

Diplomatic Briefing

New Decade, Old Challenges?

Cambodia-US
Relations

Cambodia-China
Relations

Cambodia & ASEAN
in 2020

Trends to be
Observed in
2020-2030

Cambodia & EBA

ISSUE 01/2020 - MAY 2020



A QUARTERLY COLLECTION OF CATEGORIZED OPINION
PIECES AND SHORT INTERNATIONAL RELATIONS ARTICLES

Diplomatic Briefing is a quarterly collection of categorized opinion pieces and short articles from an extended network of the scholarly community and regional experts, covering a wide range of issues from international relations, to subregional affairs, to foreign policy, to economic and trade, and beyond.

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Editorial Note

The world is embarking on a new decade, yet key challenging aspects remain, which certainly alert us that perhaps there is a need for a much better innovative resolution more ever than before. Foreign policy and diplomacy play an important integral part that has reshaped the world, that we are living in many ways. How can we make the world a more harmonized place to be?

The Diplomatic Briefing is a biannual collection of categorized opinion pieces and short articles from an extended network of the scholarly community and regional experts, covering a wide range of issues from international relations, to sub-regional affairs, to foreign policy, to economic and trade, and beyond.

Under the new initiative of the Konrad-Adeneur-Stiftung (KAS) Cambodia and the Cambodian Institute for Cooperation and Peace (CICP), the Diplomatic Briefing aspires to serve the diplomatic community, policymakers, and interested stakeholders on the latest trends and challenging aspects in the global arena that may hinder key developments of Cambodia and threaten regional peace and stability at large. The Diplomatic Briefing also attempts to serve as a platform for intellectual exchange of perspectives and insights as well as for emerging Cambodian scholars to have their research works published.

We are proud to present to you this inaugural issue under the theme: “New Decade, Old Challenges?” which underlines the essence of hindering issues that have dragged on. This first edition looks at Cambodia’s foreign policy frameworks and its position in various multilateral fora such as ASEAN and the EU, the critical moment of the EBA withdrawal, its bilateral relations with the US and with China, as well as a (re-)balancing position between the two amidst a critical moment of an increasing geopolitical tension and an unceasing major power competition. The last article serves as a wrap-up of Cambodia’s foreign policy key challenges by zooming in at the push and pull factors. The confronting issues may not seem to be new but we attempt to explore a fresher perspective of looking at them. Our contributors help to shed new light toward the enduring crisis which hopefully would stir further debate and discussion among the academic community and the public at large.

We hope this new academic feature will serve to enhance deeper and more constructive dialogue on various challenging issues and key foreign policy struggles one way or another. We would welcome more debates, more thought-provoking insights, more diverse perspectives such that this Diplomatic Briefing would serve our purpose of fostering more concrete and pragmatic ideas.

Enjoy reading!

The Editorial Team

Note: All articles have been collected in the period from February to April. Due to the proofreading, editing and design process, some facts might be outdated.



THE IMPACT OF COVID-19 ON THE SOCIO-ECONOMIC ISSUES IN CAMBODIA: A YOUTH PERSPECTIVE

From Politikoffee

Reading Time: 3 Minutes

Note: This article has been collected in the period from February to April. Due to the proofreading, editing and design process, some facts might be outdated.

Covid-19 remains the dominant topic of discussion and issue of concern for Cambodian society and the world at large. The consequences also affect people from all walk of life, especially vulnerable groups and young people in Cambodia. Home schooling has become a routine; universities and some other areas have been ordered to be closed for an unforeseeable time. That is why we asked Politikoffee, a network of young and socially enthusiastic people, to share their view of the crisis through focus group discussion. In three questions, the following is their snapshot:

What are the most salient points that Covid-19 has on the socio-economic status in Cambodia?

In the midst of social panic during the COVID-19 pandemic, Cambodia like many other countries is battling with a great deal of social problems especially socio-economic difficulties and employment. Unlike many developed countries that have passed billions of dollars worth of bills to support their citizens, Cambodia has limited financial response to maintain the socio-economic status.

Nevertheless, vulnerable people such as women and youths are among those most affected by the profound socio-economic impacts of COVID-19. The Garment, Textile and Footwear (GTF) sector in Cambodia

directly generates employment for around one million workers, nearly 80 percent of whom are women (ILO Cambodia, 2018). 130 factories have been confirmed closed and suspended due to sharp drop in market demand. According to the latest report on employment status in this sector, around 100,000 Cambodian workers have recently lost their jobs, either permanently or temporarily.¹ This translates to around 10% loss of employment in the sector.

The declines in other sectors such as tourism also forced the closure and suspension of a number of restaurants and other businesses. According to Khmer Times, Cambodia’s Angkor Archaeological Park has seen a staggering decline in revenue from April ticket sales at about 99.5 percent drop in monthly revenue.²

Table 1: Age and gender distribution of DTF workers in Cambodia aged 15 and above.

Age Group	Male	Female	Total
15-24	49.0 %	45.0%	45.8%
25-34	38.5%	38.5%	38.5%
35-44	9.4%	11.4%	11.0%
45-54	1.6%	3.6%	3.1%
55-65	1.4%	1.3%	1.3%
65 and above	0.2%	0.3%	0.3%
Percent	100%	100%	100%
Number of GTF Workers	224 750	833 026	1 057 776

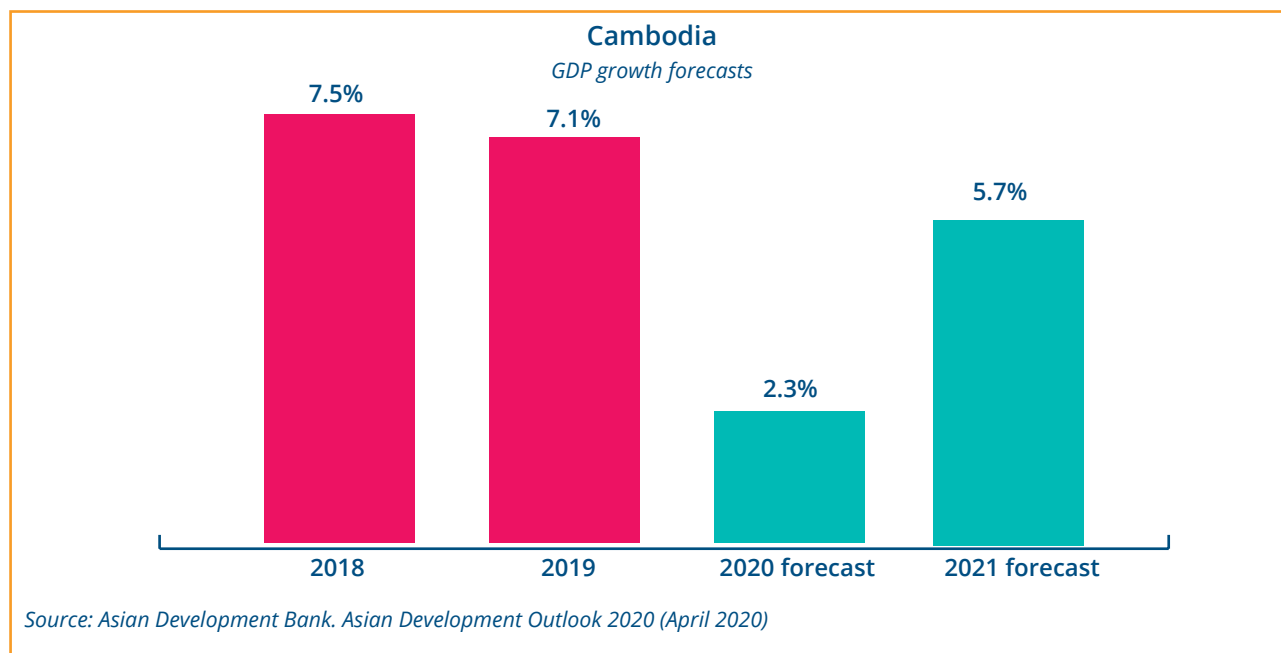
Source: Cambodia Socio-Economic Survey (CSES) data (2016)

¹ <https://www.theweek.in/wire-updates/business/2020/05/01/fgn38-asia-may-ld-day.html>

² <https://www.khmertimeskh.com/50719371/angkor-wat-records-a-99-5-percent-drop-in-monthly-revenue/>

There is no specific data about the total employment that has been lost due to COVID-19. But nonetheless, in terms of the economy of Cambodia as a whole, Cambodia's economic growth is expected to drop to 2.3% in 2020.³ The challenge still remains to opening up the economic activities to halt a possible meltdown

be hit very hard by the virus. In contrast, Cambodia's government has done an excellent job in containing the spread of Covid-19. As of May 3rd, Cambodia has conducted more than 12,304 tests, which equals to 757 per million people, according to CDC's Ministry of Health. This indicates that around 0.07% of the total



of the economy that could push the nation into serious recession.

What do you think of the government's response and measure toward containing the spread of the Covid-19 pandemic?

There have been a lot of concerns over the capability of Cambodia's government dealing with the crisis. Like many other countries, Cambodia's educational institutions in all levels have to be postponed, mass gathering is not permitted and social distancing must be practiced. While many countries have spent months in lockdown, Cambodia since its first case dated late January has never been in lockdown nor had serious travel restrictions, despite a short-term travel restriction for several days during Khmer New Year. Cambodia is a lower middle-income country, where public health is considered the least qualified compared to neighboring ASEAN member states such as Vietnam, Thailand and Malaysia. Many argued that because of the quality of our public health system, Cambodia would

population has been tested. Plus, there is no new infection for 20 straight days.

However, the most important response from the government is the state of emergency legislation. The controversial draft legislation has been criticized by domestic and international rights groups for giving the government sweeping powers to curtail civil rights and liberties, such as freedom of movement, expression, association, and assembly. As long as the legislation



³ <https://www.adb.org/news/cambodias-economic-growth-slow-2020-rebound-expected-2021-adb>



doesn't strangle the rights of mass communications and freedom of expressions, public health is the number one priority during this time of crisis.

From a youth perspective, what do you think would be the best precaution measures to combat and in preparation of the next pandemic wave? What are some of the best practices to minimize the socio-economic risks that are associated with it?

The best precautionary measures are hygiene practices such as washing hands with soap or alcohol-based sanitizer, and social distancing such as avoiding large gatherings or crowded places. Right now, rush hour is coming back. Boulevards and streets are now full of cars and people during peak hour. We are really concerned because if there is the next pandemic wave, we all would be in a miserable situation. To avoid this scenario and maintain momentum that we have, it is important for the government to limit the number of

people in places such as malls, markets, restaurants and parks. Wearing masks must be compulsory to enter those places. The best practice to minimize the socio-economic risks is opening up our economy and at the same time carefully flattening the curve as much as we possibly can. Financial allocation and subsidies should be measured in response for those who are in need. Since there are only 2 active cases in the kingdom, important and necessary jobs and employments must be returned.

Politikoffee is a group of young enthusiastic and social media-savvy Cambodians who love sociopolitical and economic discussion.



35th ASEAN Summit, Opening Ceremony of the 35th ASEAN Summit

© ASEAN Secretariat

CAMBODIA AND ASEAN IN 2020 AND BEYOND

H.E. Sim Vireak

Reading Time: 3 Minutes

Note: This article was written in February.

In late January, the Ministry of Foreign Affairs and International Cooperation (MFAIC) of the Kingdom of Cambodia conducted the Annual Conference that laid out future directions and priorities for Cambodia's diplomacy. By and large, Cambodia's primary foreign policy objective is to pursue national interests in tandem with the regional common goal of ensuring peace and security, elevating the level of economic competitiveness, bolstering sustainable development and shared prosperity, and ensuring regional integration.

As far as ASEAN is concerned, MFAIC has formulated Cambodia's priorities in the regional grouping in 2020 through inclusive consultation with various line ministries and agencies as well as a number of think tanks in Cambodia to integrate the sectoral agendas into ASEAN integration, reflecting the priorities set out by Viet Nam, who is assuming the current ASEAN Chairmanship under the theme "Cohesive and Responsive."

ASEAN has always been an integral part of the Cambodia's foreign policy. Despite being a latecomer, Cambodia has proven to be an active and constructive supporter of the ASEAN Community-building. The country's boldness in assuming its first ASEAN Chairmanship in 2002 after merely three years of participation in this regional grouping demonstrated a strong political will and unwavering commitment of Cambodia's top leadership towards regional integration and multilateralism. Such commitment remains unchanged but ever more resolute.

At the Closing Ceremony of the MFAIC Annual Conference, Samdech Techo Hun Sen, Prime Minister of the Kingdom of Cambodia, clearly stated that: "Cambodia will further contribute to the ASEAN Community-building process in order to serve the people... to safeguard and uphold ASEAN's unity and centrality, and to promote and strengthen relations with external partners in pursuit of social and economic developments via ASEAN based on two fundamental principles, namely decision-making through consensus and non-interference into each internal affairs."

While having various sectoral priorities, our foreign policy towards ASEAN can be summed up in three main approaches.

The First Approach is "Peace First"

For small states like Cambodia, peace is above all else, be that in domestic, regional or global discourse. To this end, Cambodia's foreign policy has been very consistent as it has overarching guidelines stipulated in the Constitution that requires the country to uphold the policies of permanent neutrality, non-alignment, non-interference, peaceful co-existence with neighboring countries and all friendly nations in the world, peaceful settlement of disputes and mutual respect for the interest of one another.

Those principles are the by-products of Cambodia's history and geopolitical pressures. After obtaining



ASEAN-US Special Foreign Ministers' Meeting on COVID-19 via videoconference

© Ministry of Foreign Affairs and International Cooperation - Cambodia



independence in 1953, the regional security equilibrium was not very favorable to peace in the Mekong sub-region which had been demolished by proxy wars and civil strife. Such experiences compelled Cambodia not only to put peace above anything else, but also to adhere to neutrality and non-alignment to navigate through the turbulences of the Cold War and more immediately, the Vietnam War.

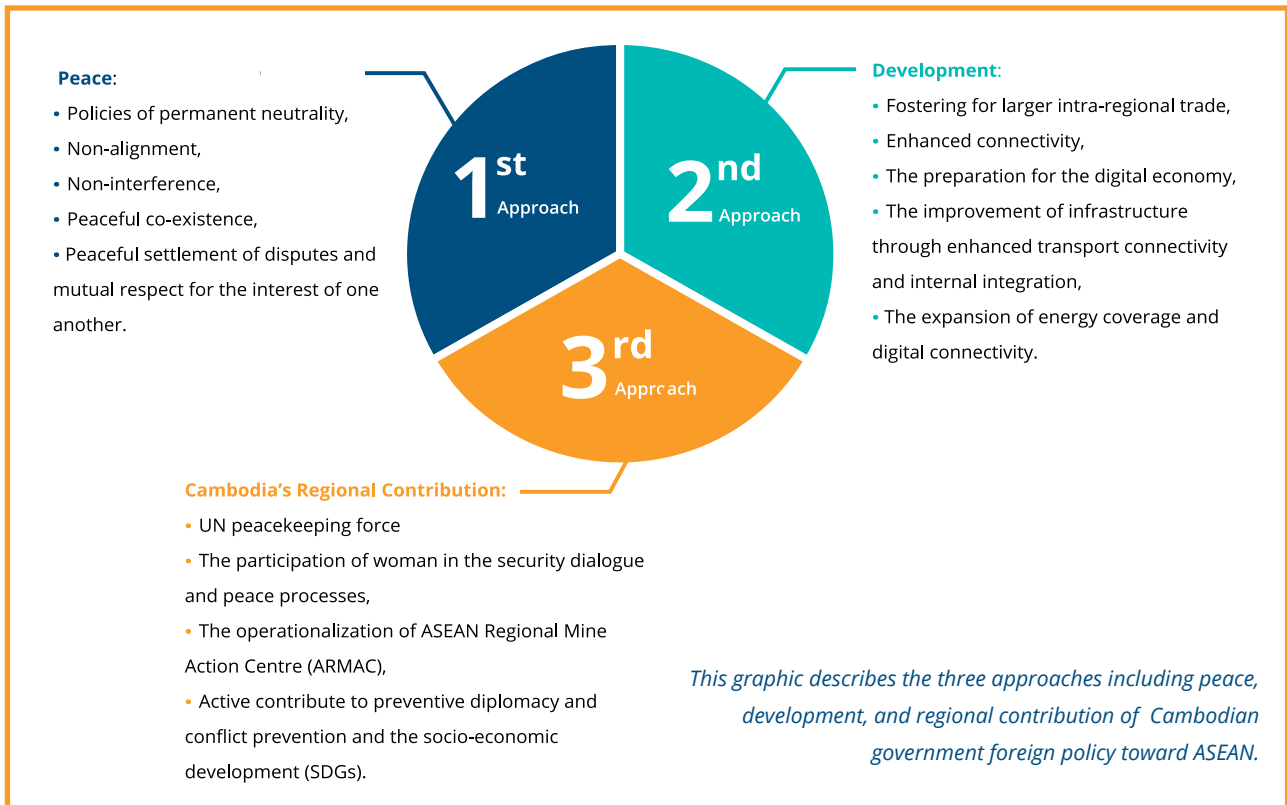
Currently, Cambodia sees the world as moving towards a complex multipolar system that is primarily characterized by the great power rivalry, which has directly affected the functioning of the regional and international orders. The heated tension has accelerated pressure for ASEAN Member States (AMS) to be selective in partnering with some external powers, more often than not, at the expense of others. This has been further exacerbated by geopolitical contestation among the regional powers, coupled with the longstanding complex territorial issues.

Nevertheless, Cambodia remains steadfast to the above-mentioned fundamental principles and has always endeavored to mitigate issues that divide, and at the same time, magnify issues that unite ASEAN. The Royal Government of Cambodia has firmly adhered to ASEAN's centrality and unity for peace and cooperation and distanced itself from any call for unity for the purpose of confrontation that goes against the ASEAN

Way and may hamper regional peace and stability.

The ASEAN centrality has been centered on both trust and confidence that ASEAN partners have in this regional grouping and ASEAN's internal unity and external neutrality in relations to great power competition and the evolving geopolitical landscape of the Asia-Pacific. With growing number of mechanisms and initiatives, some of which are highly abstract, it is imperative that ASEAN centrality shall be more assertive in synergizing complementarities among every possible partnership and cooperation frameworks.

For this year, major events with external partners include the ASEAN-New Zealand Leaders' Summit and the ASEAN-US Special Summit. As the country-coordinator for ASEAN-New Zealand Dialogue Relations (2018-2021), Cambodia is proud that we could receive agreement from AMS to convene the ASEAN-New Zealand Leaders' Summit after the conclusion of the 36th ASEAN Summit in April in Da Nang, Vietnam. More noticeably, Samdech Prime Minister Hun Sen was the first leader to express support for the US to convene the ASEAN-US Special Summit in the US to be held on 14 March in Las Vegas.



The Second Approach is “Development, Development and Development”

ASEAN is an indispensable platform for Cambodia to standardize itself in almost every aspect of the socio-economic developments. More importantly, it also drives Cambodia to do more in order to catch up with other AMS through regional commitment and individual enterprise to narrowing down the development gap between old ASEAN and the new ASEAN members and to ensure regional integration that is inclusive, people-centered and outward-looking.

Economically, ASEAN is already the fifth-largest economy in the world with a combined gross domestic product (GDP) of \$3 trillion USD. Being also a very attractive market, thanks to the large regional consumption power of almost 650 million people, ASEAN has become one of the top investment destinations in the world.

In terms of institutional mechanisms, among with many other free trade agreements, ASEAN has managed to pull off one of the biggest economic agreement with the completion of negotiation on the Regional Comprehensive Economic Partnership (RCEP), the world’s largest free-trade area. Cambodia is ready

for the signing of RCEP in 2020 in Viet Nam to express ASEAN’s steadfast commitment to upholding a multi-lateral rule-based trading system.

Cambodia will also foster larger intra-regional trade, enhanced connectivity, and preparation for the digital economy. Cambodia is committed to improving the infrastructure through enhanced transport connectivity and internal integration, the expansion of energy coverage, as well as digital connectivity. We see the need for ASEAN to mobilize the innovative funding resources in order to concretize the Master Plan on ASEAN





ASEAN Sustainable Urbanisation Strategy (ASUS) Socialisation Forum for Cities
© ASEAN Secretariat

Connectivity (MPAC) 2025, and to seek complementarities among various initiatives and cooperation frameworks that deal with regional connectivity. In the same vein, there is a need to build a vibrant regional logistics system linking key economic poles and contribute to the enhancement of the regional competitiveness and the diversification of economic growth.

To promote digital connectivity and to build a digital economy, Cambodia is working on the development of Digital Education Policy Competency Framework, which will provide strategies and guidelines for mainstreaming the digital education in Cambodia schools at all levels. Cambodia will endeavor to raise this agenda on the ASEAN platform.

The Third Approach is “Cambodia’s Regional Contribution”

From a recipient country of the UN peacekeeping force in 1992-93, Cambodia has become an active contributor to UNPKO in many parts of the world. Since 2006, Cambodia has dispatched 6,556 personnel, including 338 women, to join UN peacekeeping missions in nine countries, namely in Sudan, South Sudan, Lebanon, Cyprus, Syria, Chad, Mali, Central African Republic and Yemen. In terms of woman’s empowerment, Cambodia ranks tenth among 120 countries globally that send female soldiers to the UN missions. Thanks to their dedication and commitment, the UN has praised the Kingdom for the heroism and professionalism of its female peacekeepers.



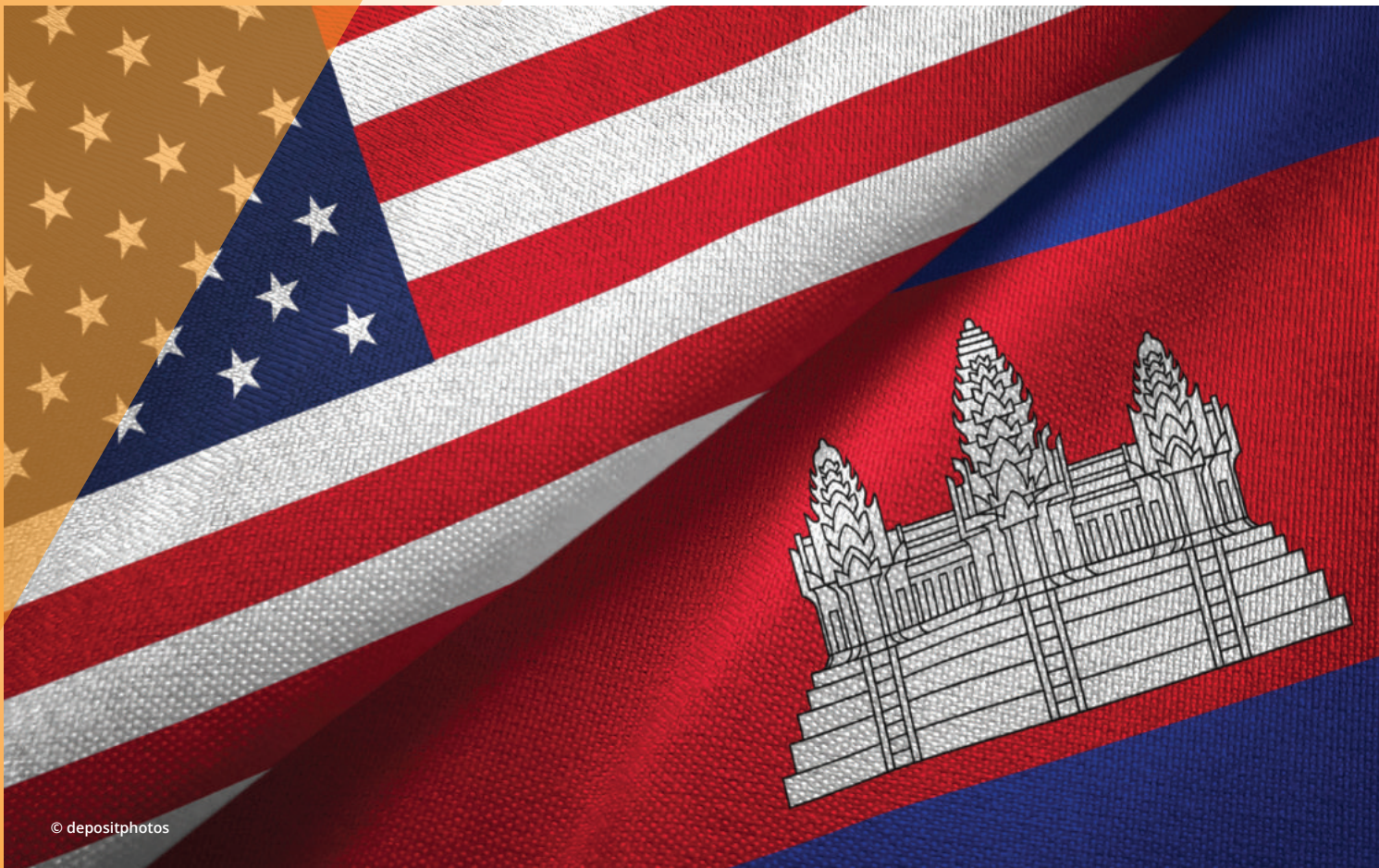
tribute to the reduction of human and material casualties in suffering countries including Cambodia.

Erupting from ashes of war to a fast-growing economy with enhanced integration to the region and the world, Cambodia, through ASEAN, does have important experiences to share from a post-conflict nation perspectives. Cambodia can be among the active contributors in terms of preventive diplomacy and conflict prevention, and the socio-economic development owing to its successes in achieving the Millennium Development Goals (MDGs), among others.

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Cambodia is committed to creating meaningful participation of women in the security dialogue and peace processes, and create a wider space for them to play a bigger role in conflict prevention initiatives as well as in humanitarian assistance and disaster relief operations. Indeed, woman's participation in mediation is essential for achieving lasting, positive peace, which goes well beyond the end of the conflicts.

Cambodia also clearly understands the risks and challenges posed by landmines and explosive remnants of war (ERW) on socio-economic development and daily life of the people. The RGC believes that full and effective operationalization of ASEAN Regional Mine Action Centre (ARMAC) will help promote the awareness of dangers posed by land mines and ERW and will con-



INTO THE 70TH ANNIVERSARY OF CAMBODIA-US RELATIONS AND BEYOND: THE REBALANCING DILEMMA AND NEW ERA OF RELATIONS

H.E. Amb. Pou Sothirak

Reading Time: 4 Minutes

Note: This article has been collected in the period from February to April. Due to the proofreading, editing and design process, some facts might be outdated.

This year marks the 70th anniversary of Cambodia-US Relations and is therefore an appropriate time to review this enduring relationship — particularly in the context of an increasingly unpredictable international setting. At this juncture, both sides need to reassess their bilateral relations with a view to revitalizing their efforts to move toward more constructive engagement, leaving aside historical baggage that has weighed on potentially productive collaboration that could reinforce a new era of partnership.

Although US-Cambodian diplomatic relations were first established in 1950, they were severely affected in the Cold War era by the vastly differing foreign policies of Phnom Penh and Washington D.C. America's deep involvement in the Vietnam War, including its secret bombings over Cambodia from 1965 to 1973, and the mountain of US loans racked up by Phnom Penh in the early 1970s, further strained the bilateral relationship, which has seen fresh tensions arise in recent years.

In the past two years, the US has expressed deep concern over the suppression of opposition parties and Cambodia's growing economic reliance on the People's Republic of China (PRC).

The Cambodian government banned the largest opposition party, the Cambodia National Rescue Party (CNRP), in late 2017, enabling a sweeping victory for the ruling Cambodian People's Party (CPP) in the 2018

National Assembly election. As a result, the Trump administration and Congress imposed sanctions on top Cambodian officials in an effort to pressure the Cambodian government into restoring democratic rights and dropping criminal charges against opposition leaders.

Throughout, China's seemingly unconditional support for the Cambodian government raised concerns in Washington D.C. about Phnom Penh's readiness to accommodate or even actively support Beijing's positions on key regional issues, including territorial disputes in the South China Sea. The US has also grown anxious over reports suggesting that Cambodia would cede its sovereignty to allow China to establish military bases in the country, despite official denials by the Cambodian government.

Notwithstanding these issues, the US continues to remain engaged with Cambodia. The foundation of a new approach to engagement goes back four decades, when the US opposed foreign military intervention in Cambodia after Vietnam invaded the country, ousting the Khmer Rouge regime. In the 1980s, the US supported efforts by the ASEAN to achieve a comprehensive political settlement of the so-called Cambodian problem. This was accomplished on October 23, 1991, when parties at the Paris Conference on Cambodia signed a comprehensive settlement.



U.S.-Cambodia the 70th Anniversary Launching Event
© US Embassy Phnom Penh

From 1993 until relatively recently, US-Cambodia relations for the most part improved. The lifting of a Congressional ban on direct assistance to the Cambodian government made direct technical assistance feasible. Data from USAID indicates that the US provided roughly \$235 million in assistance related to good governance, democracy, and civil society between 1993 and 2018. For FY2018, the US provided an estimated \$79.3 million in foreign assistance to Cambodia, a decrease of 10% compared to FY2017. However, for FY2019, the Trump administration slashed annual assistance to Cambodia by nearly 75% compared to FY2017.

US priorities and foreign assistance efforts in Cambodia have largely focused on strengthening democratic institutions and norms, promoting the rule of law, increasing bilateral trade and investment, supporting economic growth, reducing poverty, and improving public health. The US government has supported demining and related activities in Cambodia, which is among the countries most affected by unexploded ordnance (UXO). The US also sought to militarily engage with Cambodia, including through US naval port visits, US military assistance and training, and joint exercises.

The arrival of a new US ambassador to Cambodia in late 2019 added fresh impetus to the bilateral relation-

ship. Being a distinguished career diplomat, Ambassador Patrick Murphy has been active in meeting with members of the Cabinet and engaging with civil society and non-government organizations and academia to encourage open and frank discussion on efforts to strengthen friendship and cooperation between the two countries. He has indicated his priority is to promote democracy, human rights and fundamental freedoms to advance US interests in Cambodia.

Reinforcing this new momentum, Cambodia's Foreign Minister Prak Sokhonn sent signals of the government's sincerity by declaring strong support for the U.S.-led Lower Mekong Initiative development program and saying that Phnom Penh was "looking forward" to working with the incoming US ambassador. For both sides, Ambassador Murphy's appointment appears to represent an opportunity to improve ties after a rapid downward spiral over the last few years.

Another positive note emerged recently at a US-ASEAN meeting in August 2019 when US Secretary of State Mike Pompeo praised Cambodia for "protecting its sovereignty," putting a positive spin on the Cambodian prime minister's denial of a deal for Chinese military presence in Cambodia. This was viewed in Phnom Penh as a step in the right direction.



As we celebrate the 70th anniversary of Cambodia-US relations, I would like to make a few suggestions to further improve the US-Cambodia relations.

First, US-Cambodia relations in the new era of partnership should rest on the principle of mutual respect and common interest. This relationship must also be nurtured and cultivated not only between the two governments but between people of both countries, taking into consideration the difference in levels of development, the relative position of each country in global affairs, and cultural aspects of the two countries as well as in the context of US-China competition.

Second, Cambodia and the US should engage in sincere and frank discussions about the root causes of obstacles in their troubled relationship and seek ways to address issues vital to both sides through constructive dialogue and consultation. This could best be accomplished by trying to resolve disputes through quiet diplomatic means rather than resorting to highly publicized “naming and shaming” of one another.

Third, each country should not blame the other or take the credit for success or failures that contribute to their national development process in respective economic, social, or political spheres. Instead, they should find ways to complement each other based on mutual respect and understanding. Each country should be responsible for its own actions.



Fourth, to be a good friend to the people of Cambodia, the US could help reconstruct and develop the country by imparting technical assistance and know-how, to do the “must be done” in correct and effective ways. In so doing, the US could help improve the human resources needed for the nation-building process.

Fifth, the US, being a superpower and an advanced nation, must serve as role model for smaller and less developed countries, such as Cambodia. In other words, the US should be influencing Cambodia’s development by way of example, rather than by way of dictating any specific principles, be it democratic values or respect for human rights. The US should avoid being seen as lecturing on American principles that may not adapt automatically or immediately to societies such as Cambodia’s. This process of setting a good example must be a learning process, with clear intentions to improve the weaknesses of the Cambodian side. The US should be prepared to give good advice and offer counsel, but avoid impinging on Cambodian sovereignty and national pride.

Sixth, Cambodia would do well to collaborate with the US in order to overcome major challenges to its democratic development and sustained economic growth. The US has shown consistent interest in seeing improvement on issues related to good governance, rule of law, transparency and accountability, as well as stronger state institutions and better education, healthcare and agriculture.





Seventh, in recognition that strategic competition between China and the US poses difficult questions for Cambodia and other regional countries, the US should avoid pushing Cambodia deeper into the sphere of China's influence. It would be best for the US to avoid a zero-sum game approach in presenting itself as China's strategic rival, as it will only trigger more assertive Chinese policies in the region. China and the US have each played important roles in boosting Cambodia's development, as have other countries including Japan, South Korea, Australia and the EU. Phnom Penh must find a way to balance relations between the two key powers to maximize its economic, diplomatic, and political returns. In particular, it needs to avoid giving the appearance of teaming up with China against the US.

Eighth, with due respect to Cambodia's principles of sovereignty and independence, the US should not engage Cambodia through the Chinese spectrum. Rather, it should see China and Cambodia as two separate entities, and stop adjusting its Cambodia policy according to the level of Chinese engagement. Instead, the US should recognize that Chinese aid to Cambo-

dia, and to Southeast Asia as a whole, may eventually prove beneficial for US investors. Cambodia's attitude toward Washington's sanctions demonstrates that economic cooperation is key to engaging Cambodia. This approach may well be the best way to prevent Cambodia from choosing China over the US.

Finally, Cambodia, as a country, should maintain its neutrality by not siding with any external powers or creating mistrust or conflict. Small countries like Cambodia would do well to be a friend to all countries, including neighbors as well as the major powers, and genuinely engage America in the real process of regional integration. In this sense, Cambodia and the U.S. should avoid being seen as spoilers to each other's interests when it comes to protecting and advancing their respective national security interests. In this respect, Cambodia depends largely on a stable and peaceful regional security environment, which requires careful balancing among the big powers. Cambodia should also approach its relations toward the U.S. and China from the perspective of its position within ASEAN. Seeking peaceful coexistence with China alone



Cambodia to develop a strong sense of balance in its external relations.

Cambodia should understand American concerns about China's intentions in Southeast Asia. The US should find ways of pulling Cambodia out of China's orbit by offering more incentives instead of pushing Phnom Penh deeper into Beijing's arms by antagonizing the government or making statements that could be viewed as attacks on the government and its leader.

With a commitment to work together for these common interests and in the context of mutual respect, US-Cambodia relations would certainly rise to the next level and bring to both countries and their respective citizenry the warmth and understanding of a strong and genuine friendship in this new era of partnership and constructive engagement.

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cannot guarantee long-term stability for Cambodia since there are deep animosities between China and some other ASEAN member states, provoked mainly by China's contentious sovereignty claims in the South China Sea.

For Cambodia, national interest is generally understood as economic development and poverty reduction, and its diversified foreign policy should aim to serve this purpose. Securing development assistance from all friendly countries, promoting exports and attracting foreign direct investment are the means to achieving these goals.

The US has played a significant role in meeting Cambodia's needs in the process of nation building. Deeper trust and good relations between the two would significantly contribute to a vibrant and active Cambodian neutrality, and can secure the country's sovereignty and independence. This, in turn, would serve US interests throughout the region. US development assistance and engagement should also aim to assist



CAMBODIA-CHINA RELATIONS IN THE NEW DECADE

H.E. Dr. Kin Phea

Reading Time: 3 Minutes

Note: This article has been collected in the period from February to April. Due to the proofreading, editing and design process, some facts might be outdated.

The world is embarking on a new decade and one topic scholars around the world discuss is the future of China and its relations with other countries. Its influence in Cambodia has drastically increased over the last two decades, particularly when it comes to FDI and military cooperation. This too has led to tensions with the US but also arising resentments towards the Chinese in Cambodia. By observing this tendency, one key question is what kind of challenges might reveal over the next decade?

The relations between Cambodia and China dates back to at least the 13th century, and the diplomatic relations between the two countries were officially established on July 19, 1958. China's geopolitical interest in Cambodia has changed significantly after the end of the Cold War. It does retain considerable influence, including through close links with the former King Norodom Sihanouk, senior members of the Cambodian Government and the ethnic Chinese community in Cambodia. There are regular high-level exchanges between the two countries. China has provided substantial bilateral aid, and the economic links has since continued to grow.

Cambodia and China do enjoy a very strong political relations and military cooperation. In 2006, the two

countries agreed to raise their bilateral relations to a comprehensive partnership of cooperation and upgraded to a comprehensive strategic partnership in 2010. Moreover, the two countries also signed "Action Plan 2019-2023 on Building China-Cambodia Community of Shared Future" in April 2019. Under this action plan, the two countries committed to undertake 31 measures in the five domains of politics, security, economics, people-to-people relations, and multilateral cooperation. However, their relations may have been overshadowed by development agenda. Since the introduction of Belt and Road Initiative (BRI) in late 2013, China has played influential role in Cambodia in which development agenda has been used as a primary tool.

Cambodia has fully and actively engaged in China's BRI for the fact that economic development opportunities generated from this initiative are believed to be tremendous. Tangibly, by the end of 2017, more than 2,000 km of roads, seven large bridges, and a new container terminal at Phnom Penh Autonomous Port were constructed with the support from China. A new international airport in Siem Reap, Dara Sakor International Airport in Koh Kong province, and an international airport in Kandal province amounts to nearly 3 billion USD in approved airport projects. More interestingly, the 2 billion USD Phnom Penh-Sihanoukville Express-



Prime Minister Hun Sen arrives Beijing, China on Feb 5, 2020
© Reuters



A model of a Chinese-owned special economic zone in Sihanoukville

© Khmer Times/Chor Sokunthea

way Project has been constructed by the state-owned China Communications Construction Company. In the energy sector, more than 7.5 billion USD in hydropower plants and about 4 billion USD in coal power plants have been invested as well as some 30 agricultural and agro-industrial projects (of which 21 are in operation).

China is involved in constructing the Sihanoukville Special Economic Zone (SSEZ) which has attracted more than 100 companies from China and other countries with a total investment of more than 3 billion USD as of 2017 and created nearly 20,000 jobs for the local community. The SSEZ plans to have 300 factories by 2020. Moreover, Chinese investment in the textiles and clothing industries also contributes significantly to Cambodia's socio-economic development by creating job opportunities for almost one million Cambodian workers.

According to statistics released by the Council for the Development of Cambodia (CDC), of the cumulative foreign direct investment (FDI) approved in the period of 1994-2019, the largest share was from China (21.81 percent), which in the early years was the source of extensive investment in the field of infrastructure, energy, resource development including rubber, and

tourism. In 2019, investment approval recorded 9.40 billion USD among which China invested 2.75 billion USD. China also vowed to push bilateral trade to 10 billion USD by 2023 and encouraged more Chinese investment flow to Cambodia.

By 2017, Cambodia had received approximately 4.2 billion USD in Official Development Assistance (ODA) from China in the form of grants and soft loans. This ODA has targeted physical infrastructure, agriculture, health and education. China is also the main source of Cambodia's public external debt. By the end of 2017, Cambodia's public external debt was 9.6 billion USD in which around 42 percent was owed to China. China also pledged 600 million USD in grants to Cambodia from 2019 to 2021.

In terms of the tourism sector, 15 airline companies are operating regularly between Cambodia and China. In the first nine months of 2019, Cambodia has received approximately 1.8 million Chinese tourists, and is expected to exceed 2 million by 2020. However, due to the COVID-19 outbreak, the number of Chinese tourists in the first two months of 2020 has drastically decreased.



Cambodia has good relations with China including on political, security and economic relations.

In the educational sector, from 2004 to 2017, China offered more than 1,000 scholarships to Cambodian students to pursue their education in China, and more than 700 fellowships for short-term training. Several other exchange programs have been conducted among government officials, media, youth, and academics with the funding support from the Chinese government.

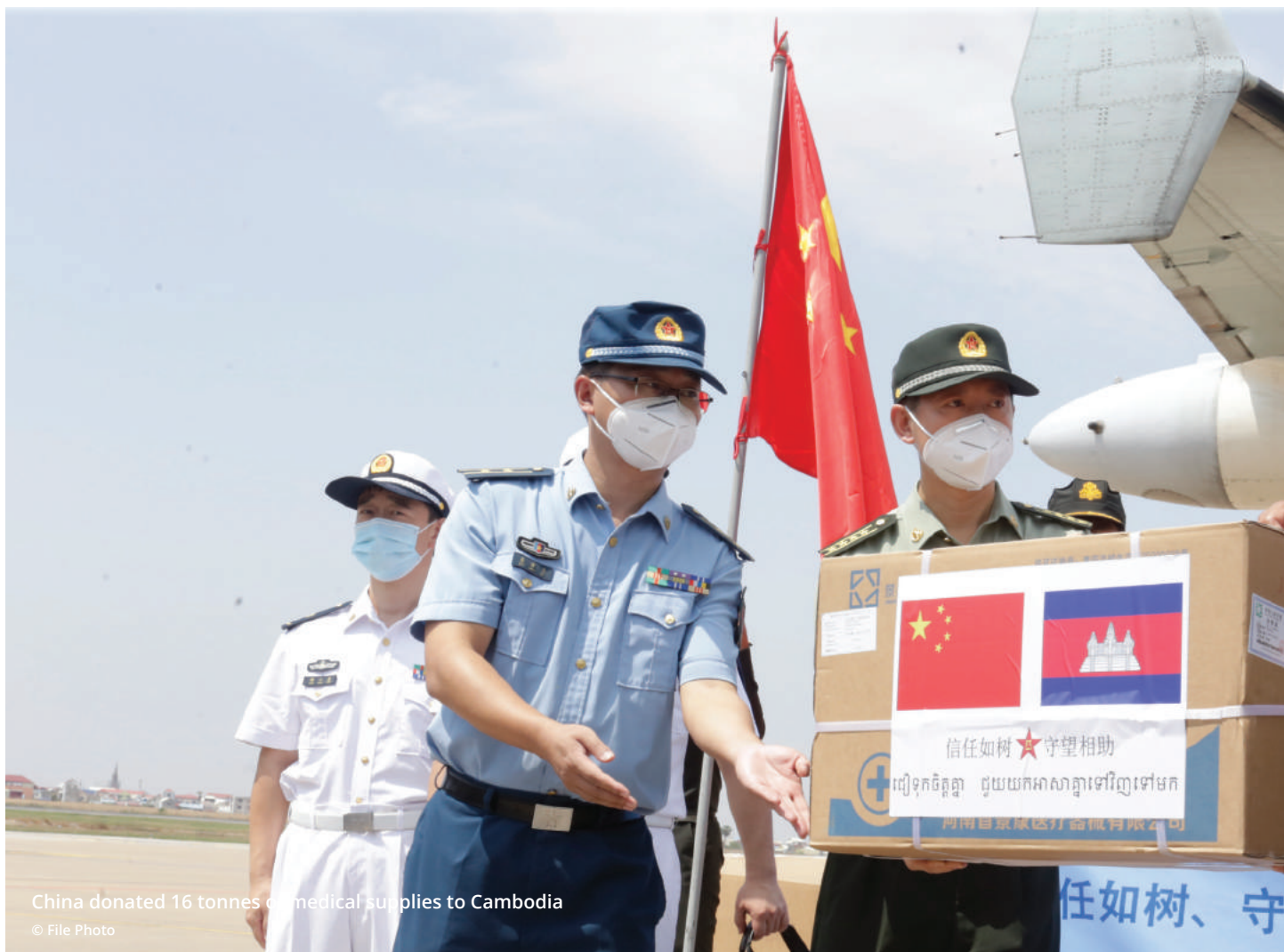
On 5 February 2020, Cambodian PM Hun Sen made a surprise and overnight-planned visit to Beijing amid the coronavirus outbreak in the country. In fact, PM Hun Sen originally wanted to visit Wuhan, the now-quarantined epicenter of the novel strain. PM Hun Sen told Chinese President Xi Jinping that he had decided to make a special visit to China with an aim to showcase Cambodia's support to China in the fight against the outbreak of the epidemic. President Xi told PM Hun Sen in their meeting that a friend in need is a friend indeed as the Cambodian people stand with the Chinese people during this critical moment. During the meeting, both sides agreed to continue high-level exchanges into 2020 and to uplift China-Cambodia relations to new heights.

With such special relations with China, Cambodia has been seen as being overly dependent on China, politically and economically, and Cambodia's diplomatic relations with other world powers and blocks becoming unclear, especially with the US and EU. The South China Sea issue has always been one of the top agendas of ASEAN summits and related meetings and Cambodia has also been accused of kowtowing to China since 2012, as the joint communiqué could not be issued. In addition, Cambodia has been accused of signing a

secret pact with China to allow the exclusive use of the Kingdom's naval base. The report was released by some Western media and diplomats. US officials always express their concerns over foreign military presence in Cambodia, referring to it as China's. However, the Cambodian government has always denied the allegation and denounced it as fake news and baseless accusation.

Chinese investments and ODA have contributed greatly to Cambodia's development and the share of its GDP, however, there are some risks involved and concerns that Cambodia should take into serious consideration with regards to its relationship with China to ensure the winning outcomes over the long term. The quality, accountability, transparency and sustainability of Chinese investments and infrastructure development





China donated 16 tonnes of medical supplies to Cambodia
© File Photo

projects, debt that Cambodia owes China, the lack of social and environment impact assessment and safeguard measures of Chinese investment projects, and Cambodia economic dependency on China, are among some of the outstanding risks and concerns that have been raised by some civil society groups. However, the Cambodian government always asserts that all Chinese investments and infrastructure development projects have been made in a transparent, open and inclusive manner, and Chinese debt is manageable.

In sum, Cambodia and China have enjoyed strong political, security and economic relations, which may continue to grow in years to come. Under the BRI, China is now Cambodia's most important strategic and economic partners in terms of trade, investment and ODA. However, BRI projects in Cambodia may turn opportunities into challenges and threats if the Cambodian government does not take into serious consideration.

Therefore, Cambodia has to strengthen its institutional capacity, governance, leadership, and human capital as well as improve and develop all necessary legal frameworks and policies, and strictly re-enforce them in implementing the BRI projects. Cambodia and China have to promote transparency and openness to ensure fair bidding, responsible conducts, and benefit sharing in investment projects as well as project quality, accountability and sustainability, and the transfer of technology and knowledge know-how from such investments.

Moreover, one big challenge of the next decade in their relations remains the [re]solutions of the South China Sea dispute. China does not favor multilateral negotiations and called on concerned states to continue using the ASEAN-China mechanism for the full implementation of the Declaration on the Conduct of Parties in the South China Sea, and ASEAN and China to further work



Cambodia has to make a maximum number of friends and Cambodia has to know how to deal with super-powers as a good friend because its prime objective is to maintain political stability, peace and social order to promote human dignity and economic prosperity and to alleviate poverty.

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together to realize the Code of Conduct in the South China Sea. Cambodia is still seen by other as countries of being in favor of China's bidding. In this context, Cambodia should continuously strive to balance its bilateral relations and foreign policy objectives towards other countries, including the US, in order to diversify its strategic and economic partners for the sake of its own security, sovereignty, and prosperity.

In the wake of increasing geopolitical rivalry and uncertainty, mainly instigated by the heightening competition between superpowers, it is suggested that Cambodia adopt a multi-vector foreign policy without too much focus on a single power. As a small state in the middle of two bigger and more powerful countries, Cambodia has to stick its foreign policy of permanent neutrality and non-alignment. The country has to follow a policy of peaceful co-existence with its neighbors and with all other countries throughout the world.



AGAINST THE INEVITABILITY HYPOTHESIS: RECONSIDERING CHINA'S RISE

Dr. Bradley J. Murg

Reading Time: 2 Minutes

Note: This article has been collected in the period from February to April. Due to the proofreading, editing and design process, some facts might be outdated.

Over the last decade, the rise of China has considerably affected the politics and economics of Southeast Asia. China has leapfrogged the US and Japan to become the largest source of aid and investment in the region. Many analysts have viewed the establishment of institutions such as the Asia Infrastructure Investment Bank (AIIB) and the Lancang-Mekong Cooperation mechanism (LMC) as the actions of a revisionist power seeking to fundamentally alter the post-Cold War political equilibrium of the region.

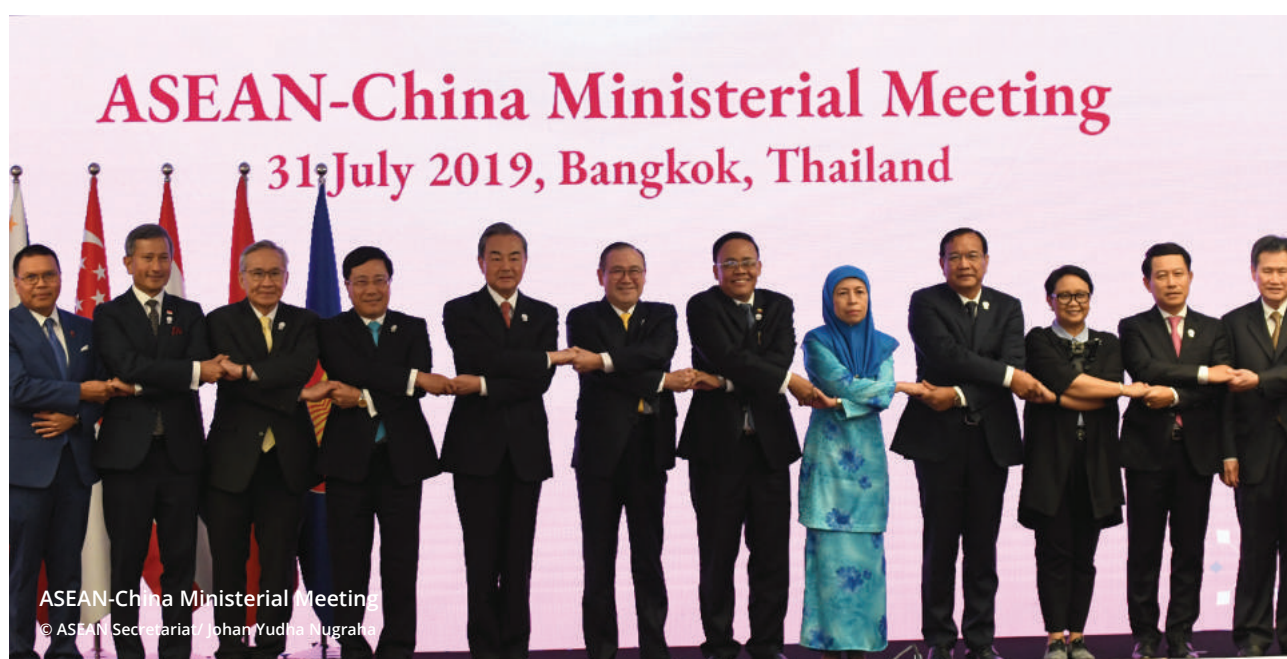
Concomitantly, a perception has developed across the ASEAN states that either Beijing will take on the role of dominant regional hegemonic power or that Southeast Asia will be caught in between a rising China seeking to reclaim its historic, imperial-era role in the region and a United States working to preserve its post-Cold War position. A narrative of China's "inevitability" has taken hold across Southeast Asia — one that Beijing, after recognizing a series of missteps in the roll out of the Belt and Road Initiative (BRI), has actively encouraged as it gradually works itself up the learning curve of public diplomacy, an area in which it has historically been quite weak.

However, that narrative of inevitability is overly simplistic and ignores certain key variables which, when brought into consideration, require us to fundamentally reevaluate the future of Southeast Asia in the short to medium term. The economic aspect in particular has been consistently overlooked in the analyt-

ical march towards predictions of Chinese dominance or some form of a new Cold War between the US and China.

After a remarkable four decades of GDP expansion that have seen the fundamental transformation of the Chinese economy, growth in China is slowing. The low-hanging fruit has already been picked and China finds itself in the position of trying to avoid becoming caught in the middle-income trap. While Beijing has doubled down on the BRI initiative in order to expand its export markets in order to resolve issues of excess domestic capacity, and has implemented policy initiatives such as "Made in China 2025" that have certainly achieved some success, greater de-centralization and reform is still necessary. However, these reforms do not seem palatable to a regime that under President Xi Jinping has only tightened party control. China's GDP growth estimates for this year continue to be revised downwards in light of the trade war, tightening of domestic credit supply, and the increasingly worrying impacts of the coronavirus outbreak on domestic economic activity. Whether China will achieve its much-coveted high-income status very much remains an open question.

Additionally, the continued de-coupling of the Chinese and American economies and the end of the "Chimerica" model of globalization will only place further pressure on the Chinese economy as firms move production out of China and into Vietnam, Mexico, and other





Employees work on the production line of a television factory in Zhaochi Group
© Reuters



China provides medical supplies to ASEAN Secretariat.
© ASEAN Secretariat/Kusuma Pandu Wijaya

locations. While Beijing has regularly argued that economic tensions with the US are simply a “Trump problem”, polling indicates that American popular views of China have dramatically shifted in recent years, with a majority of both Republicans and Democrats now holding a negative view of the country. Even if a new administration enters office in Washington in 2021, it is unlikely that we will see a complete volte-face by the US in its economic policy towards China.

The impacts of a stagnating China — or even a China in recession — on the country’s domestic politics are unknown. Moreover, the effects of more stringent capital controls by Beijing on Chinese investment abroad stemming from a domestic economic slowdown, i.e., turning off the spigot of a seemingly endless supply of cash could certainly dampen enthusiasm for any further Southeast Asian bandwagoning with its northern neighbor.



President Donald Trump joins President Xi Jinping at the start of their bilateral meeting at the G20 Japan Summit in Osaka, Japan.
© The White House

The Mekong River is a trans-boundary river in Southeast Asia which runs through China, Myanmar, Laos, Thailand, Cambodia and Vietnam

© depositphotos



Beijing has worked hard to raise expectations as to its inevitable return to regional hegemony. However, the problem with expectations is that you have to meet them and at this point in time it is unclear whether a China now confronted with a rapidly weakening economy will be able so to do.

In the Cambodian context, the lessons to draw here are not new: over-reliance on China in the areas of investment, aid, and tourism is best avoided. Deeper integration with mainland Southeast Asia — particularly working to improve east-west connectivity via im-

provements to hard and soft infrastructure — should remain a priority. At the same time, continued domestic economic reform and strengthening of the kingdom's overall business climate are essential if Cambodia is to diversify its economic partnerships.

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WHY CAMBODIA? EU'S INCOHERENCE IN TRADE PREFERENCES UNDER THE EBA SCHEME

Dr. Daniel Schmücking

Reading Time: 2 Minutes

Note: This article has been collected in the period from February to April. Due to the proofreading, editing and design process, some facts might be outdated.

On February 11 2020, the EU Commission announced the very first (partial) withdrawal of an Everything but Arms (EBA) status. It affects Cambodia, due to serious and systematic violations of the human rights principles enshrined in the International Covenant on Civil and Political Rights. This can be seen as a bad start in a new decade, but what happened and what can we learn for the decade 2020-30?

The withdrawal amounts to around one-fifth or €1 billion of Cambodia's yearly exports to the EU. Unless the European Parliament and the Council object, this will take effect on 12 August 2020. Despite the rhetoric in the EU's press release, by e.g. Josep Borrell: "The European Union will not stand and watch as democracy is eroded, human rights curtailed, and free debate silenced," the decision was moderate, as also a full withdrawal was a possible option. This gave room for further dialogue between Cambodia and the EU and to continue urgently needed talks. with each other and not about each other. A personal meeting of a Cambodian delegation with Trade Commissioner Phil Hogan is needed, to solve the problem before the ASEM Summit, which will otherwise harm the European-Cambodian relations.

Flashback

On February 11 2019, the EU announced, that a pro-

cedure to temporarily suspend trade preferences for Cambodia would be launched. At this date the potential withdrawal of the EBA preferences became the most relevant topic in the Cambodian-EU-Relations. A strong debate about the impact, the meaning and the responsibility of the decision started, as EBA is of high importance for the Cambodian economy and especially for the garment industry and its millions of workers. That the EU started the official withdrawal procedure was a very bold step that never happened before to any other country benefitting from EBA. It did not even happen to those who clearly have a worse human rights record than Cambodia. Those and the potential negative effects on the vulnerable population brought suspicion that the EU might have double standards in the trade decisions for least developed countries.

What is EBA?

EBA is part of the EU's Generalized Scheme of Preferences. Since 1971, the EU Generalized Scheme of Preferences (GSP) has assisted developing countries in their efforts to reduce poverty, promote good governance and sustainable development. By providing preferential access to the EU market, the GSP helps developing countries generate additional revenue through international trade. The special arrangement grants full duty-free, quota-free access for all products except arms and ammunition, for countries classified



Cambodian women work at a garment factory.
© Khmer Times/Chor Sokunthea

by the UN as Least Developed Countries. There are currently 49 EBA beneficiaries. EBA entered into force on 5 March 2001.

Why is the Cambodian EBA case so interesting?

The EU can temporarily withdraw Standard GSP or EBA preferences in exceptional circumstances, notably in cases of serious and systematic violation of principles laid down in the human rights and labor rights conventions listed in the GSP Regulation. For EBA which is in power now for more than 18 years there is no case of withdrawal in the past; not even a formal withdrawal procedure was launched for any country. In this terms Cambodia is unique. But there are three cases where trade preferences were suspended under the GSP and GSP+ scheme (see table below).

withdrawal, even if some factors have to be in place, like human and labor rights violations and the level of trade with the EU.

Why Cambodia?

In the academic literature, before the Cambodian case, several factors are described that lead to GSP withdrawal decisions in the EU. Before trade preferences are withdrawn, foreign policy sanctions and an ILO inquiry have to be in place; if the EU has strategic and commercial interests, trade preferences are not withdrawn; and there has to be a manifest connection between the human and labor rights violations and government action. As there were neither an ILO inquiry nor Foreign Policy Sanctions against Cambodia, the EU decision making looks inconsistent. The main factor is the commercial and strategic interest of the EU. Both

Country subject to withdrawal	Violations of human rights/labor rights leading to withdrawal of preferences
1997 Myanmar/Burma, GSP	Forced labor
2007 Belarus, GSP	ILO Conventions on freedom of association and on collective bargaining
2010 Sri Lanka, GSP+ (downgraded to GSP)	International Convention on Civil and Political Rights (ICCPR); Convention against Torture (CAT); Convention on the Rights of the Child (CRC)

How has the decision been made in the EU?

The decision making procedure of withdrawing EBA is a delegated act, which means that the Commission is the main player and decision maker. Council and Parliament can object the decision. Once the Commission has adopted the act, Parliament and Council generally have two months to formulate any objections. If they do not, the delegated act enters into force. The Council of Ministers decides by qualified majority vote. The European Parliament decides by majority of its members. EBA beneficiaries are not treated equally by the European Union. There is no universal procedure for

are not significant enough in Cambodia, which made it likelier for the EU to withdraw.

The impact of an EBA withdrawal for Cambodia

Assuming that the economic development and protection of vulnerable groups is important for the Cambodian government, the stakes are high for the Cambodian economy as duty-free textile and footwear exports to the EU are up to 11% and 17%, respectively. This competitive advantage has fueled an export boom: Cambodia's exports to the EU (mostly shoes and clothing), have grown by 630% since 2008, and now make

up 39% of the country's total exports. This in turn has helped to keep the economy growing at a steady 7% a year, and to lift one-third of the country's population out of poverty between 2007 and 2014. Suspending the EBA could put some of these achievements at risk by making the country's exports less competitive. Around 2 million Cambodians depend on the textile industry, including 750,000 employees. The decision comes at a bad time, as China, another big economic partner for Cambodia, is in deep trouble, with the coronavirus, the trade war with the US and the democratic movement in Hong Kong.

What's next? Key take-away for this decade

- EU's trade policy towards trade beneficiaries is inconsistent and needs to be reformed. At the same time this inconsistency gives room for the beneficiary to keep the preferences when smart diplomacy is applied, e.g. in Myanmar. Therefore, Cambodia can solve the issue, but has to change its strategy and tactical maneuvers.
- Human rights and labor rights play an increasing role in EU's external trade policies, and beneficiaries need to be aware of it. There might be further cases for withdrawal of trade preferences as the EU is using its economic leverage as an agent for democracy and human rights. At the same time the leverage is shrinking due to the surge of regional powers.
- The current situation between Cambodia and the EU is also negatively affecting the ASEM summit. Therefore, the conflict needs to be solved until the Asian and European leaders arrive in Phnom Penh. This important event gives Cambodia the chance to fix the complicated EU-Cambodian relations in the long term.
- Cambodia needs experienced EU and European partners if it firmly intends to achieve sustainable and inclusive development as the current Asian socio-economic development models are under pressure. This means for both parties to redefine its relations by looking beyond traditional recipient-donor relations.
- Cambodia should make itself independent from the decisions of one economical or military power. It means strategically strengthening multilateralism and the rule-based world order. It means economically deepening the market integration of ASEAN with the ultimate goal of having a single market and working on "ASEAN plus X" Free Trade Agreements, including one with the E.U.

Dr. Daniel Schmücking is the Country Director of the Konrad-Adenauer-Stiftung Cambodia



CAMBODIA'S FOREIGN POLICY BEYOND 2020: CONFRONTING CHALLENGES IN THE NEW DECADE

Pich Charadine

Reading Time: 2 Minutes

Note: This article has been collected in the period from February to April. Due to the proofreading, editing and design process, some facts might be outdated.

The last decade has been significant for Cambodia on both the global and regional stages. Cambodia served as chair of ASEAN in 2012 and the first Southeast Asian co-chair of the Lancang-Mekong Cooperation (LMC) mechanism from 2016-2018. Cambodia has received a steady stream of official state visits, has paid several official visits in exchange, and has signed Memoranda of Understanding with various development partners collectively strengthening its diverse set of bilateral relationships. The Kingdom raised its engagement with China to new heights by signing the Action Plan 2019-2023 on Building China-Cambodia Community of Shared Future in April 2019 — an upgraded position from the Comprehensive Strategic Partnership in 2010 — strengthening cooperation and covering 31 measures across five areas of politics, security, economy, people, and multilateral cooperation. In 2018, Cambodia also commemorated the 60th anniversary of the establishment of diplomatic relations with China and the 65th anniversary with Japan. This year Cambodia and the US are commemorating the 70th anniversary of formal relations.

Looking back to 2010, Cambodia's position in Southeast Asia was a difficult one. The decade began with the exchange of fire between Cambodia and Thailand along the border stemming from the Preah Vihear dispute. While resolved via an International Court of Justice rul-

ing, the first half of 2010s was marked by a particularly sour relationship between the two countries. During its term as ASEAN chair in 2012, the South China Sea dispute dominated the agenda with Cambodia blamed for favoring China's position at the expense of the interests of regional partners. ASEAN, for the first time in its history, could not issue a Joint Communique given the absence of consensus. Cambodia's reputation was diminished, with some going so far as to argue that China was influencing ASEAN decision-making through Phnom Penh. The second half of the 2010s also witnessed a drastic downturn in Cambodia-US relations, due to developments in Cambodia's domestic politics and rising Sino-American tensions in the region.

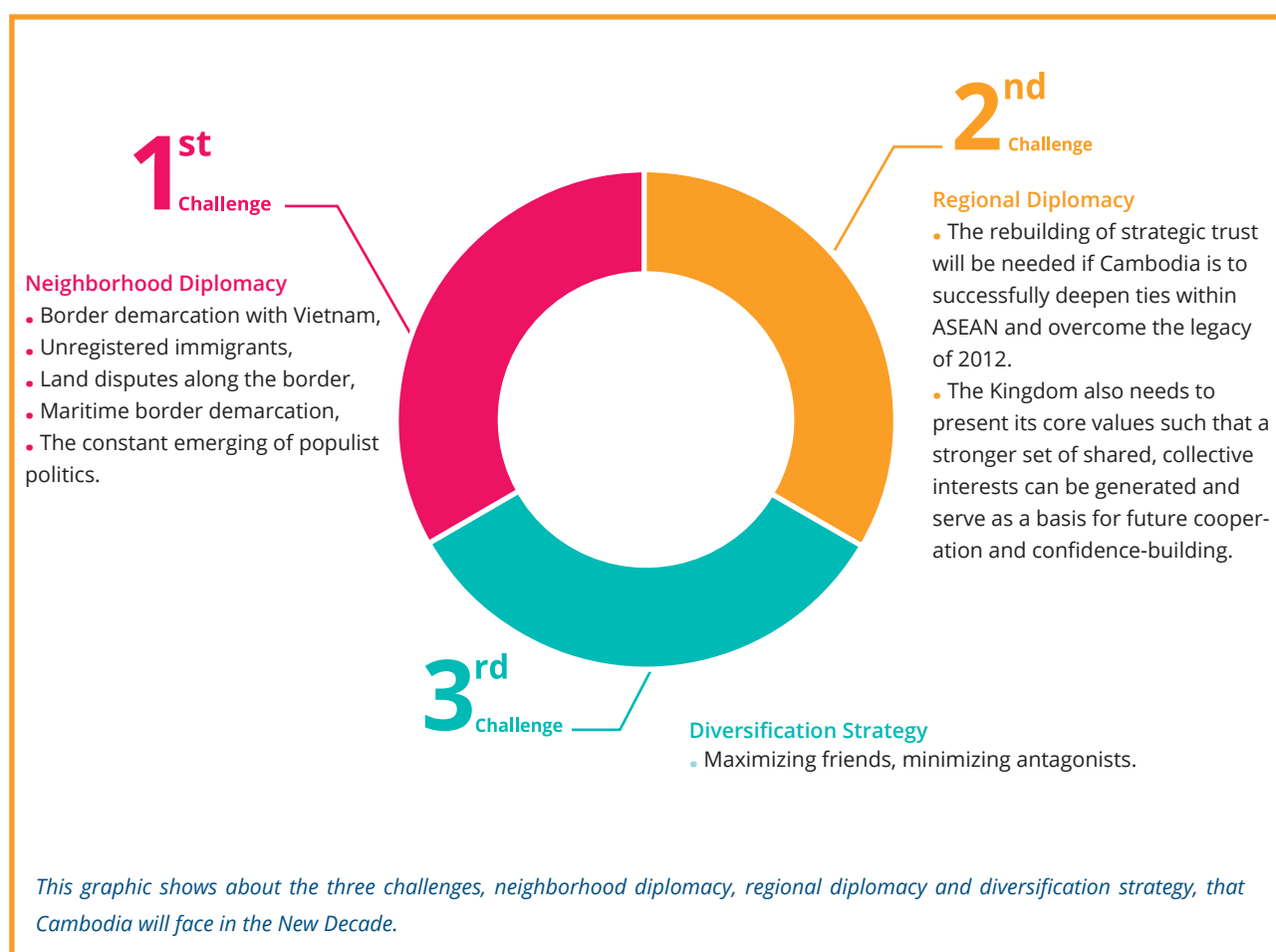
As Cambodian foreign policy enters a new decade, it is timely to ask: what were the lessons learned over the last ten years? Which are the trends and challenges are most likely to hallmark Cambodian diplomacy? What should be the balancing strategy when it comes to domestic politics versus foreign relations? How is the Kingdom's national interest to be balanced versus regional interests in the context of ASEAN? Interference approach versus international norms?

One of the key challenges in Cambodia's foreign policy will be in the area of neighborhood diplomacy. Although the Preah Vihear dispute has been put to rest,



other lingering issues remain, i.e., border demarcation with Vietnam, unregistered immigrants, land disputes along the border, maritime border demarcation, and populist politics stirred up by opposition factions leading to extreme nationalism that has diluted the bilateral relations between countries. These issues have been addressed, after a fashion, over the last decade, e.g., task force groups have been set up; Cambodia's diplomatic mission in Thailand has actively worked with their Thai counterparts over immigration issues, etc. Perhaps most salient for Cambodia is the balanc-

Concerning regional diplomacy, ASEAN has played an important role in setting the regional agenda for decades as well as maintaining the region's security equilibrium. Abiding by the non-interference principle, ASEAN has been reluctant to "resolve" regional disputes or to intervene in conflicts between member states (as in the case of Cambodia and Thailand). ASEAN has a high place on Cambodia's foreign policy agenda but lingering sentiments from the 2012 scenario has made it difficult for Cambodia to recalibrate its position towards the international community as a whole and



ing of its burgeoning relationship with China with its historic ties to Vietnam. This has proven to be difficult given the continuing issue of the South China Sea (of which Cambodia is not a claimant state and thus has abstained from making statements or taking an official position at the ASEAN level) as well as long-standing concerns over the future of the Mekong river and the implication thereof in the various sub-regional cooperation platforms.

has created suspicion about Cambodia's actions within the ASEAN family. The rebuilding of strategic trust will be needed if Cambodia is to successfully deepen ties within ASEAN and overcome the legacy of 2012. At the same time, the Kingdom also needs to present its core values such that a stronger set of shared, collective interests can be generated and serve as a basis for future cooperation and confidence-building. ASEAN and its dialogue partners need to move beyond both

26th ASEAN Economy Meeting Retreat

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perceived legacies of mistrust and the perception of geopolitics as a “zero-sum game” in Southeast Asia.

Finally, Cambodia is embracing a diversification strategy — maximizing friends minimizing antagonists. It is incorrect and reductionist to view the Kingdom’s foreign policy from the prism of great power conflict or to analyze it solely via the analytical lens of Cambodian domestic politics. The challenge though hinders around the aspects of interference and the cliché of state sovereignty. In such an interconnected world and an interdependent economy, one could not help but to conform with the presiding international order. Cambodia though seems to have received very limited ‘diplomatic space’ to flex around, which usually implies negative connotations for its strategic moves in the in-

ternational arena vis-à-vis its foreign policy. Prejudice and presumption have largely dominated Cambodia’s diplomatic agenda in the eyes of (some) outsiders, although the fact is Cambodia has always diversified its foreign policy instruments for the benefit of trade, investment, development partners, military cooperation, strategic partners, and so on.

Ms. Pich Charadine is currently the Deputy Director of the Cambodian Institute for Cooperation and Peace and the Coordinator of the Global Center for Mekong Studies (GCMS - Cambodia Center). She also serves as the Advisor to the Ministry of Foreign Affairs and International Cooperation of Cambodia.

Trends to be Observed in 2020-2030

Super & Regional Powers

United States

ASEAN

China

The European Union

Japan

Australia

South Korea

Environment

Climate change

Polluted oceans

Green growth

Mekong cooperation

Future of Energy

Nuclear power

Smart grids

Renewable mix

Availability of resources

Industry 4.0

Big data

Internet of things

Robotics

Digital twin

3D printing

Economy



Free trade agreement

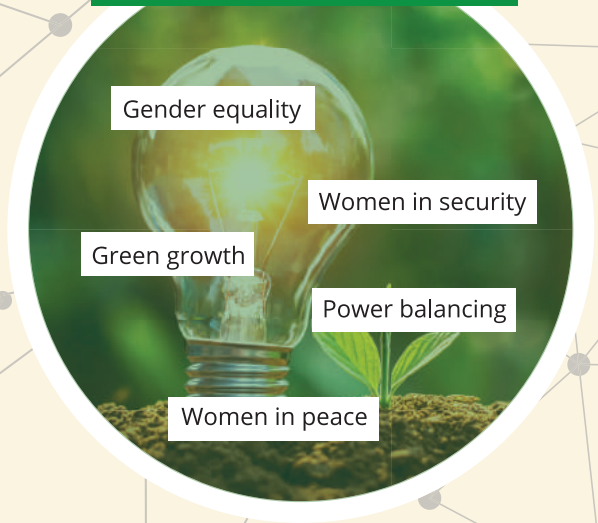
Everything but Arms

Digital market

ASEAN integration

Made in China 2025

Sustainability



Gender equality

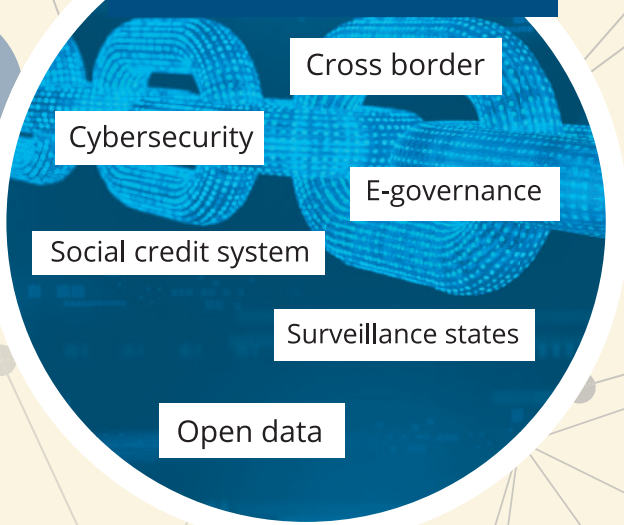
Women in security

Green growth

Power balancing

Women in peace

Data Era (Digital World)



Cross border

Cybersecurity

E-governance

Social credit system

Surveillance states

Open data

Institutions



Conventions

WTO

New organizations

Banking

International agreements



EVERYTHING BUT ARMS (EBA): THE CAMBODIAN CASE

An interview with Dr. Chanborey and Dr. Schmücking

Reading Time: 4 Minutes

Note: This article has been collected in the period from February to April. Due to the proofreading, editing and design process, some facts might be outdated.

The world is currently going through the Covid-19 pandemic crisis and all related challenges. In this interview, we talk about another remaining challenge, the EBA withdrawal.

The EBA trade preferences have been an economic boost for Cambodia and have fueled exports to the European market. Cambodia's exports to the EU (mostly shoes and clothing), have grown by 630% since 2008, and now make up 39% of the country's total exports. This in turn has partly contributed to a steady economic growth of 7% annually, and to lifting one-third of the country's population out of poverty between 2007 and 2014. Moreover, around 2 million Cambodians depend on the textile industry, including approximately 750,000 employees. These facts show the relevance of EBA itself but also the relations with Europe.

However, the EU announced in 2019 that it would launch an EBA withdrawal procedure due to the erosion of democracy and human rights violation in Cambodia. In the interview, we speak with Dr. Cheunboran Chanborey, Advisor to the Asian Vision Institute, and Dr. Daniel Schmücking, Country Director of KAS Cambodia, about the case, its context and next steps.

Dr. Chanborey, the topic of the first Diplomatic Briefing is "New Decade, Old Challenges?" Nowadays, we are living in turbulent times. What are the biggest challenges at the moment related to Cambodia's foreign relations?

Dr. Chanborey: There are a number of challenges that Cambodia is facing at the moment and towards the end of this decade. The first challenge is the Covid-19 pandemic, a major challenge for all nations, not just for Cambodia. The second challenge will still be the economic development of Cambodia. And here I am particularly looking at sustainability, green growth and inclusiveness. The third is the relation with Europe and in this regard the EBA case is of high interest.

The launch of the EBA withdrawal came to many experts not as a surprise. Why is the Cambodian EBA case so interesting?

Dr. Chanborey: The case is interesting, because it is the first case in history that the EU is withdrawing parts of the EBA scheme. Keeping in mind that 49 countries have this status and that EBA is in place since 2001, it is a historical moment.

Cambodia is exceptional and to get a better understanding why it happened to Cambodia, we need to do more research. What we know right now is that the EU is withdrawing trade preferences at cases where they have an economic leverage, when they have significant trade with a country, and when they don't have strategic or commercial interest in the country and of course, when there are human rights violations. And we have to acknowledge this. Without human rights violations

in Cambodia, the European Union would never have withdrawn parts of the EBA status.

Dr. Chanborey, we are at an early stage to analyze and see the entire scope of this decision and that the predictions are difficult. What is the needed strategic response of Cambodia to the EBA withdrawal?

We still believe in multilateral solutions, even if the decision was perceived as highly unfair and unjust by diverse actors in Cambodia. Cambodia and the EU have been long and firm believers in multilateral systems and the rules-based international order. The two sides need to continue promoting these principles ideas.

As far as the EBA is concerned, it is just only one particularly unfortunate issue in the bilateral relations. As COVID-19 is posing challenges to the public health systems and socio-economic development across the globe, including Cambodia, the EU should reconsider



Dr. Cheunboran Chanborey during the interview

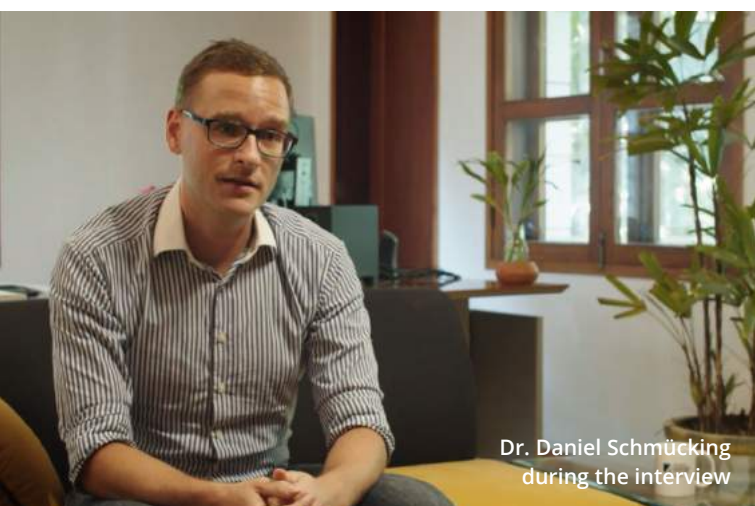
its decision on the EBA to Cambodia. In this regard, I do hope that leaders in Brussels and leaders in Phnom Penh start a constructive dialogue in good faith in the near future to preclude the issue from clouding the mutually beneficial relations between Cambodia and the EU.

Dr. Schmücking, people speak about asymmetries in the European-Cambodian relations and conflicts of values. From your perspective as a European political scientist, what do you expect to see in the next months?

Dr. Schmücking: Expectations in this time are hard to formulate. But I can tell you what I want to see: That we are getting back to multilateral dialogue and real compromises like Dr. Chanborey mentioned. I can understand that people in Cambodia are frustrated about the decision of the EU and that it should be critically reflected also against the backdrop of double standards.

Nevertheless, we need good relations with everyone. The Covid-19 crisis is just one paramount example of the world we are living in today. We have to deal it altogether with the EBA, the Covid-19 and the coming challenges like climate change. Wasting time on abstract value discussions will not bring us forward. I believe in pragmatic, innovative and same same eye-level approaches. That would mean Cambodia needs self-confidence and independent foreign policy approach to deal with all the big powers, but also flexibility and space for new ways of thinking to adjust parts of its communication and strategic orientations.

What do you mean by its communication and strategic orientation?



Dr. Daniel Schmücking during the interview

Dr. Schmücking: I mean to think beyond development aid. Of course, Cambodia will still depend on it for a while but at the end of this decade, it might look different. When it comes to trade decisions, EBA is something that is given by the European Union to the least-developed countries. So when Cambodia is stronger, they can negotiate a free trade agreement with the European Union, maybe even on the ASEAN level. Arriving in the 21st century means also leaving the past behind to a certain degree and to shape new narratives and values. Finding a balance between Europe, the US and China will remain a big challenge and should be framed by a more balanced and friendly communication style.

For the Europeans, this means also that they have to do their homework. What we see so far in its foreign and security policies is that it is too weak to become a self-confident and independent global player. Their approaches should be based on clear values while still leaving enough space for development and diversity.

Dr. Chanborey, what is your opinion about the future of the EU-Cambodia relations? What do you wish to see at the end of this decade?

Dr. Chanborey: I wish to see Cambodia and the EU realizing that they have a lot of things in common. They have a lot of shared agendas including the most important topics of humanity like multilateralism, climate change, women empowerment and the role of women in peace and security, green growth and of course, the promotion of democracy and human rights.

I also want the European partners to be more understanding of the Cambodian context and challenges. Sincerely putting effort into understanding instead of technocratically following rules might add important spices to the common shared dish.

How about you, Dr. Schmücking? What is your take looking into this decade?

Dr. Schmücking: At the end of the decade, I want to see the European Union as a strong foreign policy player, strong in security, strong in business, but also strong in human rights and democracy. I think this is the role that the European Union has to play.

Wrap-Up

In 2020, the world has been struck with the outbreak of the Covid-19 pandemic; Cambodia is not an exception. Apart from the earlier discussion on the foreign policy challenges that we are now facing, the world has taken up another strength to fight through this pandemic virus altogether. Looking back through the previous decade, this was not something we have thought of and have been fully prepared for. The question then would be will the Covid-19 crisis reshape the world order? How would country be better prepared and taken potential measures politically, economically, and socially?

To recap, we have to admit that power rivalry, geopolitical dilemma, and historical strain still play an important part in (re-)shaping Cambodia's diplomatic motives, foreign policy choices, and its balancing strategy. The question would be how can we go beyond the mere setbacks that we have been facing? This open-ended question would foster endless rounds of discussion, without clear-cut answers or one single response. Our attempt is to contemplate that extended circle of thorough debate and wider dialogue, bringing about newer perspectives from within.

We would like to express our sincere thanks and appreciation to all the contributors, making this very first edition a lively set of insights on cross-cutting subjects in relations to Cambodia's foreign policy matter. The next edition will be released by the end of 2020, looking primarily into the theme of "Sustainability, Innovation, and Development." If you are interested to contribute your perspective to the aforementioned theme, please send us your abstract to our email address. For our readers, thank you for your support and we hope you find our Diplomatic Briefing as a useful resource.

Stay tuned for the second issue!

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