



## Southeast Asia's New High Rollers

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**Abstract**— *The rapid economic development in the Greater Mekong Sub-region of the last two decades has meant an equally rapid expansion of a better-off middle class. According to the generally understood law of supply and demand, the extra wealth accumulated by these people has to be promptly funnelled into the economy again. The problem in Southeast Asia, as in many other developing corners of the world, is that too many times this translates into the rise of a vicious entertainment industry. This paper analyses the situation at the borderland of Poipet – Aranyaprathet, on the Cambodian-Thai frontier. Particularly focussing on the deteriorating circumstances in Poipet, this study uncovers some of the most worrisome underworld connections between increasingly organised criminal syndicates, and the involvement, oftentimes forced, of the local population. In a country, Cambodia, where young people make up for the largest portion of the population, the consequences of the rise in the entertainment industry on the weakest and most vulnerable, the children are graphically presented. Lastly, some countermeasures to contain a further uncontrolled explosion of illegal activities are reported, in the sheer hope of seeing them sprout as quickly as some of the casinos in the area are.*

**Keywords**— *Poipet, entertainment industry, unsustainable development, child labour.*

### 1. INTRODUCTION

#### **Backgrounds**

It does not take an expert to tell that more and more people all over Southeast Asia are enjoying an unprecedented economic stability, which goes well along with a strong drive to enjoy life in all of its aspects. And in most cases, all of that comes without too many worries about the future. Saving for harsher times does not seem to be a matter of concern, particularly among the younger generations, and the preferred choice appears to be that of... spending. An increasingly thicker portion of the population living in the cities can afford lifestyles unthinkable just ten years ago, and it is conspicuously willing to show that off. The expanding economy, higher levels of urbanisation, increased mobility, and the indisputable current impossibility to control most of Southeast Asia's intra-regional flows have favoured an almost unstoppable rise of the entertainment industry in the region. As many of those who are familiar with the region would already know, the meaning attached to the word "entertainment" in Southeast Asia is one of a most subjective nature. One that oftentimes blurs the line between legality and illegality. And the current state of the law allows for a much biased interpretation of what is legal and what is not, something too many a time confused (not rarely on purpose) with what is considered to be licit and what is instead deemed as illicit.

For that very reason, borderlands are, more than any other place in the region, perfect havens for setting up

such a business. As a matter of fact, in all of mainland Southeast Asia's countries, most of the sectors commonly belonging to the entertainment industry are prohibited by law: gambling is so just as it is prostitution. At the same time, demand is at its historic peak and turning one's back to rivers of easy money does not quite seem to be the preferred option. Governments and business people have thus craftily thought of a way to meet such a high demand without compromising themselves too much, and have so created some sort of no-man's lands right across their national boundaries, where they could successfully build entertainment complexes depending almost solely on one-time tourists crossing the border for the only purpose of visiting such places.

In a region where development gaps and historical ties often dictate the way countries relate to their neighbours, it is easily understandable how such limbo-like places are being built on the Burmese, the Laotian, and the Cambodian sides of a common frontier. Lured by easy and oftentimes accountability-proof profits, the above mentioned countries' governments too easily overlook the extremely serious and intricate chain of issues that inevitably ensues from the establishment of such complexes. The case of Poipet on the Thai – Cambodian border best explains the multi-faceted implications of such a choice.

#### **Identification of the issue**

The Poipet – Aranyaprathet is a key crossing point between Cambodia and Thailand respectively, linking Bangkok to both Phnom Penh and Siem Reap. From Phnom Penh to the border it is a 410 km, 8-hour ride on the paved and generally well-maintained National Highway 5. Transport services are increasing, but, since local demand is low, still too few. Poipet is a proper city located in Cambodia's Banteay Meanchey Province. The

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fact that the city hosts the most popular international crossing in the area has undoubtedly accelerated its development, which stands in sharp contrast against the poorer conditions of Banteay Meanchey Province in general. Its official population has doubled in the course of a decade. Border activities and trade in general provide business and job opportunities that attract people from all parts of the country, thus many inhabitants are actually internal labour migrants that have moved in from poorer areas as well as refugee camps that used to populate the same border till not long ago. General uncertainty about ongoing border disputes and a high level of disinformation among locals mean that the largest single source of employment on the Cambodian side is day labour, with eight to ten thousand people crossing the border each day to transport goods. This phenomenon jumps to the eye of even the most inexperienced, as the city's proper urban development is almost inexistent, as inexistent is a formal industrial sector. Nonetheless, people continue to move into town and live in extremely precarious conditions on a day-by-day basis. As elsewhere in the region where the economic gap between the two sides is significant, the weaker part usually survives by reaching a compromise with itself, adjusting to a sort of limbo that allows it to prosper while vaguely controlling the situation. Poipet is unfortunately a place where it could be rather unpleasant to stay overnight at. All of its economy seems to be gravitating around a quite successful entertainment industry concentrated on a strip a land right between the two border gates. It is indeed a no-man's land. Officially it is on Cambodian soil. Practically, Cambodians have restricted access to it. It currently hosts ten (and increasing) fully-equipped casinos and hotels that were built almost uniquely to please clientele from neighbouring Thailand. Gambling is prohibited in both countries, and being this strip literally between the gates, Thai visitors are able to reach it without going through Cambodian immigration. Being on Cambodian soil, people working at those places are almost totally Cambodian nationals, but the profits of the business do not seem to remain in Cambodia. Workers at the casinos seem to be rather sure about that, arguing about low wages and economic conditions outside the strip not improving, claiming that supplies for the casinos are clearly brought in from Thailand every morning.



Fig. 1. The Poipet casinos' site

## 2. SCOPE AND METHODOLOGY

### *Aim of this study*

The importance of this study is given by the timeliness of the issues that are being observed, and by the serious implications that such issues are having on the weaker portion of the population living in the area. The phenomenon involving the rise of the entertainment industry in Southeast Asia is by no mean unique to this border area, and there have been similar cases elsewhere, particularly along the border with China, Myanmar and Laos.

The peculiarity about the Poipet – Aranyaprathet case is the sharp increase in the incidence of crimes that are arguably related to the development of the aforementioned strip of land and the businesses that support it. This study's main purpose is that of trying to expose the connection between the new business (and/or the way it is being promoted) and the negative social consequences that the population is experiencing,

### *Methodology*

The events that were observed during this study are happening at the time of writing. Hence, extensive on-site visits are at the base of the results explained in this paper. The ambiguity of the legal environment around the border is such that conducting explicit research activities based on interviews and questionnaires is not only difficult, but also dangerous. The only way to get some inside information is to get superficially engaged with some of the players that are profiting from this situation. In the case of this study, a reliable connection was established within the taxi drivers' group, particularly the sub-group that used to work privately before being forcibly incorporated into the, I would dare say, organised syndicate.

One characteristic that also helped in the gathering of information, and that to some extent made moving around the area less troublesome, is the evident presence of a large number of tourists crossing daily this border (generally from Thailand into Cambodia on their way either to the temples of Angkor Wat and Siem Reap or to the capital city of Phnom Penh). It is thus not that rare for the area to have non-Asian foreigners roaming around quite freely, most of the times unquestioned.

The third feature of the research method used for this study is the invaluable support drawn from non-governmental groups operating in the area, them, too, attracted by the worryingly high incidence of heinous crimes that are too rarely reported in the news and that, alas, many a time involve the mistreatment of children.

Thanks to the efforts of this study and, most important, the insisting pleas by some of the abovementioned civil groups, there has been a weak yet significant increase in Cambodian news reports about social problems in the Poipet – Aranyaprathet area, particularly about the condition of children.

### 3. RESULTS AND DISCUSSION

The first issue to be easily identified was corruption; undeniably rampant at all levels in Poipet. But the distinguished feature of the problem, if compared to similar cases that could be observed in other parts of the region, is that corruption in Poipet is strictly linked to the ambiguous management of land rights in the city, and to the deep involvement of law enforcers in covering up the unclear movement of people and money in and out of town. Hence, the situation provides little economic benefit to the area, as local land owners, who somehow managed not to get involved in the business, are promptly isolated and forced to give up their lands and activities. But let's see how it works.

#### *The land syndicate*

Two events have marked the promising revival of the Poipet – Aranyaprathet area: the establishment of the many resorts on the Cambodian side (literally booming after 2010), and the renewal and enlargement of the Rong Klua market on the Thai side. Each of such events would have already been enough to attract a large portion of the rural population living along the border, a historically poor area in itself. The concomitance of the two occurrences, plus the already existing flow of tourists regularly crossing the frontier, has meant a remarkable influx of migrants moving into town in search of easy profits. Most of them are illiterate, and many a time they are young people sent over by their families, who would instead prefer to be left behind to look after their lands. This initial condition already categorises them into the often unclear group of unskilled labour force, a label many times going along with the terms of vulnerability, exploitability, and precariousness in general. Nonetheless, some of these people manage to buy some sort of property in the still expanding Poipet, be it a house, a shop, or, more commonly, a share of the above. Apart from a substantial minority of people who manage to set up a profitable business, the majority of such new urban dwellers are entirely dependent on daily jobs. Many of them are contracted porters for the market in Aranyaprathet. A hand-picked group of them works in the casinos zone.

Through extensive field-observations and hearings in town, this study has proved the existence of a comparatively well-organised syndicate in charge of all matters concerning the ownership and use of all sorts of land in Poipet. Although it is almost impossible at this stage to even try to identify the structure of such group, the cross-checking of the results obtained on site suggests that most of its members are Cambodian nationals, though not necessarily coming from Banteay Meanchey province (frequent were the instances of people citing differences in the dialects spoken by individuals in the syndicate). Although they appear not to be directly involved in illegal activities (intended as violent crimes), they basically act as usurers, getting a percentage of the tenants income. But it does not stop at that. The real threat to a healthy development of the town is the preferential behaviour of the syndicate towards individuals wanting to rent some property with the

explicit intent to get involved in the activities supporting the resorts, a more than certain source of income. This fuels the already uncontrollable spreading of ambiguous interactions between the local population of Poipet and the management of the entertainment industry along the border, making it more difficult for the authorities to clearly distinguish further illegalities (a preoccupation that, currently, doesn't really seem to be up in the agenda).

Although this syndicate seems to be acting on its own and not getting involved in other facets of Poipet's criminal underworld, it is reasonable to think that it does not act in complete isolation, and might instead be part of a more complex organisation indeed pulling the strings of the broader scene. This could be convincingly proved by this study in regard to another organised group.

#### *The transport cartel*

First and foremost, Poipet does not have adequate infrastructure. But this is hardly anything new in most of Southeast Asia's borderlands. What is peculiar about this area is its location, en route to very popular tourist destinations in Cambodia, such as Siem Reap and Phnom Penh. The need for a larger transport industry becomes more apparent day after day. This became exponentially more necessary in the last few years, after the establishment of the casino resort and the massive inflow of Thai gamblers (one-time tourists, if you like) that every day come in from as far as Bangkok to enjoy the top-class services provided by the well-established entertainment complex. Although most of the transport is provided by Thai companies, and all of the buses heading to the casinos do not cross into Cambodia, the increased number of tourists and workers in Poipet have meant a boom in the transport industry of recent years. In the past, most of the business was somehow managed by numerous private taxi drivers and a handful of mostly local bus services departing from Poipet on to other destinations further inland. Almost concurrently with the establishment of the casinos, the influx of rural migrants, and the increase in tourist flow, brand new transport companies have made their appearance in town, substituting the myriad of private transporters that were available everywhere till not long before. Though this might well be thought to be a timely countermeasure provided by the government to adjust to the new situation (something that might arguably be considered as a first historic example of prompt governmental response in the whole of Southeast Asia), this is unfortunately not the case. This study has shown that the totality of the transport system is under the direct management of yet another syndicate. Acting similarly to the one controlling land allocations, this cartel not only extorts a fat percentage of the drivers' income, but actively forbids any individual from setting up his own private business. As a direct consequence, prices have outrageously inflated, and although the services have become more reliable and the drivers have apparently gained some economic independence, another serious allegation seems to confirm the worries that things are slipping out of control in Poipet. Profits do not seem to go entirely to the companies either. Drivers, many of

whom are the same people who used to do the job individually in the past, are quite talkative persons, and they do not show any hesitation in claiming that a good share of the profits goes to the police, which, in turn, allegedly “persuade” all individual drivers to join the cartel. At this point, the impression of a messy and greedy border town characterised by a rapid expansion, not paralleled by an equally rapid and organised development, and heavily suffocated by omnipresent illegal pressures is no longer an impression, it becomes a certainty.

What really strikes in the area is the flaunted corruption at all levels, a widespread cancer that pervades the whole Poipet and appears to be the rule rather than the exception. Not only the transport industry is monopolised by a cartel that, with the collaborative support of the police force, prohibits any independent exercise of the business. A different yet most probably linked syndicate manages the land allocation in town, while a third organised group seems to be in charge of the labour force, particularly that connected to the casinos’ and hotels’ industry. In a city apparently in the hands of local criminal organisations, the living conditions of its inhabitants are extremely precarious, and whilst customs officials taking small bribes and extra fees could be overlooked, more serious social offences are threatening the future of the area.

### *The Cambodian children’s plight*

Of the good half of the population that has come in from the countryside after the establishment of the casinos and the renewal of the Rong Klua market on the Thai side, most of it is inevitably the most exposed to exploitation. Those who do not compromise and yet decide not to leave the town, have to live by half-measures. Beggars are thus everywhere to be seen, and the striking majority of them are Cambodian.

But the most serious social issue concerns the treatment of children, aggravated by the abovementioned influx of tourists and gamblers that has encouraged the entertainment industry to flourish. These overall factors, coupled with the lack of quality, inexpensive education and skill training in Cambodia, have allowed child trafficking to take a stronghold in Poipet, both for child labour and for sexual exploitation purposes.

Many times, poor families are lured into sending their children to work in Thailand, with the promise of higher wages, general better conditions and a larger number of tourists staying in Aranyaprathet before proceeding towards other locations in Cambodia. There appears to be an army of “recruiters” who are regularly deployed to rural areas sometimes tens of miles far away from the border. Once these people have gained the trust of the families, most of the times the children are eventually trafficked, forced into prostitution and get often involved in drugs, as part of a package whose results could be well observed during this study. The number of children in the streets of Poipet is astonishing high even for Cambodia, where the problem of ageing population was solved at its roots during the Pol Pot regime. This study, also borrowing from previous surveys carried out by NGOs present on the ground, has shown that most

members of the already large households in the Poipet area are children. Of these, a large majority is reported to be attending school (around 80% until 12 years old, around 60% until 18 years old, worryingly lower than 2-3% for college-age youths). Which is a surprisingly positive finding? Or is it? Unfortunately the situation appears to be far more complicated, and although children may be sent to school during the central hours of weekdays, this study has shown that the very same children are forced to work during the night and during the whole weekends.



**Fig. 2. Kids on the streets of Poipet**

Moreover, it is clear that many of the children living in town are not with their own families. When asked, they give different answers: they often say they are brothers, or if they look too different for that to be the truth, they’ll say they’re cousins and that their families sent them over to attend school. In rural Cambodia, as it is for most of Southeast Asia, it is extremely unlikely for parents to send their primary-school-age children to faraway towns, even if they have relatives who might look after them there.

Field-observations are particularly disturbing with regard to this point. Everybody in the area knows that trafficking is rife, yet nobody is willing to talk about it. Officers’ statements such as “there are no illegal crossings on our border”, “there is no way people can pass through immigration illegally [...] because that would require a high level of corruption from both Thai and Cambodian officials”, and finally “children might be trafficked, but not on our watch”, is what Cambodian officials often repeat. Thai officials seem instead to be more realistic, or maybe just diplomatic, and say that “trafficking happens through the immigration post [and people] simply cross the border at night, when unseen”. In fact, following a pattern common to many other crossings in Southeast Asia, people go willingly and illegally across borders and rivers in the hundreds every month, with many of them thought to be under-age. Nevertheless, one farmer, who did not even want to show himself, said that he knows for sure about children been trafficked inside the vans owned by the casinos, because they are seldom checked.

Hence, most of the children who are forced to work, either at the market or at the resorts, seem to be crossing the border on a regular, clandestine basis. Numbers are



obviously not reliable, but the many reports by local people about this unclear movement of youngsters around the border and by the casinos' strip cannot but confirm the existence and the gravity of the issue.

A Cambodian immigration officer in Poipet said that one of his duties was to bring back the bodies of Cambodians killed in Thailand. According to him, there are several such cases every month, with many of them happening in suspicious circumstances. Because these people do not carry papers, it is extremely difficult to identify them, but many appear to be children, thus adding credibility to the abovementioned allegations.

### **Broader implications**

The fact that so many children are involved in this dirty traffic is in itself disgusting enough, but similar stories are shared by many young men and women, who are often moved to as far as Bangkok. For this very reason, there are several road blocks in both directions, from and to the Thai capital, with police forces carrying out regular random checks. Unfortunately enforcers are overwhelmed by the incidence of such occurrences, and the business seems to be just too profitable to hope it will go out of fashion. There have been some repatriations going on, but the fact that demand is still high and controls are not yet enough means that those people who actually made it to go back to Cambodia (alive) are still at risk of being exploited by the same people who trafficked them in the first place.



**Fig. 3. Illegal crossers, mostly children, being repatriated in Poipet.**

The issue of Cambodian trafficked persons into Thailand is too important and complicated to be comprehensively tackled within this study. Nor was that the original intention. Nevertheless, the facts analysed here have shown that there is a close linkage between people being exploited around the Poipet – Aranyaprathet area and the alleged increase in long-distance trans-national human trafficking between Cambodia and Thailand. In particular, this study argues that the influx of Thai one-time tourists heading to the casinos has not only encouraged the rise of the sex industry around the border, but it has dramatically been

responsible of the expansion of such business further inland into Thailand. Locals report about allegations of people, particularly children, being illegally brought into Thailand along with the groups of Thai gamblers on their way back to Bangkok. Again, although such allegations could not be independently verified, the fact that many local people mention that and the large number of disappearing children make only think that the situation could actually be even worse.

### **A glimmer of HOPE**

Fortunately, the central authorities of the post-Pol Pot Cambodia have historically been relatively open to the support of the international community to the poor and marginalised. This has been of crucial importance because it has allowed non-governmental, not-for-profit organisations to expand their range of activities towards the neediest corners of the country. Although past years have witnessed a more focussed attention on either the cities (wealth gaps, urbanisation-related issues) or the eastern provinces (biased land allocations and broader environmental concerns), thanks to a more frequent coverage in the news and the increased accessibility to the area, the problems occurring around the Poipet – Aranyaprathet border have successfully attracted the good intentions of a diversified number of social workers, volunteers and professionals alike.

The increased presence of foreign aid personnel in the entire region has characterised the past two decades of semi-official assistance activities, and the already overwhelmed governments have all, though to sometimes very different extents, welcomed this helpful trend. Notwithstanding this significant improvement, the remarkable finding of this study is not about the success stories of the international community operating in the area, but it is about the meaningful involvement of the rural population. The first spark that fuelled this change is nonetheless credit of the numerous awareness-raising activities organised by many parties in recent years. Those, plus the rapidly deteriorating situation they had been eye-witnessing, have awoken a more collective social consciousness among the people living in Poipet, and some of them have reacted accordingly.

This is the case of the “Cambodian Hope Organisation”, one of the many religious organisations present on Cambodian soil, although this one has set its operational focus on Poipet, particularly its children. The director, a local, has drawn support not only from a number of foreign professionals and volunteers, but he has proudly managed to involve a large number of Poipet local people. The results of his activities hardly make it even to the local news, but similar glimmers of hope are shyly yet steadily starting to sprout on both sides of the national boundary, and a lot of attention is being put on the current and future condition of children.

### **4. CONCLUSION**

This study is peculiar in the way that all of the analysed issues do not occur in the usual locations where they could be mainly observed in the past. Most of such issues, however, are not a prerogative of borderlands, and can be

found at many other locations, oftentimes even at more serious stages. Nevertheless, in sight of the abatement of physical and non-physical barriers within the region that governments and regional organisations are aiming at, and most important, preparing for the implementation of the first stage of the propounded Southeast Asian Community, the development of trans-boundary issues along the borders provides an insightful blueprint model to identify not only the roots of the problems, but also the way they spread taking advantage of an ever increasing, and oftentimes too optimistically praised, connectivity.

Hope is definitely *the* word in present-times Cambodia. And it is arguably selling well. It is not only frequently used during official speeches, but it is more and more appearing in the official names of small and large organisations involved in charitable and assistance activities in the country. Notwithstanding the positive and prevalent genuine intentions behind the decision to use the term, an indiscriminate massive use of the word is plausibly going to depreciate its meaning and image over the next few years. Furthermore, in a place where semi-criminal organised groups are numerous and too weakly opposed by the authorities, such as in the Poipet – Aranyaprathet area, the possibility that the word “hope” could be somehow craftily used for fraudulent purposes is plausible, to say the least. In this scenario, most of the good efforts of the international community, as well as of local groups, might be overshadowed by the negative repercussions caused by a biased public opinion, more easily influenced by a few sensational news reports on abuses than countless, though definitely less sensational, genuine local efforts to right the wrong.

The presence of syndicates and cartels in the area is undoubtedly a worrying facet of a clearly unsustainable economic development of the area. And even though hoping that the casinos and resorts (let’s remember that they are still illegal, according to the current state of the law) will disappear some time soon would be too naïve to be realistic, an increased attention from the international community and the general populace towards the aforementioned matters will sooner or later force the authorities to implement effective containment measures first, and long-term sustainable solutions to the problems in a hopefully not too distant future.

The area will then likely experience a significant improvement, but with the expanding middle class in Thailand and the badly needed strong currency in Cambodia, entertainment seems just too good a vice to quit.

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