in an issue of Revolutionary Flag, “We do not use currency. Currency is a most poisonous tool. It entices us at all times to return to private ownership. With currency[,] we always want to buy this or buy that. Now no one thinks of spending money.”49

41 Ibid., 200.
42 Ibid. Emphasis added.
43 CPK, Four-Year Plan, 46.
44 Ibid., 51.
46 Kiernan, The Pol Pot Regime, 55.
48 Ibid., 57.
Decisions announced at the May conference were not necessarily final and debate continued among senior leaders. Long-time revolutionary Hou Youn, for example, opposed the idea of eliminating markets and money, explaining that Cambodia, having just emerged from years of fighting, was greatly short of capital.\textsuperscript{50} Other leaders also apparently expressed reservations, leading to the appointment of Non Suon as Chair of the National Bank.\textsuperscript{51} Also, that summer, Khmer Rouge cadre distributed posters showing CPK currency to the various administrative areas, along with actual banknotes for use, pending final authorization from Phnom Penh.\textsuperscript{52} Throughout 1975, further efforts were underway to introduce currency, albeit in limited fashion. In August, Pich Chheang replaced Non Suon and immediately set up a training program in preparation of a nationwide banking system. In addition, in September Pich Chheang introduced currency in his home district, as a trial run for a socialist-informed monetary economy.\textsuperscript{53}

As plans proceeded for the re-introduction of money and markets, Pol Pot and other high-ranking officials toured the country in an attempt to assess conditions on the ground.\textsuperscript{54} These fact-finding missions culminated with a meeting held on September 19, 1975 to determine, in part, whether the CPK would authorize the use of currency. Prior to the meeting, Chhit Chhoeun (alias Mok), Secretary of the Southwest Zone and a powerful member of the Central Committee, expressed strong reservations about the use of money. Chhit Chhoeun favored a barter system. He premised each administrative unit in the country offered its own comparative advantages, and that the simple transfer of products between units offered the most viable means of distribution. Ostensibly, Chhit Chhoen advanced a variant of nonmarket socialism, whereby production is not for sale and work is not remunerated via the market.\textsuperscript{55}

By September, Pol Pot and other key leaders apparently found the arguments of Chhit Chhoen persuasive.\textsuperscript{56} Addressing the Central Committee, Pol Pot identified several practical reasons to abolish currency, with the most pressing being ideological reasons.\textsuperscript{57} Pol Pot allegedly said,

\begin{quote}
Up to now, the fact we do not use money has greatly reduced private property and thus has promoted the overall trend towards the collective. If we start using money again, it will bring back sentiments of private property and drive the individual away from the collective. Money is an instrument [that] creates privilege and power. Those who possess it can use it to bribe cadres … [and] to undermine our system. If we allow sentiments of private property to develop, little by little people's thoughts will turn only to ways of amassing private property.\textsuperscript{58}
\end{quote}

The Party Secretary concluded, “Money constitutes a danger, both now and in the future. We must not be in a hurry to use it. … We need to think more deeply about this matter.”\textsuperscript{59}

\textsuperscript{50} Kiernan, \textit{The Pol Pot Regime}, 59. A student of economics and law, Hou Youn earned a doctorate from the University of Paris. His 1955 dissertation, \textit{The Cambodian Peasants and their Prospects for Modernization}, appeared in book form in 1956. Scholars speculate that Hou Youn’s writings served as blue print for subsequent CPK policy; this is highly unlikely, however, as his plans were frequently at odds with other, more powerful leaders. Hou Youn ‘disappeared’ in 1975, victim of one of the many purges initiated under the CPK regime.

\textsuperscript{51} Short, \textit{Pol Pot}, 306.

\textsuperscript{52} Ibid.

\textsuperscript{53} Ibid., 306-307.

\textsuperscript{54} Ibid., 306-307.

\textsuperscript{55} Nelson, \textit{The Poverty of Money}, 505.

\textsuperscript{56} Short, \textit{Pol Pot}, 307.

\textsuperscript{57} It is noteworthy that the ancient empire of Angkor, much revered by Pol Pot and other CPK ideologues, functioned without money. Although I am unaware of any evidence to indicate a direct connection to subsequent CPK policy, additional archival work may identify Angkor as a additional source of inspiration for Pol Pot and others. I am grateful to a reviewer of an earlier draft of this manuscript for bringing this to my attention. See Eileen Listig, “Money Doesn’t Make the World Go Round: Angkor’s Non-Monetisation,” in \textit{Economic Development, Integration, and Morality in Asia and the Americas}, ed. Donald C. Wood (Bingley: Emerald Group Publishing Limited, 2009), 165-199.

\textsuperscript{58} Short, \textit{Pol Pot}, 307.

\textsuperscript{59} Ibid.
Pol Pot’s address seemingly kept open the door for the reintroduction of currency in Democratic Kampuchea—an observation that refutes conventional accounts of CPK policy and practice. Effectively, Pol Pot pronounced the temporary suspension of currency and not the final abolishment of currency. Surviving documents, coupled with oral testimony, confirm this interpretation. Former Khmer Rouge cadre Prasith Thiounn, for example, affirms that the elimination of currency was always a temporary measure.60 Lat Suoy, also, recalls that by 1978 rumors circulated that the Party planned to reintroduce domestically bank notes and market exchange within agricultural collectives.61 Indeed, Pol Pot himself reportedly told journalists from Yugoslavia, “We have ceased to use money up to now … [but] we do not take the present system as a permanent one.”62

State Capitalism and Nonmarket Socialism under the CPK

In all senses of the phrase, the political economy of Democratic Kampuchea was always and necessarily a work-in-progress. It is implausible to conclude with any degree of certainty the entirety of the productive apparatus envisioned by a regime that collapsed in just under four years. This holds especially for a regime that so clearly was fraught with internal dissent. Nevertheless, surviving CPK planning documents allow for a partial reconstruction of Democratic Kampuchea’s economy as it lurched forward. Far from a ‘pure’ form of socialism or communism, the mode of production begun by the CPK resembles more a Frankenstein’s monster of state capitalism and nonmarket socialism, with the apparent paradox of Democratic Kampuchea’s hybrid economy explained by geographic scale.

The decision to eliminate money and markets was always marked with contradictions. As Kiernan quips, the choice to prohibit monetary exchanges may have consigned money to join the “dustbin of history” but it failed to eliminate the “profit motive.”63 In fact, the pressing need to accumulate capital rapidly—a prominent goal expressed forthrightly in the CPK’s Four Year Plan and myriad other documents—had not diminished with the decision to abolish money or markets. This decision did introduce several daunting challenges, not least being the capacity to raise investment capital for a moribund industrial sector. In the aftermath of revolution in both Russia and China, for example, Marxist-trained economists premised that surpluses accrued from agriculture would provide the necessary capital for industry. In these countries, economic strategies included the taxation of rural peasants and the so-called price-scissors mechanism.64

In Democratic Kampuchea, the suspension of currency effectively precluded these strategies. Neither could CPK officials rely upon non-capitalist forms of organization to generate necessary revenues. Simply put, a barter system as that proposed by Chhit Chhoeun does not provide surplus value; and some CPK officials apparently understood this limitation. Indeed, the resultant economic order of Democratic Kampuchea resembled more so a hybrid form of state capitalism and nonmarket socialism than it did either a barter economy or an economy of associated producers as envisioned by Marx.

Domestically, in the absence of money and markets, the CPK would provide—in principle but not practice—all material necessities for their citizenry. These would include clothing, blankets, mats, pillows and “materials for common and individual uses” such as “water pitchers, water bowls, glasses, teapots, cups, plates, spoons, shoes, towels, soap, toothbrushes, toothpaste, combs, medicine … writing books, reading books, pens, pencils, knives, shovels, axes, spectacles, chalk, ink, hats, raincoats, thread, needles, scissors, lighters and flint, kerosene, lamps, etc.”65 In addition,
the elimination of money negated the need for wages; accordingly, CPK officials provided laborers with food rations. To this end, Party leaders developed a system to distribute food rations based on labor-capacity.66 Those workers classified in the No. 1 system would be allocated three cans of rice per day; those in the No. 2 system, two-and-one-half cans; No. 3, two cans, and No. 4, one-and-one-half cans.67 This numeric system refers to the type of labor involved; those people performing the heaviest manual labor, in principle, were to receive the highest rations. The lightest tasks, performed by the elderly or the sick, received the smallest rations. In addition, all workers would receive two side dishes (soup and dried food). Detailed work-schedules were also devised—although not necessarily implemented—that determined how many days of work were required, and for how many days, for society as a whole. Thus, CPK officials seemingly devised a nonmonetary and nonmarket society whereby the Party provided the individual and collective needs of society. However, unresolved remained the matter of capital accumulation, that is, the means to generate profits to subsequently invest in industry. Here, Party leaders turned toward their perceived comparative advantage in the global economy, this being rice.

Whether we immediately describe the CPK’s policy of exporting rice as capitalist or not, we must acknowledge that it constituted a system of exchange. Briefly, the process of exchange is accomplished through two transformations—the conversion of commodities into money and the re-conversion of the money into a commodities—as expressed as C-M-C.68 The first transformation, C-M, represents the conversion of a commodity into money (i.e., the act of selling), while the second transformation, M-C represents the conversion of money into a commodity (i.e., the act of buying). Hence, this single process is two-sided: from one pole, that of the commodity-owner, it is a sale, from the other pole, that of the money-owner, it is a purchase.69

Following the simple model of circulation, C-M-C, commodities are exchanged (sold) for money; that money is then used to purchase additional commodities. On the surface, this would seem to account for the both the policies proposed and practices carried out by the Khmer Rouge. CPK officials shipped rice, as a commodity, to myriad destinations, including China, Yugoslavia, Madagascar, and Hong Kong. For example, between January and September 1978, the CPK exported 29,758 tons of rice, valued at nearly six million US dollars, to China.70 In return, Democratic Kampuchea imported tons of other commodities, including machine parts and medicine. In theory, this exchange could exist virtually; the CPK would in effect obtain ‘credit’ or a ‘balance’ from China for future purchases. At this level, no material transfer of printed money would take place.71 International trade, therefore, could continue without the reintroduction of currency within Democratic Kampuchea. However, the simple exchange of one commodity for another—regardless of whether money mediates the transaction—does not generate surplus. How, then, did Party leaders attempt to accrue profits? The answer, I maintain, lies in the substitution of food rations (notably rice) for wages.

In Capital, Marx expounds on the role of money (as opposed to the commodity) in the circulation process, expressed as M-C-M.72 Schematically, this constitutes the transformation of money into commodities, and the re-conversion of commodities into money.73 Whereas the first circulation (C-M-C) results in the exchange of commodities (albeit mediated through money), under the second circulation (M-C-M) there is an exchange of money for money via commodities. Here, Marx finds the crucial component of capitalism in that “the circulatory process of M-C-M would be absurd and empty if the intention were, by using this roundabout route, to exchange

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66 The cans used for measurement were most often Nestle’s condensed milk cans; each could contain approximately 200 grams of rice.
67 CPK, Four-Year Plan, 111.
69 Ibid., 203.
70 Document No. D23948, archived at the Documentation Center of Cambodia.
71 Such material-based money transactions did take place, especially when the Khmer Rouge traded with their Thai neighbors.
72 David Harvey, A Companion to Marx’s ‘Capital’ (New York: Verso, 2010), 87.
73 Marx, Capital, 248.
two equal sums of money.” Marx explains, “In the simple circulation of commodities [C-M-C] the two extremes have the same economic form. They are both commodities, and commodities of equal value. But they are also qualitatively different use-values, as for example corn and clothes.”

However, within the second circulation, “both extremes have the same economic form. They are both money, and therefore are not qualitatively different use values, for money is precisely the converted form of commodities.” Consequently, the “process M-C-M does not … owe its content to any qualitative difference between its extremes, for they are both money, but solely to quantitative changes.” As Harvey writes, “M-C-M only makes sense if it results in an increment of value,” this being surplus value and is thus re-written as M-C-M’.

Following Marx, the exploitation of labor capacity generates surplus value and assumes two basic forms: absolute surplus value and relative surplus value. Marx argued that the value of labor-power (wages) is equal not to what a worker can produce (e.g., a shirt) but instead to the labor-time necessary to make up what it costs to keep the laborer and his or her family alive. In other words, “the value of labor-power is the value of the means of subsistence necessary for the maintenance of its owner.” For example, laborers may produce enough value in six hours work to offset their daily living expenses. Capitalists, however, purchase labor-power for a full day’s work, say, eight hours. The remaining two hours, Marx argues, appear as absolute surplus labor time. As Mandel explains, when the producer is performing necessary labor, he or she is producing a necessary product; when the laborer is performing surplus labor, he or she is producing a social surplus product. Absolute surplus value is thus that part of production produced by the laboring class but appropriated—without compensation—by the capitalist, regardless of the form the surplus product may assume. In Democratic Kampuchea, Khmer Rouge officials distributed quantities of rice in accordance with pre-determined expectations of the amount necessary for workers to subsist. By keeping food rations fixed and, in turn, expanding the working day, Party leaders derived absolute surplus value.

Long working hours and high quotas coupled with insufficient rations contributed to exhaustion, illness, and death. For the CPK, these losses, however, were inconsequential; recall the sentiment expressed in a 1976 report, “Almost anything can be exported, so long as we don’t consume it ourselves, but set it aside.” Other documents express similar attitudes. Minutes of a Standing Committee meeting held on March 8, 1976 for example indicate that there were “many sick people” and “outbreaks of chickenpox and cholera.” The possibility of food shortages was also apparent. However, the Standing Committee explained, “we think much about the livelihood of the people, but expenditures for material purchases to solve the livelihood of the people are limited because we must purchase many other things as well, and our funds are few.” The Standing Committee also recognized that come August and September, there would most likely be many food shortages and that those shortages would affect the “health and labor strength” of the workers. However, it was concluded that “as for rice, it should be two cans or a little more.” This amount, following the committee, constituted an appropriate “minimum” or “living wage.” In other words, the possibility of starvation and loss of life was significant only to the extent that...

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74 Ibid.
75 Ibid., 250.
76 Marx, Capital, 251.
77 Ibid.
78 Harvey, A Companion, 85.
79 Marx, Capital, 274.
81 Ibid.
82 In practice, calculations of surplus failed to match reality. Official policy established fixed rations while demanding greater productivity. However, to compensate for production shortfalls or to simply demonstrate their revolutionary zeal, local leaders often exaggerated production levels to avoid punishment or to gain favor from party leaders.
83 CPK, Report of Activities, 200.
84 Minutes of the Meeting on Base Work, March 8, 1976, Document Number D00684, archived at the Documentation Center of Cambodia, Phnom Penh.
labor-productivity would suffer, or it would embarrass the regime internationally. Beyond that, what mattered was the continued accumulation of capital through rice production.

Limitations to the working day, coupled with the potential decline in labor productivity, restricts the accumulation of absolute surplus value. The CPK identified this problem and, ironically, resolved it by a deepening of capitalist logic, this being the generation of relative surplus value. For Marx, it is not simply “necessary” labor time that defined labor-power’s value; rather it is socially necessary labor time, that is, the quantity of labor necessary under average conditions of labor productivity existing in a given country at a given time. An increase in average production increases the average number of commodities produced per unit of time and thus decreases the amount of socially necessary labor time required for the production of a single commodity. Greater efficiencies of scale lessen the costs of production, thereby facilitating greater profits. With an increase in the productivity of labor, the value (that is, cost) of labor-power falls and the portion of the working day necessary for the reproduction of that value is shortened, thus facilitating the accumulation of relative surplus value.

In Democratic Kampuchea, CPK officials did not readily invest capital in technologies designed to facilitate agricultural production. Tractors, for example, were in operation but not widely available. Rather, Party leaders attempted to raise productivity through cajolery or brute force. Workers were to “go on the offensive” and to “Plant, plant, plant; plant everywhere, plant densely, plant until no land is left over; male youths, plant; female youths, plant; elderly and children, plant; both the able-bodied and the weak, plant; plant collectively; plant individually; plant farm fields; plant one or two clumps around the houses and around the worksites.” Immediately apparent in this and other documents is the characteristic exuberance of Khmer Rouge propaganda; but behind the fetishism of revolutionary zeal lies the cold, calculation of profits. In the Four-Year plan, for each administrative region, the CPK projected both the amount of rice produced and expenditures in the form of food rations. For the Northern Zone, for example, Party leaders determined that the average amount of rice production would increase from 245,000 tons in 1977 to 462,000 tons in 1980; this would, according to their estimates, result in a gain of US$121,000,000.00 over the four-year period. To meet these objectives, workers were to remain vigilant in their revolutionary zeal and, with a proper political consciousness, increase productivity. Crucially, the amount of rations allocated for worker consumption was to remain at 320,000 tons per annum. In other words, Party leaders assumed that as productivity increased and workers became more efficient, there was no need to increase the amount of food rations allocated. Consequently, reductions in socially necessary labor time contributed to ever-increasing surplus value derived from the export of rice.

To facilitate the export of rice and hence the accumulation of capital, CPK officials established several institutions to oversee their economic programs. The Ministry of Commerce, for example, facilitated the distribution of resources domestically and managed foreign trade. In addition, Party representatives established, with Chinese assistance, the Ren Fung Company Limited, for facilitating imports into and exports from Democratic Kampuchea with countries that did not want to be associated directly with the CPK government, or which had trade restrictions leveled at Democratic Kampuchea.

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85 Mandel, Introduction to Marxist, 30.
87 During a Party meeting in 1975, senior officials estimated that the tractors currently in operation would wear out. With assistance from North Korea, however, they anticipated a capacity to manufacture tractors within five years. See Document No. E3/781, “Examination of Control and Implementation of the Policy Line on Restoring the Economy and Preparations to Build the Country in Every Sector,” archived by the Extraordinary Chambers in the Courts of Cambodia (ECCC) at http://www.eccc.gov.kh/en and the Documentation Center of Cambodia, Phnom Penh.
89 CPK, Four-Year Plan, 68.
In short, CPK officials initiated and implemented a hybrid economy. On the one hand, Party leaders participated in the monetary-based global economy as state capitalists while, on the other hand, they instituted a nonmonetary, nonmarket domestic economy. Under an economic system of import substitution industrialization, the Cambodian people produced rice not as a use value, that is, a grain produced primarily for subsistence and biologic consumption, but instead, as a means of acquiring exchange value. Khmer Rouge policy and practice effectively transformed rice into a commodity for export. In the process, however, senior leaders of the CPK instituted a fatal contradiction into Democratic Kampuchea’s economy. Under the system of exchange introduced by the CPK, the provision of higher rations (in the form of rice) would decrease the amount of capital (rice) the Party had available for surplus accumulation in the global economy. However, decreased rations would facilitate the accumulation of capital. When CPK leaders suspended currency, they did not negate capital but merely substituted one form of capital (wages) with another (rations), while leaving the basic exploitative relationship intact.

Conclusion

The macro-economic policies introduced by senior leaders of the Communist Party of Kampuchea alienated the men, women, and children who endured years of hardship and violence throughout the country. In the aftermath of the Pol Pot regime, villagers speak with bewilderment, anger, and hatred of the many ways in which their traditional way of life was overturned.91 Prior to the revolution, villagers had determined their own work schedules, with time for rest in even the busiest seasons and periods of relative leisure during the year. Now, armed soldiers drove them to perform unrelenting labor that was arduous and exhausting, with the relentless pace of work broken only by brief breaks for hasty meals of insufficient rations.92 Survivors remember being in a constant state of hunger despite the stockpiles of foodstuffs. As May Ebihara writes, villagers lamented, “You could see food but you weren’t allowed to eat it” and “There were piles of rice … but it was taken away in trucks.”93

Senior leaders of the CPK were aware of the ever-present specter of famine. Early on, Party members called for the continued monitoring of agricultural and food rationing throughout Democratic Kampuchea.94 For example, during a meeting of division and regimental secretaries and logistic chiefs held on September 19, 1976, reports of food shortages were common.95 Comrade Muth relays, “The rice harvest was exactly two tons over an area of 2,000 hectares, short by 61,000 bushels.” However, he continues, “Calculating through 15 November, the new rice which has arrived will be exhausted,” that “food supplies … will be exhausted in January,” and that “secondary crops … have mostly rotted.”96

Faced with acute food shortages, countless men, women, and children secretively gathered fruits, vegetables, and other foodstuffs. If caught, however, they met swift punishment, often in the form of arrest, imprisonment, and/or execution. On September 16, 1976, for example, a division chief
reported that a man named Neak Loeung stole a haversack of rice. Khmer Rouge soldiers seized
the man, but later when he tried to escape, cadres “shot him dead and did not get to interrogate
him about anything.”\footnote{Document No. E3/822, “Minutes of the Meeting [of] Comrade Tal of Division 290 and Division 170,” archived by the
Extraordinary Chambers in the Courts of Cambodia (ECCC) at http://www.eccc.gov.kh/en.}
In the ensuing months, as reports of famine and illness became more
common, CPK leaders increasingly blamed these problems on “internal enemies” or mistakes of
local officials in implementing CPK policy.\footnote{DeFalco, Accounting for Famine, 147.} In so doing, the macro-economic policies forwarded by
senior leaders and implemented by myriad local cadres helped establish the structural coordinates
of the Cambodian genocide. On the one hand, Party leaders recognized the need to accumulate
capital rapidly; but, on the other hand, they feared the trappings of bourgeois society, including
money. The attempted resolution by Party leaders of this fundamental contradiction constitutes
a grave failing, one that was ultimately paid not in money or food rations, but in the lives of the
Cambodian people.

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