

Dollarization and Cambodia

Jennifer S. Muller

EE360 Introductory Thai Economy

September 10 2015



What is Dollarization?



What is Dollarization?

.Official and Unofficial

.Pegging

.Full

Why Dollarization?

(Advantages)

.Protects against inflation

.Protects against Devaluation

.Less country risk

Why NOT Dollarization?

(Disadvantages)

.Loss of control over the economy

.Loss of power and income

.Loss of Pride

Why Dollarize In Cambodia?



Khmer Rouge (1970-1975)

- “Abolished Money and Title to land” (WSJ)

- Distrust of law enforcement

- Inflation

Central Bank of Cambodia



Benefits in Cambodia

.1990 USD

.Low Country Risk

.Foreign Investment

.Rapid Re-Growth

What is Next?

Works Cited

The Cambodians Case for Dollarization. The Wall Street Journal. 2011. Web. 9 Sep. 2015.