

# Selected Works

Contemporary Perspectives on  
Cambodia and the Asia Pacific

Volume III

Chheang Vannarith



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# Preface

In a world undergoing profound transformations, Cambodia and the Asia Pacific region have emerged as focal points of dynamic change, grappling with a myriad of challenges and opportunities. This book presents a collection of thought-provoking commentaries, curated from reputable news outlets and magazines, that delve into the contemporary issues facing Cambodia and the broader Asia Pacific landscape.

Over the past five years, both Cambodia and the region as a whole have navigated uncharted waters, with the Covid-19 pandemic casting a formidable shadow over every facet of society. This global health crisis has posed severe threats to human security, compelling Cambodia to confront the urgent task of building a resilient, inclusive, and innovative society.

As Cambodia embarks on a critical leadership transition, the integration of innovative thinking and transformative leadership assumes paramount importance in shaping a prosperous and harmonious future for the country. By embracing change, adopting new perspectives, and engaging with its diverse population, Cambodia can pave the way for a positive and sustainable transformation that resonates both domestically and internationally.

The essays in this book expound on the significance of innovative thinking, which fosters fresh perspectives and creative approaches to address longstanding issues and emerging problems. The ever-evolving world demands novel ideas and visionary strategies to propel Cambodia forward into a new era of growth and development. Embracing change and opportunities for progress is pivotal in this pursuit.

It stresses the essence of transformative leadership, which drives comprehensive and sustainable changes within Cambodia's political, economic, social, and cultural spheres. Transformative leaders possess a clear vision for the future and the ability to mobilize and inspire their fellow citizens towards shared goals, ushering in fundamental changes in policies, systems, and institutions that nurture progress and prosperity.

As a small state, Cambodia faces unique challenges in manoeuvring through the geopolitical waters characterized by uncertainties, complexities, and volatilities. The interactions between state and non-state actors have grown increasingly intricate in this evolving multiplex world order, necessitating careful attention to maintain a delicate balance of power. This collection offers insightful perspectives on how Cambodia adapts to this intricate global landscape while striving to safeguard its sovereignty and interests.

The Asia Pacific region itself stands as a cauldron of dynamism, demonstrating impressive resilience in the face of the Covid-19 pandemic. Rapid regional integration, particularly under the framework of the Regional Comprehensive Economic Partnership (RCEP), fosters cooperation and mutual growth among nations. However, geopolitical rivalries between major powers, notably the US and China, introduce complexities that hinder regional economic integration and socio-economic progress. The commentaries presented in this book shed light on the intricacies of these rivalries and their implications on regional dynamics.

Delving into the essays within this volume, it becomes evident that Cambodia and the Asia Pacific region share a common destiny, influenced by both internal and external factors.

By critically analysing the challenges and opportunities, this collection offers valuable insights into charting a course towards a more resilient future.

This compilation of commentaries serves as a testament to the dynamic nature of contemporary perspectives on Cambodia and the Asia Pacific. The book aims to contribute to a deeper understanding of the ongoing transformations, the resilience of the region, and the intricate interplay of geopolitical forces. As readers journey through these pages, we invite them to reflect on the possibilities and complexities that shape the destiny of these nations and the broader Asia Pacific community, fostering a scholarly engagement with the multifaceted issues addressed within this collection.

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# **Part I: Cambodia**



# Cambodia and the diplomacy of small states

From the Persian Gulf State of Qatar, a small, oil-rich state, to the city state of Singapore, the richest country in Southeast Asia, the debate about small states' diplomacy has resurfaced.

The key question is how these small states should act amid global power shifts and rising strategic and economic uncertainty.

The world is getting more unpredictable. Small states are becoming more vulnerable to changing geopolitics and the risks stemming from major power rivalry.

Qatar has diplomatic rifts with a Saudi Arabian-led bloc due to deep differences with regards to Qatar's alleged support for militants and Islamists and its bilateral relations with Turkey and Iran.

Drawing on the experiences from Qatar, diplomats and scholars from Singapore have come up with different observations and contrasting ideas.

In the post-Lee Kuan Yew era, Singapore is thriving to maintain its place in the world notwithstanding global changes. But Singapore's role and leverage in world politics are gradually receding.

Kishore Mahbubani, dean of the Lee Kuan Yew School of Public Policy, cautiously suggested that "small states must behave like small states".

He humbly advised that small states should "exercise discretion" and restraint from "commenting on matters involving great powers".

His arguments largely reflect the foreign policy behaviour

of small states, including Cambodia.

On the other hand, Ambassador-at-Large Bilahari Kausikan opines that “independent Singapore would not have survived and prospered if they always behaved like the leaders of a small state as Kishore advocates”.

Prime Minister Lee Hsien Long later said: “You cannot lie low and hope that nobody will notice you. And I think that’s how Singapore must conduct our foreign policy.”

Cambodia is facing mounting challenges in exercising its neutral foreign policy. Located between two big neighbours, Thailand and Vietnam, Cambodia has sought support from external powers to counterbalance the two neighbours.

In the eyes of the current ruling elites, building a close strategic alliance with China is believed to be the most viable foreign policy option to maintain its political independence and sovereignty.

Leaders’ world views, national interests, and foreign policy principles all together shape Cambodia’s foreign policy.

Cambodian leaders perceive that the new world order, which is rapidly evolving, is shaped by the interplay of major powers and the increasing roles of middle powers and international organisations.

Unlike the Cold War, which ended in victory for the US-led bloc, there will be no winner in the ongoing global power game. Therefore, small states must know how to play it safe by not taking sides.

Cambodia’s national interests are mainly defined in terms of economic development and poverty reduction. Hence, Cambodia’s foreign policy gives more emphasis on economic cooperation and regional integration, while pursuing a pragmatic foreign policy approach.

As a small state, Cambodia has less leverage in shaping a new world order. What it can do is to strengthen global and regional institutions, promoting dialogues and trust building and advocating for a rules-based international order.

Cambodia has strictly followed the principles of non-interference, permanent neutrality, peaceful coexistence, and non-alliance as stipulated in its constitution. These principles will continue to serve the interest of a small state.

Some of Cambodia's strategies are refraining from getting involved in international disputes or conflicts, especially those related to the core interests of major powers, playing a safe and low-profile diplomacy concerning internationally sensitive issues and promoting a trust-based and rules-based international order.

Other strategies include the transformation of international challenges and uncertainties into a source of national economic development and applying smart and flexible diplomacy to economically benefit from all major and middle powers.

It may be wishful thinking, but Cambodia should aim to become the beacon of democracy and good governance in the Mekong region and be a role model in sustainable and inclusive development.

Cambodia's destiny is defined and determined by the Cambodian people themselves, who must work together to strengthen national unity, social harmony, collective leadership and its institutional capacity to realise its independent and forward-looking foreign policy.

As a small state, Cambodia is fully aware of its limits and vulnerabilities. However, a small state is not a weak state, but a resilient and vibrant state if the leadership is strong, with a clear vision and the country is united.

Foreseeing multiple futures of the world's geopolitics and

geo-economics and preparing itself to adapt to a fast-changing world, while standing firm on its foreign policy principles and values, Cambodia would be able to thrive and advance.

*This article was first published in Khmer Times on 17 July 2017.*



# Cambodia Rejects Paying ‘Dirty Debt’ to the US

The United States has renewed its demand for Cambodia to repay a war debt of \$500m amid President Donald Trump’s push to improve the state budget. Such a demand has met with an outcry from Cambodian political leaders and their people, who have consistently called the debt “dirty” and “blood-stained”.

Clearly, the memory of the United States’ war in Indochina continues to shape Cambodian perceptions of and foreign policy towards the US. Cambodia is reluctant to pay the debt. However, should the US keep forcing Cambodia to service the debt, its moral high ground may be adversely affected.

“I have not sent an official letter to Trump asking him to cancel the debt ... They brought bombs and dropped them on Cambodia and [now] demand Cambodian people to pay,” said Cambodian Prime Minister Hun Sen early this month.

Debt settlement is a complicated and sensitive issue. There are rules and norms, as well as exceptions. There is no standard measure to settle debt, resting upon bilateral negotiation and agreement.

Most debt negotiations have been solved by the Paris Club- an informal group of official creditors founded in 1956. Cambodia has serviced some of its debts through the Paris Club agreements.

In 1995, as a responsible debtor country, Cambodia serviced debts with France, Germany, Italy and Japan. The Cambodian government refused to settle its debt with the US due to the size of the amount claimed and the legitimacy of the debt.

According to the US government, the debt involved the cost of food supplies to support the Lon Nol's government in the civil war.

Lon Nol came to power after carrying out a coup d'état against the legitimate government led by Prince Norodom Sihanouk.

Most Cambodians believe that the US was behind the coup. The US, however, insists that there is no evidence of US involvement in orchestrating the coup.

Cambodia was severely ravaged by the US' bombings from 1965 to 1973. An estimated 2.7 million tonnes of bombs were dropped on Cambodia, almost a million tonne more than the amount that the US dropped on Japan during World War II.

Hundreds of thousands of civilians, including women and children, were killed by the bombardment and today unexploded ordinance continues to take innocent Cambodian lives.

The bombings unleashed on Cambodia caused a flood of refugees to rural areas, where most joined the Khmer Rouge forces to fight against the US-backed Lon Nol regime.

Some historians argue that the US was partially accountable for the rise of the Khmer Rouge, a regime that killed 1.7 million people during its rule from 1975 to 1979.

Ignoring the heinous crimes committed by the Khmer Rouge, the US did not take actions to punish the armed group's leaders.

Moreover, the US did not recognise the Phnom Penh government installed by Vietnam after ousting the Khmer Rouge regime in 1979, as part of its strategy to prevent a domino effect of Communism in mainland Southeast Asia.

These facts highlight the lack of international responsibility by the US when it comes to terms with historical accounts. The

US needs to learn from its past mistakes and be more open and flexible to reconcile the historical differences.

Five decades on, the US and Cambodia have not successfully reconciled their past. Historical memory and strategic divergence have hampered bilateral ties. The level of trust between the two countries is in danger of decreasing, with the Cambodian ruling elite becoming more wary of the US' intervention in Cambodia.

The bilateral negotiation over the debt issue is complicated. Both sides have failed to reach a mutual understanding on how to solve the debt problem. Cambodia has requested that the US cancel the debt or implement a debt swap programme.

Both sides need to resume bilateral negotiation to explore common ground to resolve the long-standing debt issue, which may be solved by reaching an agreement on converting the debt into a development program or humanitarian assistance to Cambodia.

The US insists that Cambodia has the capacity to pay, and debt settlement is a matter of principle.

Yet, there are examples of US debt forgiveness. Washington forgave debts to Vietnam in 1997, Bosnia-Herzegovina in 1999, Yugoslavia in 2002 and Iraq in 2004.

Why is Cambodia not on the list of countries deserving debt forgiveness? The answer lies in US domestic politics and its foreign policy towards Cambodia.

Some policymakers in Washington feel that Cambodia does not deserve debt forgiveness, as they feel its debt risk is moderate.

Some foreign policy strategists think that the debt may be used to put pressure on Hun Sen's regime for political reform.

#### *Implications of the debt issue*

Cambodia-US relations will further deteriorate if the debt

issue is not resolved.

Regardless of the shaky moral basis, the US will probably continue to put pressures on Cambodia to pay the debt by asking the International Monetary Fund to downgrade its creditworthiness and its capacity to access international capital.

“Until it takes care of its debt with America and its other creditors, it cannot have a normal relationship with the IMF,” said the US Ambassador to Cambodia William Heidt last month.

External pressures – including economic and financial pressures – are counterproductive for maintaining stable and good bilateral relationship between the two countries.

Cambodia’s position with regards to the debt issue will not be affected by US pressure as it has earned strategic trust and support from China, a rising superpower.

The US’ engagement with ASEAN will also be affected if the bilateral US-Cambodia relationship is confrontational.

Both sides should focus more on common interests and cooperation while gradually narrowing down their differences.

Cambodia-US relations have been improved remarkably since 2010 and are better than at any time in the past four decades of ties, which were marred by distrust and confrontation.

Bilateral economic and educational cooperation has increased over the years despite political and strategic differences. The US is the biggest market for Cambodia’s clothes, the country’s main export industry.

Both sides need to resume bilateral negotiation to explore common ground to resolve the long-standing debt issue, which may be solved by reaching an agreement on converting the debt into a development programme or humanitarian assistance to Cambodia.

The model for debt recycling or a debt-swap agreement

between the US and Vietnam should be applicable to Cambodia as well. In 2000, the US and Vietnam agreed to convert the war debt into a Vietnam education exchange fund.

*This article was first published by Aljazeera on 21 March 2017.*

# The World View from Cambodia

The Cambodian government, under the leadership of the Cambodian People's Party (CPP), is striving to adjust its foreign policy and adapt itself to the fast-changing global geopolitics and geo-economics.

Addressing the 72nd Session of the United Nations General Assembly last Friday, Cambodian foreign minister Prak Sokhonn underlined two key terms: multipolar world and complex interdependence.

"Today, our multipolar world has gained its prominence in global affairs, causing chaos and turbulence as competition between the major powers is becoming more confrontational," Mr Sokhonn said.

"We are more interdependent, but more unequal; we are more prosperous, and yet millions are inflicted with poverty," he added.

In terms of the global economic system, there are more than two growth poles. A growth pole refers to an economy that significantly drives global growth, mainly through international trade and investment, capital flows and the spillover effects of innovation, technology, and knowledge.

Emerging economies, especially BRICS economies including Brazil, Russia, India, China, and South Africa, are transforming the global economy. The Asia Pacific region has become the centre of gravity of the world economy.

The China-proposed Belt and Road Initiative (BRI) is the new engine of an emerging new global economic order. The BRI will also significantly affect the global geopolitical landscape. The question is time. How long will it take China to realise this

grand strategy to project its global power?

Global power shifts or transitions, as historical facts have shown, usually lead to conflicts or wars. According to the “Thucydides Trap” theory, it is forecast that China, the rising power, and the US, the status-quo power, will inevitably clash.

How can the “Thucydides Trap” be avoided? China has proposed “a new type of major power relations”, but it failed to convince the US. Trust deficit is the main stumbling block in China-US bilateral ties.

The West is relatively declining. The two black swan events, the Brexit vote in the UK in June 2016 and the election of Donald Trump to the White House in the US in November 2016, have damaged the global role and image of the West.

The Western values of liberal democracy are adversely affected as well. President Trump has attacked the freedom of the press by calling them “fake news” and alleged some journalists as “truly dishonest people”.

Rising protectionism and inward-looking political leadership puts the future of the West in an uncertain and dangerous path. Widening socio-economic inequality is partially due to the implementation of Anglo-Saxon capitalism, in which corporate governance is focusing on shareholders, not stakeholders.

Amidst global power shifts, Cambodia is softly going with China, while slightly hedging through a strategic and economic diversification strategy. The good Cambodia-Japan partnership is a case in point explaining Cambodia’s hedging strategy.

There are three reasons explaining Cambodia’s view of China. First, China gives a core “back up” to Cambodia’s ruling elites to counterbalance the pressures from the US and its allies relating to democracy and human rights.

The ruling CPP gives priority to output legitimacy, which is defined in terms of peace, political stability and economic growth than input legitimacy, which is defined in terms of free and fair elections and people's participation.

Hence the ideals of liberal democracy as understood and practiced by the West are deemed not yet appropriate for Cambodia. Power politics, the survival of the fittest, remain the characteristics of Cambodian politics.

Second, Cambodia stands to benefit from China's economic powerhouse, especially in infrastructure development, foreign direct investment, tourism and trade. China is now the top donor and investor in the kingdom.

Third, China offers an effective balancing force against two big neighbours – Thailand and Vietnam – which are perceived as “historic predators”.

Cambodia “views its immediate neighbours, Vietnam and Thailand, as historic predators of Khmer territories, and China as playing a pivotal role in ensuring its own survival”, wrote Edgar Pang, a visiting fellow at the ISEAS-Yusof Ishak Institute in Singapore.

Similarly, Terrence Chong, from the same institute, argues that “Cambodia's fear that Vietnam and Thailand's growing economic superiority will threaten its sovereignty has been a key reason for its embrace of China”.

Cambodia believes that complex interdependence, especially economic interdependence, will prevent major powers from going to war. Economic interest is the most decisive factor in foreign policy formation.

Prime Minister Hun Sen said in 2015: “Relations between the US and China are extremely important for the Asia-Pacific. Washington and Beijing are conscious of their complex



interdependency and have been building mechanisms across their bilateral relationship to help manage their relations.”

Cambodia also stresses the critical role of ASEAN in maintaining regional peace and order by strengthening regional multilateral institutions and cooperation. Maintaining and strengthening the central role of ASEAN in shaping the evolving regional architecture serves regional common interests.

“Cambodia will continue to join hands with all ASEAN member states in the common endeavour to strengthen the community that is highly integrated, resilient, inclusive, people-oriented and people-centred for the sake of peace and prosperity of our region and the world at large,” wrote Mr Sokhonn in August this year.

Cambodia’s worldview can be understood as the following: First, a multipolar world is in the making. Second, the West is declining, and the global power balance is shifting in favour of emerging economies, especially China.

Third, complex interdependence is the foundation of peace given it restrains major powers from going to war against each other. Fourth, multilateral institutions, especially ASEAN, play a crucial role in maintaining peace and promoting prosperity.

*This article was first published in Khmer Times on 26 September 2017.*

# Cambodia and Gender Equality

Women can unlock the growth potential of any society both in developed and developing countries.

A study by McKinsey Global Institute found that by advancing women's equality, \$12 trillion would be added to the world GDP by 2025.

Although there is increasing recognition of the role of women in socio-economic development, women across Asia still face a wide range of issues such as access to education and skills, access to financial services, equal promotion opportunities at the workplace and domestic violence.

The report by the ASEAN Secretariat on Projected Impact of the ASEAN Economic Community identified several key gender gaps in Southeast Asia, including gender differentials in the share of export, employment and wages.

The majority of women are employed in vulnerable sectors with limited access to social benefits and protection.

In Cambodia, according to a study by the Asian Development Bank, there are a number of gender gaps such as the decent wage gap, human capital gap and social protection gap.

Such gender gaps prevent Cambodia from realising its growth potential.

Although the rate of female participation in the labour market has been gradually improving, women are still facing the gender wage gap.

"Cambodian women represent 51 percent of the country's population, yet their ability to participate as equal partners in social political and economic life is severely constrained," stated The Asia Foundation's report.

The cultural norms that unfairly construct the role of women as housewives and mothers remain strong in Cambodian society.

Social attitudinal change is therefore needed. Gender disparity in education must be further reduced and women's empowerment in the workplace must be further promoted.

Last week, Deputy Prime Minister Sar Kheng reiterated the commitment of the government to empowering women in the public sector.

The ratio of female civil servants has slightly increased from 21.13 percent in 2011 to 25.98 percent in 2016.

To address gender inequality, we need to have a holistic strategy to address gender bias at the family, social, corporate and state levels.

At the family level, women have significantly contributed to household work, which is unpaid and largely unrecognised. Parents' support of girls' education also matters.

At the corporate level, women earn less than men for the same job. Advancement opportunities are also less for female staff.

At the state level, women's participation in politics remains very limited.

Cambodia must further strengthen multi-stakeholder partnership among the public sector, private corporations and civil society organisations to improve gender equality and women's empowerment.

Assuring women equal access to economic benefits, political opportunity and social protection would empower women to become true agents of socio-economic development and poverty reduction.

As Cambodia is developing the next phase of its gender

mainstreaming strategy, three pathways are suggested here.

First, mainstreaming gender in education and skill development. In addition to basic education and vocational training, within the context of the digital economy and fourth industrial revolution, women also need necessary skills such as ICT skills to stay competitive in the labour market.

The World Economic Forum's report points out that "disruptions to labour markets brought about by the Fourth Industrial Revolution as well as demographic and socio-economic change may have a disproportionately negative impact on women than men".

Second, mainstreaming gender in corporate governance. The government needs to work closely with the private sector to develop an affirmative action or soft regulation to achieve gender equality in the governance of private corporations.

Gender pay equity and equal promotion opportunity should be encouraged and implemented to empower women and improve the productivity of companies.

Studies have shown that gender-diverse work teams are more productive.

Third, mainstreaming gender in public institutions. The government agencies need to develop their own internal research to assess gender gaps within their institutions then develop strategy to achieve gender equality.

Each state institution needs to have a capacity to implement and assess the implementation of policies and action plans on gender mainstreaming.

Fair representation of women in the public service, including in leadership positions, is critical to achieving gender equality.

*This article was first published in Khmer Times on 23 October 2017.*

# Now is the Time to Build an Innovative Cambodia

Putting gloomy political environment aside, Cambodia is embarking on a journey to develop its development vision with the aim to transform Cambodia to become a middle-income country by 2030 and a high-income country by 2050.

The national budget for 2018, which was adopted by the National Assembly this month, illustrates that Cambodia is working towards a more innovative and inclusive society.

Education, healthcare, and agriculture have gained more attention. The Ministry of Education, Youth and Sport will get additional 25 percent with the amount of \$852 million. The Ministry of Health will receive additional 16 percent with the amount of \$487 million. The budget of the Ministry of Agriculture, Forestry and Fisheries will increase threefold. However, so far only the education sector has delivered remarkable reform results.

Innovation can unlock Cambodia's potential. Innovation simply refers to the developing new ideas and policy instruments that can better address and solve the problems, and the creation of value-added products and services in both the public and private sectors.

To build an innovative society, Cambodia needs to carry out simultaneously four reform strategies, namely institutional reforms, market reforms, social reforms, and legal reforms.

Institutional reforms relate to innovation-oriented public policy and political leadership. The government has plans to invest more in STEM education and human capital development,

which is the right policy direction.

The education sector is the most promising sector. Reform starts from the top and policy inputs start from below. Constant and robust reforms, with strong and dedicated leadership, have produced impressive outcomes.

However, some other public institutions have not been robustly reformed, leaving the room for misallocation of state resources. Most of the government ministries try to address the symptoms but not the root causes of the issues and problems – this is not an effective and sustainable approach.

Innovation in the public sector is therefore critical to improving public services. All public institutions should integrate the concept of innovation in their organisational culture. Innovation in the public sector will enhance public trust and confidence in the state governance.

Concerning the market reforms, the private sector needs to invest more in research and development, promote technology and knowledge transfer, and improve labour productivity through additional training and capacity building.

Public-private partnership plays essential role in mobilising resources and connecting knowledge to strengthen innovation infrastructure such as industry-university collaborations research and development.

Concerning legal reforms, Cambodia needs to allocate budget specifically for innovation, strengthen the protection of intellectual property rights, and reform patent law to encourage innovators to develop new products and services for the society.

Social reforms are needed to promote the culture of innovation. Cambodia needs to promote critical and creative thinking in the society, strengthening fast-learning skill and

adaptation skills to fast-changing technological and knowledge revolutions.

Transforming people's mindsets and mental frame at the individual, community, and national levels is a must. The social and cultural system needs to be revised in order to facilitate creativity and innovation.

Looking ahead, the future of Cambodian economy very much relies on how much effort and resources will be put on innovation. The state, market, and society must work together to develop innovation strategy.

To realise its development vision, Cambodia must speed up reforms in all sectors and move towards building an "innovative Cambodia". Reforms need to start from the top, while receiving policy inputs from below. Reforms in the education sector should be the role model for other ministries and government agencies to follow.

Strong and visionary political will and leadership, clean and effective governance, meritocracy, and democratic participation define the destiny of the country.

*This article was first published in Khmer Times on 28 November 2017.*

# Cambodia Reasserts a Neutral Foreign Policy

How can a small state like Cambodia navigate through the increasingly complex and uncertain geopolitical landscape in the Asia Pacific region? This question has occupied the centre stage of Cambodia's foreign policy design for many years.

Last week, Prime Minister Hun Sen reaffirmed Cambodia's foreign policy principle of neutrality and non-alignment. He said we have relations with all countries and our foreign policy objective is to serve socio-economic development.

"This is the evolution of Cambodia's foreign policy," he added, while announcing his upcoming state visit to India.

Last weekend, the extraordinary party congress of the Cambodian People's Party (CPP) also highlighted the foreign policy principle of neutrality and non-alignment.

The statement is made amidst rising concern that Cambodia is moving too close to China and the overdependence on China may pose certain constraints on Cambodia's foreign policy options or shrink the room for a strategic manoeuvre.

China is now the top donor and investor for Cambodia. China's economic presence and political leverage has significantly increased since the signing of the comprehensive strategic cooperative partnership in 2010.

In addition to a bilateral mechanism, the Belt and Road Initiative, the ASEAN-China Strategic Partnership and the Mekong-Lancang Cooperation are the key regional and sub-regional cooperation mechanisms that Cambodia can benefit from the rising power of China.



Although Cambodia-China relations run deep, it should not be taken at the expense of good relations between Cambodia and other countries. Cambodia is willing to build friendships and partnerships with all countries, depending on mutual trust and interest.

Observing Cambodia's foreign policy behaviour, a bit closer, it is noticed that Cambodian leaders at different levels have made official visits to different countries over the years with the aim to diversify its economic partners and friends.

Expanding export markets, attracting foreign direct investments, welcoming international tourists, forging international cooperation, promoting Cambodian cultural identity and prestige and looking for development assistance constitute the main goals of Cambodia's foreign policy.

Economic integration at the regional and sub-regional levels, especially through liberal multilateral trade arrangements, has been a pillar of Cambodia's foreign policy.

ASEAN has been regarded as a cornerstone, if not the cornerstone, of Cambodia's foreign policy. ASEAN serves as a springboard as well as a lifeboat for its member states.

Guided by the "Act East Policy", India is strengthening ties with Southeast Asian countries with the aim of promoting India's economic and political presence and leadership role in the region.

Cambodia welcomes a more proactive role of India in both geopolitical and geo-economic realms.

Cambodia-Japan relations have been remarkably strengthened too. Cambodia has expressed its support for Japan's "Free and Open Indo-Pacific Strategy" – it seeks to enhance connectivity between Asia and Africa through a free and open Indo-Pacific to promote stability and prosperity of the regions as a whole.

Cambodia-US relations have been somehow much constrained by the issues of democracy and human rights. It seems that now there is no effective mechanism in place to restore political trust and normalise the bilateral relations.

The US remains the most powerful country in the Asia-Pacific although its comprehensive power is relatively declining. The National Security Strategy released last December set a new direction for the US's engagement in the Asia Pacific by redoubling its commitment to "the established alliances and partnerships".

The power rivalry between China and the US is expected to heat up from this year, which in turn could create a security dilemma and strategic challenges for Southeast Asian countries. If the small states cannot balance external relations, then they will fall into the trap or become a pawn of a major power game.

Neutrality is more easily stated than practiced. Cambodia was the victim of Cold War geopolitics and now is facing unprecedented geopolitical challenges. To have balanced, stable external relations requires strategic articulation and nuances with a practical roadmap.

Konrad-Adenauer-Stiftung launched an edited book on "Cambodia's foreign policy in a regional and global context" last week in Phnom Penh. The book provides a comprehensive analysis on the evolution of Cambodia's foreign policy.

Sok Siphana observed: "Cambodia's foreign policy imperatives have been dictated internally by its historical, cultural, geographical and political contexts while externally shaped, to a great extent, by powerful forces of globalisation, competing geopolitical multipolar rivalries, and the rising of traditional and non-traditional security threats, as well as other mega trends like climate change and food/energy security issues, to mention just the major ones."

Path Kosal said: “As a small state in the changing hierarchical structure of regional and global power, Cambodia’s quest for national unity and sovereignty occupies Cambodian national leaders’ central concern throughout the history of its domestic politics and foreign relations.

“Without economic endurance and political stability, foreign powers’ meddling in Cambodia’s domestic affairs is a constant theme of its struggle for national unity and autonomy.”

The key question for Cambodia is how to strengthen national unity and diplomatic capacity, how to maintain a balanced external relationship and how to transform a fast-changing external environment into a source of national development.

*This article was first published in Khmer Times on 24 January 2018.*

# Cambodia's Response to Reactions from the West

Last week, the Cambodian government issued two policy papers to defend the acts against the opposition party, explain the democratic evolution in the country and accuse major power's involvement in orchestrating the so-called "colour revolution" in Cambodia.

The US and the EU have taken a gradual approach to put pressure on Cambodia. They have threatened to impose economic sanctions if the political development is not reversed, and democracy is not restored.

Last week, US Senators Lindsey Graham, Dick Durbin, Ted Cruz, Ben Cardin and Patrick Leahy introduced the Cambodia Accountability and Return on Investment (CARI) Act to restrict assistance to Cambodia.

Cambodia's ruling elites seem to be not afraid of potential sanctions. In November last year, Cambodian Prime Minister Hun Sen even encouraged the West to impose sanctions, as a response to the threats to freeze the assets of the Cambodian ruling elites.

The Ministry of Foreign Affairs and International Cooperation of Cambodia published the second version of "To Tell the Truth"- with an emphasis on "peace", "stability", "development" and "sovereignty", while defending the "Cambodian way" of democracy, which refers to a "democracy-in-progress".

The paper also calls for other countries to study Cambodia's contemporary history and national context before making any assessment and applying sanctions on Cambodia.

"Cambodia deems it unfair and unjust [shall] the West

insists on imposing sanctions on the government,” the paper claims.

Meanwhile, the Council of Ministers of Cambodia issued a 132-page White Paper explaining the government’s actions against the main opposition party, attempting to convince the public that a multi-party political system prevails in Cambodia.

“Democracy works only if peace and stability prevail in the country and the rule of law is effectively enforced,” the White Paper notes.

The ongoing contradictions between Cambodia and the West over democratic values and principles are reminiscent of the debates on Asian values in the early 1990s.

What has made Cambodia become bolder and more upfront with the West? Why now? What are the strategic calculations and options for the ruling elites?

First, domestic power competition and potential power shifts have caused political stress along with high political risks and uncertainties. Foreign interference has further stimulated the use of extreme form of power.

The ruling elites strongly believe that foreign interference, especially from the US, is a core threat to the regime’s survival. The so-called “colour revolution”, whether it is real or not depending on different assessment criteria, has been the main cause of concern for the ruling elites.

Second, the ruling elites seem to be confident that the political situation is under control after dissolving the main opposition party, which was accused of politically colluding with the US.

Maintaining peace, political stability and power at all costs has been the political mantra of the ruling elites. Hence, they

seem to be prepared to pay the costs of maintaining this state of affairs.

Third, the ruling elites have become more confident, apparently so in resisting external pressures and sanctions to be imposed by the West. It is not sure how long they can resist the external pressures.

High economic performance over the past two decades has made them believe that the country's economic structure is more resilient and diversified. Cambodia has become less reliant on traditional donors such as the US and the EU.

Economic performance has been and will be the core foundation of the legitimacy of the regime. No one knows exactly how much Cambodia will suffer economically from the potential economic sanctions from the West.

Fourth, China is the main political and economic buttress for Cambodia.

In the eyes of the ruling elites, the West is relatively declining, and the post-Western global order is emerging, going along the downturn of the Western liberal democracy and human rights.

China on the other hand is emerging to be a major global power. China's model of governance has become more attractive to Cambodia. Hence by aligning with China, Cambodia can realise its core national interest, which is socio-economic development.

Cambodia will politically and economically tie the knot with China should the West decide to impose economic and diplomatic sanctions. It will be a strategic window of opportunity for China to project its power in Cambodia and the region.

Time will tell whether Cambodia is resilient enough to the international pressures and be able to survive and thrive within the context of rising domestic political complexity and major power rivalry.

Cambodia is becoming a playground for power contestation between the US and China.

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# Maritime Security: Cambodia's Take

Maritime security is a top regional security agenda as major powers are vying for maritime power expansion. Cooperation on non-traditional maritime security issues such as piracy, illegal fishing, natural disasters and humanitarian relief, search and rescue, and human trafficking would help promote trust and lead to the strengthening of regional cooperation in the maritime sector.

Cambodia's perspective on regional maritime cooperation mechanisms is largely defined by domestic maritime security issues and needs. As its maritime capacity is limited, Cambodia needs assistance from international friends and organisations to enhance its ability to address maritime security threats such as illegal fishing, transnational organised crime committed at sea, and threats to the marine environment. There are, however, constraints. The most obvious are a lack of financial and human resources. Coupled with that is a weak legal framework and poor coordination among the relevant ministries and agencies. There is also a lack of hard infrastructure and military assets such as battleships, combat boats and vessels.

To promote institutional capacity and inter-agency coordination on maritime security, Cambodia created the National Committee on Maritime Security (NCMS) in December 2009. The centre's main missions are to enhance maritime sovereignty and strengthen the enforcement of rules and good order at sea. NCMS is also a national mechanism to facilitate coordination among institutions and ministries working on maritime affairs.



There are four operational principles of the NCMS: maritime domain awareness; sustainable protection of national interests at sea; deterrence of all maritime threat; and rapid response to incidents at sea.

Cambodia has a four-point maritime security policy. Firstly, working together with relevant ministries to develop a legal procedure and framework, and strengthen institutional capacity. Secondly, strengthening the role and capacity of naval forces to enhance closer cooperation between related agencies in order to provide security and safety for economic activities. Thirdly, building partnership with other countries to promote an understanding of common maritime challenges and designing solutions. And fourthly, safeguarding territorial waters and resources within Cambodia's Exclusive Economic Zone (EEZ) to ensure that its marine resources are sustainably governed.

To facilitate the joint operation of combined forces, the NCMS has constructed its own front line command structure located at the Ream Maritime Base. Connecting key institutions such as the maritime forces, national police forces, and officers from the Ministry of Justice, Ministry of Transport, Fishery Department, Customs, and Ministry of Environment has improved, although with limited results, to implement maritime policy. Nonetheless, there is an urgent need to strengthen the capacity the NCMS.

As part of regional cooperation, Cambodia sent mid-level officers to Changi naval base in Singapore for maritime security information-infusion. Established in 2009, the Information Fusion Centre (IFC) serves as the regional maritime information hub to enhance maritime situation awareness and provide early warning triggers and actionable information to cue timely regional responses.

Cambodia has also signed the Regional Cooperation

Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP), actively participated in ASEAN-led cooperation mechanisms such as the ASEAN Regional Forum (ARF), ASEAN Defence Ministers Meeting (ADMM), ADMM Plus, ASEAN Maritime Forum and Extended ASEAN Maritime Forum. At the sub-regional level, it also participates in the Gulf of Thailand (GOT) Maritime Law Enforcement Interoperability Initiatives.

Cambodia has been advocating for a robust, rules-based regional maritime order. The Kingdom is also a party to four 1958 Geneva Conventions on the Law of the Sea and the United Nations Conventions on the Law of the Sea (UNCLOS). Cambodia supports early conclusion of the Code of Conduct on the South China Sea and the Application of the Code for Unplanned Encounters at Sea (CUES) in the South China Sea in order to promote confidence building measures and preventive diplomacy in the disputed waters.

Narrowing the capacity gap in maritime security should be one the core areas of regional maritime cooperation. Cambodia needs more international support in strengthening its capacity to address maritime security threats. As it is, maritime domain awareness and expertise on international maritime laws are limited. International assistance is needed to enhance national legal frameworks and institutions on maritime affairs.

Cambodia perceives the mechanism for regional maritime security cooperation as a means to promote mutual understanding and trust building, foster practical cooperation, and facilitate international partnerships and collaborations to deal with non-traditional security issues and threats. However, capacity is the main constraint of Cambodia to effectively

implement international maritime laws and actively contribute to a rules-based maritime order.

Aligning national maritime policy with regional maritime agenda and initiatives, building institutional capacity, and promoting multi-stakeholder dialogue and collaborative research on maritime issues will enhance Cambodia's contribution to the maintenance of good order at sea in the region.

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# Cambodia Needs to Invest in Public Sector Innovation

Speculations on the members of the new cabinet aside, the main task of the new Cambodian government is to deliver what it has promised, especially in terms of raising the living standard of its citizens, delivering better public services, and improving good governance. A new Rectangular Strategy Phase IV will be adopted to outline key direct government's reform agenda.

Vision and ideas are plenty. But the main challenge for the government is "implementation". Some have expressed doubts and scepticism that the sixth-mandate government, after the July 29 election, cannot deliver much due to the lack of leadership, creativity, and innovation in the public sector. It is argued here that public sector innovation is the key to unlock Cambodia's development potential and to materialise its development vision to become a higher-middle-income country by 2030 and high-income country by 2050.

The government must continually adapt and innovate to address emerging issues and challenges facing the society if it wants to catch up with global and regional trends particularly amidst the uncertainties caused by the fourth industrial revolution. Some countries have already developed their industry policy 4.0 or digital economy strategy to stay competitive. But for the case of Cambodia, public sector innovation matters the most given the development model in Cambodia remains a state-led development model.

The government hence must create a favourable, enabling environment for innovation in the public sector. Here are

suggestions for four measures for the government to consider in its efforts to improve its public service delivery through the implementation of public sector innovation.

Firstly, investing in human capital. The government needs to invest more in capacity building for public sector workers in order to transform them to become the catalysts and enablers of public sector innovation.

Short-term training on public sector innovation should be developed, in partnership with development partners, with the aim to equip public servants with systems thinking and project design and execution, such as the capacity to identify and understand the problem and the potential drivers of change, and harness diverse views. It is critical to understand the interconnections and interrelationships and the underlying dynamics of the issues that we are facing, and based on which we can develop more relevant, holistic solutions.

Secondly, building a knowledge regime on innovation. A knowledge regime is an organisational and institutional machinery that generates data analysis and policy recommendations that influence policymaking and public debate. Policy makers need accurate, adequate, and unbiased information to make a responsive and effective policy.

Knowledge and analysis on public sector innovation in Cambodia are very limited and fragmented. There is no institution or platform to document and share knowledge on the issue. Therefore, the public sector, private sector, academic community, think tanks, and media can work together to build a knowledge regime that can influence public policy and multiply policy impacts through open dialogues, information sharing, knowledge building and sharing. As for now, state agencies tend to keep information for themselves, without sharing it with other

related stakeholders. And there is no mechanism to share lessons learned among different agencies.

Thirdly, developing innovation-friendly rules and regulation. The government must reduce and eliminate rules that constraint innovation, while creating an enabling environment for creative and innovative ideas to bloom. Rigidity of regulations and formal rules might limit the development of public service innovation.

Fourthly, leveraging partnerships among state agencies and between the public sector with the private sector and civil society. The Cambodian government has created a public-private consultation and used to organize a government-civil society forum to promote mutual understanding, identify issues and challenges, and provide solutions. However, these mechanisms lack substantive consultation and also lack the mechanism to measure their impacts.

The government should empower the existing government-private sector forum and revive and energize the government-civil society forum so that ideational flowers can bloom. These mechanisms can function as a feedback loop to provide policy inputs to the government.

Finally, political will matters the most in promoting public sector innovation. There are some obstacles to overcome and risks to face. Yet as long as there is a will, there is a way. The new cabinet must embrace reforms and innovation in order to meet people's expectations and to maintain its legitimacy.

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# Small States Must Play Smart

The foreign policy of small states is constrained by the size and location of the country and its natural resources and population. Small states are more vulnerable to external changes and shocks, the level of dependency on external sources for security and development, and the perception of their national roles.

Size does matter for small states. They find it difficult to have favourable foreign policy outcomes than larger nations. To make up for this, small states tend to focus on their immediate geographic area and economic diplomacy, with an emphasis on international rules and norms, while promoting multilateralism and international cooperation.

The primary objective of small states is to ensure their survival and strengthen their position and relevance in a fluid or even anarchic international system. The fast-evolving international system together with global power shifts is posing more challenges for small states to adjust and realise their foreign policy objective. Hence, they must play smart and be innovative in order to achieve their foreign policy goals.

Cambodia is thriving to stay relevant in the international system through the implementation of a dual-track diplomacy: bilateral and multilateral diplomacy. Recently, Cambodia has taken a relatively proactive approach in strengthening multilateralism and a rules-based international order as these two norms are under stress and threat caused by unilateralism and protectionism. The US retreat from multilateral institutions has caused severe disruptions and turbulence in the international liberal order.

Cambodia's foreign policy is at a critical juncture as the country remains at the frontline of geopolitical rivalry in the Mekong region – a new growth centre and strategic frontier of Asia. Geopolitical risks are heightening as major powers are vying to create their own sphere of influence in the region. The Kingdom is very much vulnerable to becoming a pawn of major power politics if foreign policy is not managed carefully. The evolving geopolitical dynamics thus demands that Cambodian leaders be more adaptive, flexible, resilient, and pragmatic.

As geopolitical risks and vulnerabilities rise further, Cambodia's foreign policy options could be more constrained. The strategic space for Cambodia to manoeuvre is getting narrower. Once geopolitical power rivalry becomes clear-cut and all-out, Cambodia could lose its balance and would be structurally forced to hop on the bandwagon of a major power for its survival.

At the moment, Cambodia is pursuing a light hedging strategy and striving to strengthen multilateralism through an omi-enmeshment strategy – a diversification strategy to create an interlocking network of partners with common economic and security interests.

Hedging is the best strategic option for Cambodia, especially in dealing with uncertainty. However, implementing this strategy is a huge challenge. It requires strategic articulation on certain issues and strategic ambiguity on others. Even sometimes it requires to have contradictory views on certain issues, but it must be implemented smartly in order not to lose trust with any major power.

The key challenge now for Cambodia is how it could gain trust from all major powers. At the moment, Cambodia's relations with the US faces a serious trust deficit. It is urgent that Cambodia and the US find common grounds and explore



innovative pathways to restore trust and normalize their bilateral relationship.

Economic pragmatism, strategic diversification, a denial to a regional hegemonic power, and regime legitimization are the key components of a hedging strategy. ASEAN as a regional grouping is an important shield for Cambodia and the group's other members to neutralize and cushion the adverse effects created by rivalry between the major powers.

Yet ASEAN faces the risk of being marginalized by two competing institutional frameworks – China's Belt and Road Initiative and the US-initiated Free and Open Indo-Pacific. Unless ASEAN member states are able to stay united and forge a common foreign policy position, they risk becoming the proxy states of major powers. Consequently, the region will be divided into two diametric poles: the pro-China camp versus the pro-US camp.

To avert these risks, ASEAN must be more innovative and adopt a bolder approach to protect common regional interests. Just playing it safe and keeping a low profile is not a solution. ASEAN must be bold enough to stand up against any major power that intends to build its hegemonic power in the region at the expense of the core interests of its member countries.

Cambodia is of the view that ASEAN-driven multilateral institutions and mechanisms play a critical role in constructing an open and inclusive regional order that can accommodate all major powers. ASEAN is widely regarded as the main vehicle for its members to engage and integrate major powers, and hopefully shape the behaviour of major powers.

Engaging major powers is a viable strategic option for small states. Engagement is a means to integration. Small states like Cambodia can partially contribute to constructing an international order by engaging and integrating major powers

into a rules-based international system and getting them to assume responsible leadership role in multilateral institutions.

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# Economic Pragmatism and Regional Economic Integration: The Case of Cambodia

Cambodia's foreign policy strategy has been chiefly shaped and driven by "economic pragmatism," meaning the alignment of foreign policy with economic development interests. The Cambodian government's two main approaches to regional economic integration are (1) transforming the international environment into a source of national development and (2) diversifying strategic partnerships based on the calculation of economic interests. International economic cooperation and regional integration are key principles of Cambodia's foreign policy, which emphasizes shared development and win-win cooperation.

As a less developed country in the region, Cambodia has a strong interest in promoting and realizing a more inclusive, fair, and just process of regional community-building that narrows the development gap and implements people-centred regional cooperation. Linking regional integration with national economic policies is critical to sustaining dynamic economic development. Key tasks include improving regulatory harmonization and harnessing and synergizing various regional integration initiatives. It is particularly important to link ASEAN community blueprints with sub-regional cooperation mechanisms such as the Greater Mekong Subregion (GMS) program and Mekong-Lancang Mekong Cooperation (MLC).

The Cambodian government perceives regional integration

as a means to further advance its national development interests. ASEAN, GMS and MLC are the main gateways for Cambodia to reach out to the region and beyond. The ASEAN Economic Community Blueprint 2025 aims to achieve five goals: (1) an integrated and cohesive economy; (2) a competitive, innovative and dynamic ASEAN; (3) enhanced connectivity and sectoral cooperation; (4) a resilient, people-oriented, and people-centred ASEAN; and (5) a global ASEAN. GMS operates under the principles of non-interference, consultation and consensus, mutual interest, and equality, win-win cooperation, shared development, and common destiny. GMS gives emphasis to practical or functional cooperation, aiming at achieving concrete results in poverty reduction. MLC promotes regional connectivity, production capacity, cross-border economic cooperation, trade and investment facilitation, customs and quality inspection, financial cooperation, water resource management, agriculture, forestry, environmental protection, and poverty reduction.

In the Rectangular Strategy Phase III, issued in 2013, a five-year strategic development plan, the Cambodian government set out a vision that states, “by the end of the first half of the 21st century, Cambodia is to reclaim full ownership of its own destiny, while becoming a real partner in regional and global affairs.” It further states that Cambodia is now “actively integrating itself into the regional and global architecture and playing a dynamic role in all regional and global affairs on equal footing and with equal rights as other nations.”

The Cambodian government stresses several key benefits of regional integration, including regional peace and stability, the development of both hard and soft infrastructure, energy and digital connectivity, free and effective movement of trade and investment, human capital development, the expansion of

regional production bases and networks, and stronger regional cooperation and coordination in agricultural development. Strengthening regional cooperation -- especially in the Mekong region in rice production and trade facilitation -- would contribute to improving farmers' standard of living. Creating an association of rice-exporting countries will strengthen the global position of the Mekong countries.

Although there have been remarkable achievements over the last two decades in forging regional cooperation, integration, and connectivity, there are several challenges that Cambodia needs to overcome. Those challenges include socio-economic inequality within the country and the region, weak institutions and governance, and the lack of national capacity in implementing regional projects. Income disparity within the regions and localities contributes to political instability, trans-boundary crimes, illegal labour migration, and human trafficking.

Institution-building based on good governance remains a key challenge to the effective implementation of regional policies. The national capacity of each member country of the GMS in transforming and integrating its regional development agenda into a national development action plan is limited. The lack of resources in realizing regional development projects requires more investment and participation from the private sector.

Local government plays a significant role in regional cooperation and integration. Recognizing the role of local government in socio-economic development, in 2008 the government adopted two Organic Laws and established a National Committee for the Democratic Development of Subnational Administrations. These measures are aimed at decentralizing power and creating a sub-national governance system. Delegating power and resources to local governments at

the commune, district and provincial levels not only contributes to national development but also connects governments with neighbouring countries, especially in the border areas. For instance, the Cambodia-Laos-Vietnam Development Triangle was formed in 2002 to link 13 border provinces of the three countries.

A major challenge is that both the central government and local governments in Cambodia lack sufficient institutional capacity and resources to effectively implement the country's regional cooperation and integration agenda which includes the budget infrastructure connectivity projects. It is therefore necessary to forge a closer partnership between the public and private sectors, especially in infrastructure development and connectivity. Decentralization, delegating more authority to local governments, can facilitate public-private partnerships and stimulate national public administrative reform. Cambodia's Ministry of Economy and Finance crafted a policy paper on public-private partnership for public investment project management, 2016-2020, which aims to "create an enabling environment for promoting the participation of the private sector and financial institutions in public investments."

To enhance Cambodia's competitiveness, and thereby to improve the depth and quality of its participation in regional economic integration, Prime Minister said at the GMS Business Summit in Hanoi in March 2018 that it was necessary to strengthen efforts in regional economic integration and connectivity through prioritized areas of finance, economy, e-commerce and cross-border trade.

The seize the opportunities arising from fourth industrial revolution and digital integration in ASEAN the Cambodian government is focusing on four pillars. According to a speech

by Prime Minister Hun Sen at the 2018 Cambodia Outlook Conference in Phnom Penh, these are:

(1) Developing a skilled workforce by emphasizing education in science, technology, engineering, and mathematics (STEM) and technical and vocational training, supporting linkages between education and enterprises, and creating a national accreditation system.

(2) Promoting a research and development network, a high-quality physical infrastructure, and a public-private partnership mechanism to support the establishment of research and development, the facilitation of information sharing and technology transfer, and the penetration of foreign markets.

(3) Further strengthening institutional, policy and regulatory frameworks by bolstering the implementation of intellectual property law, related regulations, and other regulatory frameworks in order to encourage and support entrepreneurs and scientists to innovate and sell their technology products and services.

(4) Inspiring public participation in the science and technology sector, promoting public awareness of the importance of STEM, and nurturing the talents of its population

As a small and open economy, Cambodia has taken a proactive approach in promoting regional integration based on the principle of win-win cooperation. The government has taken measures to diversify the sources of growth by investing in knowledge-based economy and strengthen public-private partnerships. However, the lack of institutional capacity at both national and local levels remains a key constraint.

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# Can Cambodian Foreign Policy Find Its Feet?

Amid shifting global power dynamics and intense pressure from the West, Cambodia's foreign policy strategy in the coming years will aim to diversify its external relations, with a focus on South and East Asian countries. But in practice Cambodia still struggles to implement an effective foreign policy, stymied by institutional weaknesses. Without much-needed reform, Cambodia's weak international presence may persist.

The rumour that China is eyeing a naval base in Cambodia's Koh Kong province is stirring public debate both inside and outside the country. US Vice President Mike Pence has raised concerns directly with Prime Minister Hun Sen on the issue.

The Cambodian government has repeatedly stressed that it does not intend to align with any major power, nor will it ever allow any foreign military base on its soil, because it adheres to a foreign policy stance of permanent neutrality and non-alignment. Despite these assurances, international media and observers still tend to portray Cambodia as a client state of China.

Such perceptions, which do not reflect the entirety of Cambodia's foreign policy dynamics, damage the country's international image and role. The tough measures taken by the European Union and the United States on Cambodia's perceived 'democratic backsliding' partly reflect their own strategic interest in ensuring that Cambodia does not align itself too closely with China.

Facing unprecedented pressure from the West, Cambodia's foreign policy options are constrained. There is a shared belief



among Cambodia's ruling elites that the European Union and the United States have double standards and treat Cambodia unfairly. They question why the European Union, and the United States target Cambodia while Vietnam and Thailand still enjoy good relations with the West. And they question why Cambodia is attacked for forging close ties with China when other Southeast Asian countries are doing the same.

Such external circumstances force Cambodia to invest heavily in foreign policy. During the 41st Party Congress of the long-ruling Cambodian People's Party in December 2018, foreign policy was highlighted as an area requiring more attention.

Cambodia's foreign policy outlook is shaped by the unfolding power shifts in the Asia Pacific region and the implications of major power rivalry. As the world becomes a multipolar one, Cambodia is adjusting its foreign policy objectives and strategies accordingly. In this new world order, Cambodia's ruling elites believe that the country's foreign policy direction cannot be detached from that of the Asian powers.

Phnom Penh has signed only two strategic partnerships so far: one with China in 2010 and another with Japan in 2013. Cambodia views China and Japan as among its most important strategic partners, and ones that can be relied on to help Cambodia realise its vision of becoming a higher middle-income country by 2030 and high-income country by 2050.

Cambodia also gives strategic importance to ASEAN as crucial to furthering regional integration and helping Southeast Asian countries cushion against foreign intervention.

Diversifying strategic and economic partners has occupied Cambodian foreign policymakers for years. A lack of coordination among the relevant ministries — such as the Ministry of Foreign and International Cooperation (MOFAIC), Ministry of Commerce,

Ministry of Economy and Finance, Ministry of National Defence and Council for the Development of Cambodia — remains a significant issue preventing Cambodia from achieving its diversification strategy. These ministries need to work together to implement a more robust foreign policy.

There is strong political will on the part of MOFAIC to develop and implement a more robust foreign economic policy, but other government agencies do not seem prepared to come onboard. MOFAIC has taken a leadership role in negotiating the ‘Everything But Arms’ (EBA) initiative with the European Union, for instance, but this should ideally be done by the Ministry of Commerce.

Cambodia’s ruling elites are aware of the risks emanating from overreliance on a single or few countries for their survival. Hedging and diversification are recognised as important strategies, but implementation remains an issue. It will take a few more years for Cambodia to develop a concrete action plan, build institutional and leadership capacity, and strengthen institutional coordination and synergies between ministries.

The United States and the European Union should demonstrate more flexibility towards Cambodia to avoid the perception of unfair treatment. They should provide Cambodia with more options instead of forcing it to compromise its sovereignty. Multi-layered, multi-sectoral and multi-stakeholder engagement should be encouraged. As a small country, Cambodia needs expanded strategic space to manoeuvre.

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# Cambodia's Foreign Policy in a New Era

The world is becoming more volatile and complex as global power transition and diffusion are fast evolving. Clearly, the world is in transition towards a multipolar world or a multiplex world, in which multiple state and non-state actors have greater interactions, work together to address emerging global issues and shape a global regime that is expected to be more open, inclusive, and fair.

In the Asia-Pacific, the US-China power competition is threatening regional peace and stability, as it has created security dilemma for small states in Southeast Asia that are striving to create a stable balance of power or regional strategic equilibrium. In the meantime, non-traditional security challenges have also emerged. Regional development gap, competition over access to strategic resources such as water resources in the Mekong region, environmental degradation, climate change, and violent extremism, among others, need to be reckoned with.

## *Foreign policy options for small states*

The return of great power politics and zero-sum power rivalries, accompanied with high uncertainty and unpredictability, underpin the formation of a new world order in which a new set of rules is being formed. Small states, due to their constraints and vulnerabilities, are facing mounting challenges to maintain their neutrality. Small states are compelled to adapt themselves to changes in the international system.

However, small states are not without agency. They could shape the international system through the creation and

diffusion of norms, alignment with certain major power, or building a coalition against a hegemonic power. Small states can be “poisonous shrimps” that could deter the attacks from more powerful states. They can reduce power asymmetry and put constraints on major powers by strengthening multilateral system and international law. Building an open, inclusive, effective and rules-based international system is the common interest of small states.

One of the foreign policy options for small states is to hedge against risks. Countries in Southeast Asia have adopted a hedging strategy at varying degrees. Hedging strategy has been commonly implemented in the forms of pragmatic, flexible and smart diplomacy (how to transform external challenges into opportunities for national development), diversification strategy or omni-directional international engagements, and the promotion of multilateral system.

#### *Cambodia's foreign policy options*

Amidst such heightening geopolitical uncertainty and complexity, Cambodia's foreign policy becomes even more essential to sustain peace and stability. It is critical for Cambodia to develop a smart foreign policy to navigate the country through uncertain, turbulent times ahead. The making of foreign policy even determines the future development of the country. Without the right decision and direction in foreign policy making and innovative and visionary leadership, Cambodia may once again become a pawn of geopolitical game.

History informs that without forging a firm and resilient national unity and neutrality, Cambodia's vulnerability to external changes and international system becomes higher. Cambodia used to be the victim of the Cold War due to the failure of domestic reforms and the fragmentation of national unity.

Cambodia's hard-earned peace and political stability remain fragile due to the deepening political polarisation and a new wave of foreign interventions, especially under the pretext of protecting democracy and human rights.

Cambodia's foreign policy is rooted in geopolitical realities (particularly the relations with its neighbours) and shaped by the country's nation-building process, historical memories (anti-colonialism and anti-imperialism), and economic conditions. Domestic politics, leadership changes and external environment have defined the trajectory of foreign policy, as foreign policy is largely an extension of domestic politics. The political leaders are fully aware of the need to enhance diplomatic capacity with visionary, robust reforms and carefully crafted foreign policy strategies.

As a small and open economy, Cambodia must survive in, be part of, and emerge from the complex and unpredictable global security and economic systems. To achieve that, Cambodia must be totally independent, neutral, and forward-outward looking. Deepening regional integration, while maintaining strategic autonomy, has been one of the key foreign policy priorities.

#### *Principles and interests*

Basically, Cambodia's foreign policy centres on 'Four-No' principles (No alliance with any country. No compromise on independence and sovereignty. No foreign military bases. No foreign interference). Historically, however, Cambodia failed to uphold these foreign policy principles due to the complexities and changing of national and international circumstances and the lack of leadership and institutional capacity to adjust and adapt to the changes.

There are four core national interests defined in Cambodia's contemporary foreign policy, namely (1) the protection of

sovereignty, independence, and territorial integrity; (2) the maintenance of peace, security and political stability; (3) the promotion of economic development and poverty reduction; (4) the promotion of national prestige and cultural identity. Geographically located between two larger neighbours (Thailand and Vietnam), the question of sovereignty and territorial integrity has been historically and geo-strategically at the heart of Cambodia's domestic politics and foreign policy.

### *Shaping factors*

As for the factors shaping Cambodia's foreign policy, internal factor is the most important. Domestic political conditions and dynamics directly affect foreign policy posture. As different political parties and interest groups have different priorities and approaches in the formulation and implementation of foreign policy, this puts Cambodia in a relatively fragile and vulnerable position especially within the context of increasing geopolitical competition between major powers in the region.

The most challenging task for Cambodia therefore is to develop and strengthen its *domestic core*, which consists of national unity, social and political consensus, strong democratic institution, and leadership capacity. Without forging a strong *core* together with pragmatism, Cambodia risks being drawn into the major powers' game. The ongoing political tension, rising political polarisation, and social fragmentation are weakening the *domestic core* and damaging national interests. Irresponsible politics and fake news have further exacerbated the political situation.

### *Policy proposals*

Cambodia needs to overcome domestic constraints, grasp opportunities, and stand up to the challenges from within and outside. The world is getting more interconnected and

interdependent. Nation-states fall or rise depending on their competitiveness. ASEAN community building process and intra-regional connectivity plans are underway. Sub-regional cooperation schemes and frameworks such as growth triangles, greater Mekong sub-region, and other economic corridors in the Mekong sub-region are picking up steam.

What should Cambodia do next? First, it needs to tackle domestic politics through dialogue and negotiation. It needs to put national interests ahead of the narrow and short-term interests of the political parties and interest groups. Its foreign policy needs to have a long-term vision with realistic strategic action plans. More robust debates and consultations on evolving world order and Cambodia's foreign policy need to be promoted.

Secondly, Cambodia needs to develop strong research capacity and information analysis related to geopolitics and geoeconomics, scale up diplomatic professionalism, and cultivate a culture of dialogues among key stakeholders working on international issues. Cambodia needs to develop the quality of research institutes, think tanks, and training programs on international studies. Once capacity and competency are improved, Cambodia has higher chances of transforming external challenges into a source of national development and strength.

The Ministry of Foreign Affairs and International Cooperation (MOFAIC) has carried out reforms with remarkable achievements in strengthening the institutional capacity and competency of diplomats. The National Institute of Diplomacy and International Relations (NIDIR) was established to train and equip diplomats with analytical skills and related soft skills. Capacity building is a long-term investment. It might take several years to bear fruits.

Thirdly, Cambodia needs to pursue strategic diversification,

support multilateralism, maintain stable relationships with all major powers, strengthen the centrality role of ASEAN, uphold and advocate for rules-based international order, and promote peace through dialogue and negotiation. In his remarks at the United Nations General Assembly in 2018, Prime Minister Hun Sen stated, “Cambodia, as a small economy, believes in a rules-based international cooperation”.

Fourthly, Cambodia has explored and developed its own types of soft power. Historical-cultural heritage has been the main source of Cambodia’s soft power projection. Cambodia has been chosen as the host Secretariat of the nascent Asian Cultural Council (ACC), established with the aim to further link culture with peace and sustainable development in Asia. Cambodia has also developed its soft power based on humanitarianism such as anti-landmines campaign, humanitarian demining action, United Nations Peacekeeping Operations (UNPKO), and the promotion of Responsibility to Protect (RtoP). Moreover, to promote its positive image abroad, Cambodia needs to implant a culture of good governance and project itself as a champion of sustainable development. Promoting a “centrist democracy” with Cambodian characteristics is potentially another source of Cambodia’s value and soft power.

#### *Four pillars*

Based on the history, national strengths, comparative advantages, and megatrends of global development, Cambodia should focus its foreign policy on four pillars. Firstly, **peace diplomacy**- which refers to the contribution to world peace such as in the form of international support to peacekeeping and peacebuilding. Notably, Cambodia has so far sent more than 6,000 peacekeeping forces to several conflict zones in the world.

Secondly, **economic diplomacy**- which refers to the



enhancement of an open and inclusive multilateral economic system, regional integration, and international connectivity. Expanding export markets, attracting foreign direct investments, promoting technology and innovation, and human capital development are instrumental to realise national development vision.

Thirdly, **cultural diplomacy**- which refers to the promotion of mutual understanding, cultural exchanges, people-to-people ties, and the preservation of historical and cultural heritages. Rich in historical and cultural heritages, Cambodia can advance its international image and prestige through making meaningful contributions to human civilisation.

Fourthly, **cyber diplomacy**- which refers to the use of cyberspace to advance national interests. As Cambodia embraces digital economy, its economic and security infrastructures are becoming more vulnerable to cyberattacks and cyberthreats. Therefore, working with regional and international partners to set up rules in cyberspace governance should be one of the main foreign policy objectives.

### *Outlook*

The future of Cambodia relies on its strong *domestic core* and pragmatic, flexible and smart foreign policy, which together can effectively transform the external environment into a source of peace and socio-economic development; transform external challenges into opportunities; and promote Cambodian soft power especially through cultural diplomacy and peace diplomacy.

To realise its vision to be an upper-middle income country by 2030 and a high-income country by 2050, Cambodia has to develop a state-of-the-art foreign policy by investing more in diplomatic capacity, developing professional diplomats, and

increasing strategic thinkers. And economic diplomacy and cyber diplomacy are instrumental to realise the development goals.

*The article first published in the Mekong Connect, Vol. 1, Issue 3, December 2019.*

# Cambodia Calls for the Enhancement of Multilateralism

Cambodia's Prime Minister Hun Sen called for the restoration and enhancement of an open and inclusive multilateral system and rules-based international order at the second Asia Pacific Summit in Phnom Penh.

His statement clearly illustrates that multilateralism is one of Cambodia's foreign policy objectives and interests. The question is how this small state can allocate resources and efforts to advance multilateral system, while it is constantly distracted by domestic politics.

Multilateralism and rules-based international order that have underpinned international peace, stability and prosperity for the past seven decades, are under threat due to rising protectionism and unilateralism.

The world is at an inflection point, as global power transition and diffusion are fast evolving. This transition carries with it, high geopolitical uncertainty and risk. Structural and geopolitical power competition between the US and China will continue to shape an evolving world order.

Although competition between a status quo power and a rising power is inevitable, there is no solution in sight to cool down the tensions between the US and China. The unfolding trade and technological war between the US and China have dampened global economic outlook.

The International Monetary Fund (IMF) for instance has estimated that the global economy would face its slowest growing pace since the financial crisis a decade ago. Growth in advanced

economies would slow down from 2.3% in 2018 to 1.7% in 2019. Global growth rate, according to the World Bank, is expected to decrease to 2.6% this year.

As an open and small economy, Cambodia is very much vulnerable to external shocks and the global economic recession. To mitigate risks, the Kingdom has adopted a diversification and hedging strategy and proactively strengthened multilateral system. But the results have been very limited due to the lack of strong stewardship in trade negotiation and market expansion.

Although Cambodia is trying to assume an international role to hopefully save and advance multilateral system, it has met with a myriad of challenges. Complex domestic politics, limited resources, institutional capacity, and human capital have constrained Cambodia's proactive international engagement.

Cambodian stakeholders are preoccupied with addressing the requests by the European Union (EU) over the preferential trade treatment under Everything-But-Arms (EBA). To maintain EBA status is one of Cambodia's foreign policy priorities at the moment.

Next year, Cambodia will assume the chairmanship of the 13th Asia-Europe Meeting (ASEM)- it will be the largest international event to be hosted by the Kingdom. It is quite costly and a challenge for a small state to organize the summit especially concerning the logistics and infrastructure.

The main theme of the 13th ASEM will be announced next month at the 14th ASEM Foreign Ministers' Meeting in Madrid, Spain, on 15-16 December. ASEM foreign ministers will discuss ways and means to strengthen "effective multilateralism".

ASEM is an important platform to connect Asia with Europe. It will be an opportunity for Cambodia to further strengthen

multilateralism for the interests of both regions and the world at large.

In 2022, Cambodia will be a rotating chair of ASEAN. It will be the third time that Cambodia hosts ASEAN after becoming a full member of this inter-governmental organisation in 1999. Regarding ASEAN as a security shield and a catalyst for regional peace and prosperity, ASEAN is the cornerstone of Cambodia's foreign policy.

Promoting a rules-based international order within the framework of ASEAN is quite challenging though given there is no common standard definition on what constitutes a rules-based order. Arising questions are who creates the rules, what are the rules, and who enforces the rules.

Generally, from the ASEAN perspective, a rules-based order refers to the respect of the UN Charter, ASEAN Charter, Treaty of Amity of Cooperation, and other international legal instruments that all ASEAN member states are signatories.

The tricky, sticky point is that some countries try to strategically link the concept of rules-based order with the maritime disputes in the South China Sea with the aim to impose legal and diplomatic pressures on China. Such strategy presents more challenges to ASEAN in promoting a rules-based order.

It would be a smart foreign policy if Cambodia continue to invest more resources to advance an open, inclusive and effective multilateral system, and strengthen rules-based international order that serve the interests of all countries regardless of their size and power status.

Small states have agency. They can affect international system through multilateral norms creation and diffusion.

Deputy Prime Minister and Finance Minister Heng Swee Keat said in May this year that, "Asia will have to redouble its

efforts to strengthen the rules-based, multilateral trading system that has underpinned its growth.”

*This article was Khmer Times, 20 November 2019.*

# Morals Matter in Foreign Policy

To realists, in foreign policy and international relations, national survival and interest come first. Especially when survival is at stake, ends justify the means. Therefore, moral values are not relevant in foreign policy analysis.

The overreactions by some countries to the outbreak of Covid-19 are cases in point. Naturally, human beings are scared, anxious and panic about infectious disease epidemics. Some national governments have taken strict measures to protect their national security, the integrity of political life and socio-economic wellbeing of their citizens.

National boundaries, even social and political boundaries, have been drawn. Selfish national interests are prioritised. Strict measures are imposed within the boundary of a sovereign state. International solidarity and cooperation have been downgraded in times of heightening global uncertainty and risk.

The decisions by some countries to deny the entry of the MS *Westerdam* are rational from the standpoint of realist policy makers. The reactions are the testimonies to “national interest and security first” policy, based on the calculation of risks.

While closing the door might help prevent the people of one country from being infected, it does not mean that it can effectively, holistically address the problem. International fear and panic are more harmful than the Covid-19 itself. The epidemics are cross-boundary in nature. Therefore, it naturally requires cross-border collaboration.

Covid-19 has become a global public health issue, which requires more international cooperation and solidarity, not less. The head of the World Health Organization, Tedros Adhanom

Ghebreyesus, urged international community to work together for common cause.

He said, “this is a time for facts, not fear. This is a time for rationality, not rumours. This is a time for solidarity, not stigma.” He asked, “We have a choice. Can we come together to face a common and dangerous enemy? Or will we allow fear, suspicion and irrationality to distract and divide us?”

Cambodia, a small and poor country in Southeast Asia, surprisingly has changed the international discourse and approaches towards Covid-19. First, Prime Minister Hun Sen made a bold, brave decision to visit China early this month to show spiritual support and solidarity. Last week, the Cambodian authorities permitted the MS Westerdam cruise ship to dock at a port as a gesture of moral responsibility.

The MS Westerdam cruise ship was stranded at sea for more than 10 days because five countries denied its entry. The ship was finally permitted to dock at Sihanoukville port on Feb 13. Prime Minister Hun Sen welcomed the first batch of repatriating passengers with roses on Feb 14, a day of love.

Mr Hun Sen said to the crowd in front the ship: “This is high time we join hands to address the issue that we are facing. The virus does not harm just a single country; many countries have been affected. How could we talk about respecting human rights if the right to life is not respected?”

Some questions arise. Why does Cambodia do that? Is it a rational choice?

The answer is simple. The decision is made based on “moral impulse” and “moral responsibility”. Cambodia’s move was to save human lives, not for publicity nor national pride.

“Some people or countries might have asked whether Cambodia would allow docking if the passengers onboard were



infected. I would assure [them] that I would let them in as soon as we could. The reason is we would not let the infected die on the ship. This is our global responsibility, as a responsible member of the international community,” said Mr Hun Sen.

Cambodia’s latest behaviour proves that morals matter in foreign policy and international relations. Morals go beyond the boundary of the sovereign state. It is the responsibility of the international community to work together to address and resolve global issues and challenges such as Covid-19.

At home, the Cambodian government has taken a prudent approach towards Covid-19 through open information-sharing, public health education on preventive measures and strict control of the outbreak through taking thorough steps in tracking, testing, and treating.

Cambodia’s Ministry of Foreign Affairs and International Cooperation has introduced the slogan “Cambodia: Small Country, Big Heart” to showcase the importance of morals in Cambodia’s diplomacy and foreign policy.

“Small Country, Big Heart” will become one of the key pillars of Cambodia’s modern diplomacy and foreign policy, in addition to the existing slogan, “Reforming at home. Making friends abroad”.

International leaders, including the US President Donald Trump, have praised Cambodia for its sincere humanitarian effort.

Small and developing countries such as Cambodia are very vulnerable to external shocks and risks such as epidemics. National resources and the capacity in dealing with these epidemics is limited compared with other countries that are more developed. But it does not mean that Cambodia could not contribute to the betterment of the international community.

Within its capacity, Cambodia has actively participated in peacekeeping operations under the umbrella of the United Nations, promoted an open and inclusive multilateral system, enhanced rules-based international order and strengthened international cooperation and partnership in addressing global issues and challenges such as climate change, demining, food-water-energy security and gender equality.

For the morals and good intentions to be practical and realistic, Cambodia must have a means to achieve expected outcomes. Without sufficient resources and capacity, it cannot deliver results. International cooperation and support in capacity building is therefore vital to achieve the moral ends of Cambodia's foreign policy.

*This article was first published in Khmer Times on 19 February 2020.*

# The Asian century and Cambodia's diplomacy

Cambodia's foreign policy is adapting to a fast-changing geopolitical landscape in the world and the region. Speaking at the annual conference of the Ministry of Foreign Affairs and International Cooperation (MOFAIC) yesterday, Foreign Minister Prak Sokhonn stressed that the world is in high-speed transition to a multipolar world, resulting in complexity and unpredictability. The heightening geopolitical competition between major powers have significant impacts on global geopolitics, geo-economics, security and technology.

ASEAN will continue to be a success story of regional integration and connectivity as well as a theatre of geopolitical rivalry, he added. Cambodia needs to be strong, adaptive and resilient to survive and thrive in a fast-evolving new world order. Meritocracy has been recognised as the key human resource strategy to strengthen institutional and diplomatic capacity of the Kingdom.

The annual conference aims to seek policy inputs from senior diplomats and experts to help Cambodia navigate through turbulent and uncertain times ahead. It also seeks an exchange of ideas on how Cambodia could ride the tide of the Asian century.

The twenty-first century is the Asian century in which China, India, Japan, and ASEAN are the four main economic powerhouses that will enable regional economic dynamism through the promotion of regional economic integration and connectivity. ASEAN is predicted to become the world's fourth largest economy by 2030 after the United States, China, and the

European Union.

The Asian Development Bank predicts that by 2050 Asia will double its share of global domestic product to 52 percent. It is argued that “Asia would regain the dominant economic position it held 300 years ago, before the industrial revolution”. If this projection is true, then the Asian century is real and promising. To realise that vision, Asian countries need to overcome some structural challenges such as inequality, climate change, and poor governance.

The conclusion of the Regional Comprehensive Economic Partnership (RCEP) will boost regional supply chains and production networks. ASEAN plays a central role in shaping the evolving regional architecture. An ASEAN-driven regional order serves the best interests of the ASEAN member states as well as those of ASEAN dialogue partners, given that ASEAN is pursuing open and inclusive multilateralism. All global powers are dialogue partners of ASEAN, and the strength of ASEAN depends on how it can manage its relationships with all major powers and to earn its centrality role in shaping and moulding regional architecture.

Evolving grand strategic initiatives, such as the China-proposed Belt and Road Initiative (BRI) and the US-led Free and Open Indo-Pacific (FOIP), provide both opportunities and challenges for Asian countries. On the one hand, both initiatives will further strengthen regional integration and connectivity and build the foundations to sustain economic dynamism. On the other hand, these two initiatives are strategically competitive in nature. Both China and the US will invest more financial and strategic resources in concretizing their multilateral initiatives. The geopolitical and geo-economic implications of these two initiatives are beyond the region.

While the economic outlook of Asia is positive and

promising, the geopolitical risks and uncertainties are mounting due to heightening geopolitical competition between external powers. Southeast Asia is on the cusp of becoming a new centre of major power competition. The tug-of-war between China and the US in Southeast Asia will intensify. Small states in Southeast Asia are adjusting and adapting to geopolitical changes in order to maintain their balance.

To grasp the opportunities of a dynamic Asia and ride the tide of the Asian century, Cambodia needs to be competitive and agile. Economic pragmatism is the key characteristic of Cambodia's foreign policy. The key question is how to transform the external environment into a source of national development. As a small and open economy, Cambodia has benefitted from an open, inclusive, and rules-based international order. Therefore, Cambodia will continue to enhance international institutions and a rules-based international system.

A stable regional environment and mutually beneficial international cooperation is key to Cambodia's development success. Cambodia's development partners, including both bilateral and multilateral donor agencies, have substantially contributed to Cambodia's socio-economic development over the decades. Moreover, regional integration has helped Cambodia to accelerate its institutional and legal reforms in order to comply with international standards set by ASEAN. Cambodia is committed to building an ASEAN-centred regional architecture and connectivity.

Geo-strategically located in the middle of the Mekong Region, a new growth centre as well as an emerging strategic frontier of Asia, Cambodia has ambitions to become a bridging state in the region. To realise such a vision, Cambodia has taken proactive approaches such as establishing the Asian Cultural

Council (ACC) and has been actively participating in sub-regional cooperation mechanisms in the Mekong region.

Foreign policy is an extension of domestic policy. Domestic strength and national development success define Cambodia's international role and image. Peace and stability over the last two decades have enabled Cambodia to concentrate on human resource development and infrastructure development. Cambodia has a young, dynamic workforces that can sustain high economic performance for the coming decades. International cooperation and partnership on capacity building and innovation are essential for Cambodia's future.

Human capital and critical infrastructure development have been identified as the catalysts for Cambodia to maintain its growth momentum and to overcome the middle-income trap. The Industrial Policy 2015-2025 is a critical tool for moving the country's development ladder from labour-intensive industries to a skills-based economy. Building synergies between national development strategies and multilateral initiatives at the regional and sub-regional levels will enable Cambodia to materialise its development vision.

Other challenges are how Cambodia can stay neutral and independent within the context of increasing geo-strategic rivalry, maintain its vibrant economy in the era of the Fourth Industrial Revolution, and advance its national interests. Hedging strategy has been implemented but it needs to be further articulated in both narratives and concrete actions. Cambodia needs to accelerate reforms and build infrastructure to realise its development vision 2030 and 2050. Economic success at home will define Cambodia's role and leverage abroad. Therefore, foreign economic diplomacy is regarded as the key pillar of Cambodia's foreign policy.

*This article was first published in Khmer Times on 6 March 2019.*

# How should Cambodia Respond to Covid-19

Making a move with critical preparedness, readiness and response actions is the only way to deal with pandemic diseases.

Yesterday, the Ministry of Health of Cambodia announced that there were 21 new confirmed cases of Covid-19 in one day-making the total number of confirmed cases to 33. Most of the cases are imported cases. The latest cases are mostly linked to the religious gathering at mosque in Sri Petaling, Kuala Lumpur.

It needs to be cautious that although the community transmission has not yet been serious in the country, according to what we have learned, there is an increasing risk of having a spike of the number of infections in coming days or weeks. When the community transmission starts, it is more difficult to control and manage.

Since early this week, the Cambodian government has taken some concrete steps to contain and mitigate Covid-19 pandemic in the country such as forming an inter-ministerial committee to specifically deal with the disease and imposing travel restrictions and quarantine policy.

Other measures include closing the schools, suspending religious gatherings and the operations of KTV and cinemas, and boosting public awareness campaign on social distancing and maintaining personal and community hygiene.

The risk of not taking action is really high. A whole-of-government approach is required. The countries that move fast and take bold decisions tend to be more effective in containing and mitigating the pandemics.



Sreytouch Vong wrote in the Policy Brief of the Asian Vision Institute (AVI) that, “addressing the Covid-19 crisis requires cooperation at the global, regional, and country levels. At the country level, cross-sectoral collaborations-where relevant stakeholders’ roles and scope of their contributions to the prevention and control of the virus outbreak are clearly determined- are necessary”.

The World Health Organisation has done a commendable job in Cambodia in terms of information and knowledge sharing, provision of technical expertise and critical resources, and helping the public to understand the situation and take necessary preventive measures.

Massive testing is necessary. The Director General of WHO said, “you cannot fight a fire blindfolded. And we cannot stop this pandemic if we don’t know who is infected. We have a simple message for all countries: test, test, test. Test every suspected case,”

“This is the defining global health crisis of our time. The days, weeks and months ahead will be a test of our resolve, a test of our trust in science, and a test of solidarity. Crises like this tend to bring out the best and worst in humanity,” he added.

Covid-19 pandemic is testing the leadership and institutional capacity of the Cambodian government as well as the social capital and resilience of Cambodian people. The legitimacy of the government is at stake too.

A blame game is not a solution. Togetherness is the solution.

The only way to overcome this crisis is to work together. We need to prove the strength of humanity and the power of love. No one should be left behind in this fight against Covid-19. We need to take care of those who are infected or vulnerable to be

infected. We need to ensure the safety and a sense of security for all.

We need to support and motivate our medical staff who work around the clock to save people's lives. We need to protect ourselves and our community from being exposed to the virus. We should stay united and act calmly, such as avoiding buying panic.

*This article was first published in AKP on 18 March 2020.*

# Building a Sustainable, Inclusive and Resilient Cambodia

“Reforming at home and making friends abroad based on the spirit of independence” has become the mainstream foreign policy strategy of Cambodia. Foreign policy is an extension of domestic politics. In addition to the foreign policy objectives stated in the Constitution, another critical objective of foreign policy is to create opportunities for the local people to develop their community. To be able to maintain her independence and continue to prosper as a resilient and strong nation, Cambodia needs to have a strong society. This is in line with the vision of Prime Minister Hun Sen in promoting a people-centric development approach and it also helps Cambodia achieve the UN Sustainable Development Goals 2030 as it is central to eliminating poverty, augmenting shared prosperity and leaving no one behind.

The general strategic interventions to realise a sustainable, inclusive, and resilient Cambodia (SIRC) are: (a) strengthen social infrastructure, (b) promote a value-based and compassion-driven leadership, and (c) develop innovative solutions to the address inherent and emerging national and international issues. These interventions aim to enhance leadership and institutional capacity and promote ethical/moral imperative/values, which are critical to addressing social and environmental issues. In this regard, social innovation plays a central role.

Social innovation promotes novel solutions to address social needs and problems such as inequality, environment, water and sanitation, health, education, unemployment, urbanisation,

and ageing population. It aims to seek sustainable and innovative solutions through collaborations across the public, private, and social sectors. Social innovation contributes to building a stable, resilient, inclusive, and sustainable society by leveraging on the resources and capabilities of public, private, and social sectors. Cambodia needs to invest more in science, technology, and innovation in order to strengthen resilience, inclusion and sustainability in an integrated manner.

### *Inclusive Society*

Exclusion by ethnicity, gender, geography or other identity can be a source of grievance, a driver of conflict and an underlying structural obstacle to progress. Since exclusion can cause conflict and instability, inclusive development approach is even more crucial for building and sustaining peace and security. Inclusive approaches can take diverse forms, including efforts to increase participation among different communities and strengthen the representation of the marginalised groups. Inclusive approaches may similarly encompass initiatives that seek to diversify representation within the same sector at multilevel (international, national and local).

To build an inclusive society, we need to provide fair and equal opportunities for all, regardless their backgrounds (race, gender, physical ability, socio-economic status, generation, and geography) so that they can realise their full potential in life. The intervention measure is to create conditions and environment to motivate and enable full and active participation of every member of the society in social and economic development.

**Intervention policies might include organising frequent open dialogues among different stakeholders on certain specific issue of common concern and interest, promoting inter-faith dialogues, developing capacity building program**

**and cost-effective support system for the vulnerable groups (such as people with disabilities, women and children), ethnic minority groups, and discriminated groups (such as people with HIV/AIDS).**

### *Resilient Society*

The term ‘resilience’ in the UN General Assembly Resolution 71/276 describes “the ability of a system, community or society exposed to hazards to resist, absorb, accommodate, adapt to, transform and recover from the effects of a hazard in a timely and efficient manner, including through the preservation and restoration of its essential basic structures and functions through risk management.”

Resilient society is the capacity of the society potentially exposed to crises, disasters, or hazards to adapt, to anticipate risk, limit impact, and bounce back rapidly through survival, adaptability, and evolution strategies. The intervention measures include building disaster/risk-resilient communities and societies by developing a coping strategy in three phases namely disaster/risk prevention, response, and recovery. Enhancing social capacity to deal with hazards is vital in promoting a resilient society. The Covid-19 pandemic outbreak is a case in point reflecting on the level of resilience of Cambodian society. We need to promote risk-informed, evidence-based decision making.

**Intervention policies might include developing capacity building program and knowledge sharing platform on disaster risk prevention and mitigation to national and local community leaders. Developing a whole-of-government approach or even a whole-of-nation approach in responding to large-scale disaster such as Covid-19 pandemic. Public-private-people partnership (PPPP) is vital to formulating**

## **and implementing policy.**

### *Sustainable Society*

Sustainable society is a society that ensures the health and vitality of human life, culture, and nature, for present and future generations. It is a society in which each human being has the opportunity to develop within a well-balanced society and in harmony with its surroundings. The intervention measure is to protect the environment, conserve heritages, embrace cultural diversity, and improve human wellbeing.

**Intervention policies** should aim to provide novel solutions to protect the environment, enhance human environmental interactions, and conserve cultural and historical heritage. We need to promote science-based risk knowledge, technology and innovation and to strengthen the science-policy interface on sustainable development. Cambodia should start introducing and promoting policy dialogues on “stakeholder capitalism”-referring to a system in which corporations aim to serve the interests of their stakeholders including customers, suppliers, employees, local communities and shareholders.

*This article was first published in Khmer Times on 27 April 2020.*

# Cambodia Prioritises Economic Diplomacy

Since the turn of the century, ‘economic pragmatism’ — the alignment of foreign policy with economic development interests — has shaped Cambodia’s foreign engagement. The Cambodian government sees globalisation and regional integration as central to advancing its national economic interests. Cambodia has proactively participated in regional and sub-regional mechanisms, such as ASEAN-led multilaterals and Mekong-related minilaterals.

The government’s Rectangular Strategy Phase IV (2018–2023) recognises the global economic shift to East Asia as a ‘golden opportunity’ for Cambodia to develop and modernise its industries, production, and services. Integrating Cambodia’s production network with the region, developing infrastructure connectivity, and facilitating the cross-border flow of goods, services, capital, and data are crucial foreign policy instruments. ASEAN, China, Japan, and South Korea are Cambodia’s key economic partners.

While its external environment affects Cambodia’s economic performance, internal factors are just as important. Continuous economic reforms and human resource developments are the backbone of Cambodia’s remarkable economic performance over the past two decades, with a growth rate of about 7 per cent. Foreign policy has played a key role in protecting and advancing Cambodia’s national interests, including peace, economic security, and cultural identity.

One of Cambodia’s foreign policy objectives is to provide

equal economic opportunities to citizens by optimising national resources — both natural and human. Promoting economic diplomacy is a pathway towards this, but there will be stumbling blocks along the way.

Growing power asymmetry with China poses some risks and constraints for the country. China's influence — along with human rights and democracy issues — are challenging Cambodia's attempts to expand its economic ties with the West. The European Union has partially withdrawn 20 per cent of its quota-free and tariff-free trade treatment under the Everything but Arms scheme to Cambodia in response to perceived human rights violations and democratic backsliding. Under a Biden administration, US pressure on Cambodia on these issues might also increase.

In January 2021 the Ministry of Foreign Affairs and International Cooperation introduced 'economic diplomacy' to further promote trade, investment, tourism, and the development of Cambodian cultural identity. This is a critical step towards the institutionalisation, systematisation, and modernisation of its foreign economic policy. It is also the first-time economic diplomacy has been placed front and centre of Cambodia's foreign engagement strategy. Prime Minister Hun Sen has consistently advocated for open, inclusive, and rules-based multilateralism.

The economic diplomacy strategy of 2021–2023 will be instrumental in enhancing Cambodia's international integration, diversifying its economic partners, expanding its export markets, and attracting foreign investors and tourists. It will also help to transform the international environment into a source of national development and poverty reduction. The strategy aims to contribute to Cambodia's vision of becoming a higher-middle-income country by 2030 and a high-income country by



2050. Capacity-building for diplomats and government officials has been identified as a key area to implement robust economic diplomacy.

The conclusion of the Cambodia–China Free Trade Agreement in late 2020 and the Cambodia–South Korea Free Trade Agreement in early 2021 demonstrate Cambodia’s economic diversification strategy at play. Cambodia’s participation in the Regional Comprehensive Economic Partnership further connects it with the regional economy. The more integrated Cambodia is, the more opportunities it can seize.

But Cambodia also needs to build its national resilience to deal with external shocks and crises. The economic fallout from the COVID-19 pandemic had a monumental impact on people’s livelihoods. Cambodia’s economy contracted by 3.1 per cent last year — its worst economic performance in the past four decades.

The economic recovery plan for 2021–2023 has been launched to revive the economy. Agriculture and agro-processing, manufacturing industries and local tourism have been identified as growth-driving sectors. Digital economy sectors like e-commerce and fintech, as well as assembly, medical device and equipment industries are also emerging. It is estimated that the economy will rebound this year with a growth rate of around 4 per cent.

The national consensus is that economic security is national security. There is a growing perception that Cambodia cannot sustain its independence unless its economic foundation is strong.

To build a resilient economy and society, the government plans to develop a shock-responsive social protection system, boost spending on healthcare, upskill the workforce, promote quality investments and develop climate-resilient infrastructure.

It will also release a digital economy policy framework in 2021 to take advantage of opportunities stemming from the Fourth Industrial Revolution.

Cambodia needs to invest more resources in capacity-building for government officials, entrepreneurs, journalists and students. Leadership, inter-agency coordination, policy implementation and public-private partnerships will be critical to realising Cambodia's economic diplomacy vision.

*This article was first published in East Asia Forum on 20 March 2021.*

# How will Cambodia manage the ASEAN chairmanship and China relations?

Between ASEAN and China, which one does Cambodia choose? This is a common question posed to Cambodian policymakers and researchers.

The answer is Cambodia does not have to choose between ASEAN and China. Cambodia is pro-Cambodia. Cambodia's foreign policy doctrine is pragmatism, and the best choice is to shape or transform the external environment in whatever way possible to serve its core national interests.

ASEAN is regarded as the cornerstone of Cambodia's foreign policy and China is perceived as its key comprehensive strategic partner. Cambodia is trying to build a bridge of trust and opportunities between ASEAN and China by expanding the areas of cooperation that bind while resolving and reducing the issues that divide.

*Small states have agency.*

The main characteristics of Cambodia's foreign policy behaviour since the turn of the century have been independence and self-determination. Although it is a small and weak country, it does not mean that Cambodia does not have agency.

For instance, in 2017, Cambodia was the first country in Southeast Asia to openly support Japan-proposed Free and Open Indo-Pacific (FOIP) knowing that it would hurt China's feelings and geostrategic interests.

And lately, Cambodia made a surprise move by co-

sponsoring the UN Resolution on the situation in Ukraine with the awareness that it would hurt its relations with Russia. The decision was made based on the principle of international law and not on taking sides.

Cambodia has consistently been against the violation of sovereignty, territorial integrity and political independence of other UN member states. The international order based on international law is the best option to protect the interests of small states although in some instances it is against the selected interests and intentions of certain major powers.

Cambodia also advocates for an open, inclusive, and rules-based multilateralism.

*Navigating complex issues as ASEAN chair.*

Under the theme “ASEAN A.C.T.: Addressing Challenges Together”, Cambodia, who is the ASEAN chair this year, is striving to revive the spirit of togetherness of the grouping, strengthen the ASEAN-led multilateral system, and boost action-oriented regional cooperation, in the hope that ASEAN can stay relevant in shaping the regional and international order.

2022 looks to be a tough and turbulent year for ASEAN. The unfolding socioeconomic impacts caused by the Covid-19 pandemic and climate crisis remain unsettled. In addition, the ongoing political and humanitarian crisis in Myanmar and the escalating war and violence in Ukraine further complicate the situation.

The Cambodian government is afraid that ratifying UNCLOS will not serve Cambodia well in its negotiations with its neighbours on maritime boundary demarcation as its claims are based on the administrative lines drawn by the French protectorate.

The visit of Cambodian Prime Minister Hun Sen to Myanmar

early this year made the headlines. There were mixed views regarding tangible outcomes. Nevertheless, the visit was widely regarded as an “ice-breaking” mission to open the door for future dialogues and engagement.

Consultation and consensus-building have been the strengths of ASEAN. Internal consultation among the ASEAN members to develop a common understanding, position and approach on emerging regional issues has proven to be critical.

After rounds of bilateral and multilateral consultations with ASEAN members, Cambodia changed its earlier attempt to invite a political representative from Myanmar to attend the ASEAN meetings. It decided not to do so unless there was significant progress regarding implementing the ASEAN’s Five-Point Consensus.

The South China Sea agenda remains complex and controversial, and the negotiation on the Code of Conduct in the South China Sea (COC) has been painfully slow. Moreover, within ASEAN, the difference of views over the primacy of the 1982 UN Convention on the Law of the Sea (UNCLOS) remains deep. Cambodia, for instance, is not keen on giving primacy to UNCLOS as it has not ratified it.

The Cambodian government is afraid that ratifying UNCLOS will not serve Cambodia well in its negotiations with its neighbours on maritime boundary demarcation as its claims are based on the administrative lines drawn by the French protectorate.

The Cambodia chair wishes to see the conclusion of the COC this year, but according to the latest round of COC negotiation this month, the chance of that happening this year is very slim.

Cambodia supports ASEAN’s position on the call for peaceful settlement of disputes in accordance with the universally

recognised principles of international law, including the 1982 UNCLOS, but not “particularly 1982 UNCLOS”.

The Cambodia chair wishes to see the conclusion of the COC this year, but according to the latest round of COC negotiation this month, the chance of that happening this year is very slim. It will take a longer time than expected.

*Under China’s influence, but not without strategic autonomy.*

Cambodia faces an image problem regarding the South China Sea issue. It has been accused of taking sides with China, especially the failure of the ASEAN foreign ministers meeting in 2012 in issuing a joint communique due to the differences over the South China Sea.

The Cambodia chair then accused Vietnam and the Philippines of blocking the statement. With the leadership role of Indonesia, ASEAN managed to issue a separate six-point statement on the South China Sea.

By all accounts, China has a strong influence in Cambodia. The 2022 State of Southeast Asia survey report by the ISEAS-Yusof Ishak Institute confirms this. Remarkably, 84% of the Cambodian respondents said that China was the most influential economic power, and 75.3% viewed China as the most influential political-strategic power.

Such perceptions are partly shaped by China’s significant support to Cambodia in responding to the Covid-19 pandemic, which has ranged from providing facemasks to vaccines. China even agreed to build a factory to produce vaccines in Cambodia. Moreover, this year, Cambodia and China started enforcing their bilateral free trade agreement, allowing more market access to Cambodian products to the Chinese market.

However, although China has gained and secured remarkable influence in Cambodia, it does not mean that

Cambodia is a vassal state of China. On the contrary, Cambodia still has agency and strategic autonomy even though the space to manoeuvre is getting narrower due to sharpening geopolitical rivalries between major powers.

Japan and the EU are potential partners that Cambodia and ASEAN can hedge its bets with.

A hedging strategy is being delicately carried out by the Cambodian state actor. Strategic and economic diversification as well as promoting the institutional hedging capacity of ASEAN have been the two elements of the hedging strategy. China is obviously not the only strategic partner of Cambodia. Japan is another strategic partner that Cambodia can rely on, and the country is going to build more strategic partnerships with other like-minded partners.

The European Union (EU) for instance is regarded as a “natural partner” of Cambodia and ASEAN in navigating intensifying China-US rivalries. Japan and the EU are potential partners that Cambodia and ASEAN can hedge its bets with.

The Cambodian government regards ASEAN as a shield to protect its national interests and a pertinent platform to reach out to the region and the world. However, there is a growing concern among the Cambodian ruling elites that the geopolitical fault line between mainland and maritime Southeast Asia is getting clearer. The differences in approaching the Myanmar issue manifested that political divide.

Cambodia’s foreign policy posture has been carefully crafted based on its calculated national interests mainly defined in terms of economic interests. Foreign policy is a tool to realise the national agenda, or in other words, foreign policy is an extension of domestic politics.

*This article was first published in ThinkChina on 21 March 2022.*

# Cambodia Hedges

Cambodia's foreign policy is largely shaped by the worldview of Prime Minister Hun Sen, who has more than four decades of practical experience in diplomacy and foreign affairs. Understanding Cambodian foreign policy, including its decision to co-sponsor the UN resolution to condemn Russia's invasion of Ukraine, means grasping the pragmatism that informs Hun Sen's decision-making.

Hun Sen does not buy into the notion of a unipolar world, run by the United States, or a bipolar world order split between Beijing and Washington. He wants to revive the spirit of the non-aligned movement and improve South-South cooperation to form a goodwill coalition against foreign interference and protect the legitimate interests of the developing world.

At the Davos World Economic Forum in May 2022, Hun Sen said that Cambodia was uninterested in taking sides in the US-China rivalry despite mounting pressure from major powers. But he acknowledged that Cambodia faces challenges caused by volatile geopolitical rivalries. In response to these challenges, Hun Sen supports multilateral initiatives such as the Belt and Road Initiative and Japan's Free and Open Indo-Pacific — a strategy that promotes regional peace and prosperity without forming alliances against third countries, making it consistent with ASEAN centrality.

As an open and small economy, Cambodia must be connected with the region and the world for its own survival and economic progress. ASEAN acts as a springboard from which Cambodia can connect with the global economy. ASEAN cushions its members from the effects of foreign intervention, especially



from superpowers by emphasising the non-interference principle and consensus-based decision-making norms. As the 2022 ASEAN chair, Cambodia is striving to enhance ASEAN unity, centrality, and the spirit of cooperation to address emerging challenges facing the region.

Although Cambodia has strong economic and political ties with China, this does not mean it has put all its eggs in one basket. Amid increasing geopolitical and geoeconomic uncertainty, Cambodia increasingly hedges between the United States, China, and regional institutions. Cambodia was the first Southeast Asian country to register its support for the Japan-led 'Free and Open Indo-Pacific' — an initiative that Phnom Penh sees as complementary to ASEAN-led regional mechanisms.

During Lieutenant General Hun Manet's visit to Japan in February 2022, both sides agreed to strengthen defence and security cooperation under the Free and Open Indo-Pacific framework. During the Japanese Chief of Staff's visit in April 2022, specific areas of cooperation included peacekeeping operations, humanitarian assistance, and disaster relief as well as educational exchange. The Japanese Self Defence Forces and the Royal Cambodian Armed Forces agreed to work more closely together to address challenges in the region in order to realise the vision of a 'Free and Open Indo-Pacific'.

Economic diversification is also in full swing. A year after signing a Free Trade Agreement with China in October 2020, Cambodia reached another agreement with the Republic of Korea in October 2021. Cambodia is exploring opportunities to negotiate bilateral trade agreements with other key economic partners such as Japan, India and the Eurasian Economic Union. While China remains Cambodia's top investor and trading partner, the United States and the European Union remain the

country's two main export markets — especially for textile products. Cambodia is trying to maintain preferential market access to these two markets without giving up access to Chinese capital and goods markets.

Cambodia intriguingly co-sponsored the March 2022 United Nations resolution to condemn Russia's invasion of Ukraine, knowing that Russia would take measures to punish Cambodia in response. Cambodia's decision was underpinned by the respect for sovereignty and the territorial integrity of an independent state — both foundations of the rules-based international order.

Having been the victim of great power politics during the Indochina wars in which France and the United States were embroiled, Cambodia has bitter experiences in dealing with superpowers. This informs Hun Sen's determination to not cede to foreign interference in regional politics, particularly when it comes to being pushed into the arms of either China or the United States.

As a pragmatist, Hun Sen minimises risks by hedging economic relations with the United States, China and Southeast Asia, while maximising international cooperation by trying to implement 'reforming at home and making friends abroad based on independence'. The ongoing institutional reforms and capacity building of foreign service officers are gaining remarkable results. Diversification strategies have been implemented together with the promotion of open and inclusive multilateralism and a rules-based international order.

Although Cambodia possesses limited material resources and has extensive experience with foreign intervention, it is not entirely without agency. The fluidity of alliances, multiplicity of major powers (China, India, Russia, and the United States) and the increasingly vital roles of regional institutions such as

the European Union and ASEAN in the international system means that Cambodia has the strategic space to manoeuvre. It can continuously adjust its foreign policy posture to adapt to the fast-changing geopolitical landscape in which there are rising US–China tensions and adverse economic trends.

Maintaining independence and strategic autonomy is an uphill struggle for small states like Cambodia. But remaining non-aligned, despite its strong relations with China, is one way Cambodia can navigate a new era of economic complexity and geopolitical volatility.

*This article was first published in East Asia Forum on 13 September 2022.*

# Cambodia Embraces China's Controversial Confucius Institutes

Since the turn of the century, the promotion of Chinese language learning has flourished worldwide. China has ploughed much capital into establishing educational institutions and infrastructure to promote such language learning. Amid a multi-country backlash against China's Confucius Institutes (CIs), however, one country has embraced them – Cambodia.

In Cambodia, Chinese language learning has made significant headway, driven chiefly by the influx of Chinese tourists and investments. The country, considered to be one of China's closest Southeast Asian allies, now boasts of two CIs, 23 branches across the country and about 12,000 students. Cambodia's embrace of such institutes, which have drawn ire and controversy in the West, is worthy of note.

Started in 2004, Confucius Institutes – which are part of the Chinese government's global education programme – have been largely well-received as they play a pivotal role in promoting Chinese language training, cultural exchanges, and people-to-people ties. More than 500 CIs have been established worldwide to teach the Chinese language, promote Chinese culture, and increase collaboration with foreign academic institutions. The institutes are affiliated with China's Ministry of Education.

Due to the heightening geopolitical rivalry between China and the United States, however, Confucius Institutes have become one of the United States' targeted measures against China

in recent years. In August 2020, Washington designated the Confucius Institutes as Chinese foreign missions and part of the propaganda apparatus of the Communist Party of China. Several universities in the US have closed their Confucius Institutes amid concerns over domestic political pressure, alleged censorship, and the Chinese government's influence on education in America. Other CIs have been shut down in Belgium, Denmark and France. Sweden – the first European country to open such an institute – closed its last institute in January last year.

But China has not taken this sitting down. In July 2020, the Hanban (Office of Chinese Language Council International) changed its name to the Ministry of Education Centre for Language Education and Cooperation to reduce the political sensitivity surrounding Confucius Institutes, particularly in the United States, Europe, Australia and Canada.

While CIs have lost momentum in the West over concerns about foreign influence, censorship and academic freedom, they have enjoyed more traction in Southeast Asia. The region replaced the European Union as China's top trading partner in the first half of 2020. Southeast Asians see the Chinese language as a trade facilitator, and the region also boasts of a huge number of ethnic Chinese. According to Neo Peng Fu, director of Singapore's only Confucius Institute, there are 40 CIs in Southeast Asia – 16 in Thailand, eight in Indonesia, five each in Malaysia and the Philippine and two each in Cambodia and Laos. Singapore and Vietnam have one institute each.

China has ploughed much capital and investment into the kingdom, so much so that in some quarters, Cambodia is viewed as a vassal state of China.

Compared to many Western nations, which are concerned about CIs' practice of foreign influence, censorship and academic

freedom, Cambodia is more sanguine about China and the CIs. The reason is straightforward: China has ploughed much capital and investment into the kingdom, so much so that in some quarters, Cambodia is viewed as a vassal state of China. China is currently Cambodia's top trading partner and investor. China's economic and cultural presence in Cambodia has intensified since 2010 when a bilateral comprehensive strategic partnership was signed.

Cambodia's first Confucius Institute, which was established in 2009 under a partnership between the Royal Academy of Cambodia, Jiujiang University and the Confucius Institute Headquarters (Hanban), is generally perceived as a cultural bridge connecting the two peoples. Remarkably, the institute's inauguration ceremony was presided over by the then Chinese Vice-President Xi Jinping and the late Cambodian Deputy Prime Minister Sok An. At the event, Mr Xi said the institute's founding was "a milestone in the history of the Chinese-Cambodian human exchange", and it would "build a new bridge further to improve understanding and friendship between Chinese and Cambodian peoples".

In 2019, another Confucius Institute was established at the University of Battambang in cooperation with Guilin University. As of December 2020, the institute has sent 260 Cambodian students to pursue their higher education at various universities in China under Chinese government scholarships. This excludes the annual government scholarships provided by China to around 200 Cambodian students.

The Confucius Institutes have also built partnerships with various government ministries and agencies to provide Chinese language training programmes. These include the Ministry of Interior (National Police Commission), Ministry of National

Defence, Ministry of Justice, Ministry of Culture and Fine Arts, Ministry of Tourism, and the Ministry of National Assembly-Senate Relations and Inspections.

*This article was first published in Fulcrum on 4 March 2021.*

# Cambodia's Battle Against the Covid-19 Pandemic: Not a Matter of Luck

After a year of battling the Covid-19 pandemic, Cambodia is in relatively good shape. The Kingdom reported its first Covid-19 case on 27 January 2020 – a Chinese tourist from Wuhan. The first local case was confirmed on 7 March 2020.

Fast forward a year to 26 January 2021, Cambodia's Covid-19 totals constituted of 460 infected cases and no deaths. Of these numbers, only 48 patients are still being treated at the hospital. The low infection rate reflects the state capacity of Cambodia. Fighting the pandemic is not a matter of luck but effective leadership and governance.

Due to limited resources, Cambodia has had to rely on strategically targeted measures, including strict quarantine, strategic testing and tracing, and an aggressive public awareness campaign. These measures were introduced relatively early. Since March last year, the government has taken stringent measures on mobility containment, travel restrictions, crowd management, and temporary closures of facilities such as schools, museums and entertainment venues.

The country's leadership has also played a defining role in the country's crisis response and management. When the first community transmission occurred in November 2020, Prime Minister Hun Sen said that fighting the war against Covid-19 is more complex than a border war. He added that there is no clear timeframe for concluding the war against the pandemic. He said



that the success of the “war” depended on decisive leadership, institutional preparedness, and the people’s participation.

To ensure the highest level of efficiency, a national committee to combat Covid-19 was formed in March 2020 as a joint central command to launch, lead, and implement the Covid-19 response measures. The State of Emergency Law was speedily drafted in March and promulgated in April as a legal measure to pave the way for the government to control the crisis situation. Since the situation is currently under control, there has been no need for the law to be enacted yet.

The emergency law was perceived by some human rights and political activists as a threat to the freedom of expression and other fundamental freedoms. And the government was alleged to have used the war against the pandemic to crack down on the members of the opposition. The criticisms notwithstanding, the facts on the ground show that the government has done well in curbing the pandemic outbreak by curtailing large-scale community transmission.

Cambodia remains in the middle of the war against the pandemic. The risk of community transmission is high particularly among the Cambodian migrant workers returning from Thailand. Socio-economic recovery remains tenuous.

A whole-of-government approach was promoted in combatting the pandemic on three fronts, namely preventing the recurrence of imported cases into the country, preventing community transmission, and providing treatment to the infected. Moreover, inter-agency coordination and central-local government communication and coordination have been encouraged and enhanced.

Quick investments into the healthcare system mattered. With the support from the World Health Organisation and

other development partners, the Ministry of Health updated its pandemic response strategy in March. A phone-based early warning system called EW1294 was activated to promote information sharing as a means to curb the spread of Covid-19. In the early phase of the pandemic outbreak, Cambodia was able to procure critical emergency response supplies. These included 60 ambulances, 370 patient monitors, 110 ventilators, 37 mobile X-ray machines, three polymerase chain reaction machines for testing.

The country's testing capacity has increased from 500-600 samples per day in early 2020 to more than 3000 samples per day as of December 2020. There is a plan to expand and decentralise laboratory testing capacity for Covid-19 to three provincial laboratories in Siem Reap, Sihanoukville and Battambang.

The local authorities have also played a critical role in preventing the pandemic outbreak by enforcing quarantine measures, and recently setting up quarantine facilities at the provinces bordering with Thailand after a surge of infections in Thailand in December 2020. From 23 December to 25 January, more than 26,900 samples were collected and tested at the border checkpoints, and 82 individuals were tested positive for Covid-19. Cambodian migrant workers in Thailand are the most vulnerable group.

Crowdfunding efforts have been remarkable. In April 2020, the government raised more than US\$23 million within a month to purchase medical supplies in the fight against the pandemic. The money came from local donors, mainly public servants, tycoons, and private citizens. Currently, the government has raised more than US\$57 million from local donors to purchase Covid-19 vaccines.

As of January 2021, Cambodia could potentially secure

11 million doses of vaccines – 7 million doses to be procured under the COVAX mechanism, 3 million doses to be provided by Australia and 1 million doses to be donated by China’s Sinopharm (the latter’s vaccines are expected to arrive in February). The government plans to secure 20 million doses of various vaccines.

China is the first donor of vaccines to Cambodia. Since March 2020, China has provided critical material and technical support to the Kingdom. Along with this, China’s image and influence has increased.

Cambodia remains in the middle of the war against the pandemic. The risk of community transmission is high particularly among the Cambodian migrant workers returning from Thailand. Socio-economic recovery remains tenuous. The government has planned to inject additional US\$700 million to support people’s livelihoods. Last year, the government rolled out a stimulus package of more than US\$600 million.

Despite its relative success, Cambodia remains vulnerable to the pandemic outbreak. The country has a relatively weak healthcare system and limited access to resources. In the months to come the government will need to accelerate governance reforms to make the public institutions more effective and transparent. It will also need to invest more in healthcare, education and social protection. The fight against the pandemic will be a long one.

*This article was first published in Fulcrum on 2 February 2021.*

# In Search of Crisis Leadership

Uncertainties and disruptions are the current norms. Human beings are adaptive, especially in times of crisis. What matters most now is “crisis leadership”, a leadership that can swiftly and timely develop strategic foresight with practical actions.

Crisis management needs strong leaders with strategic thinking and plans.

We are looking for leaders who are prepared and ready to respond to the crisis, and regard crisis response as a test of stewardship and leadership.

Effective crisis leaders tend to bypass routine policy-making procedures and bureaucratic red tape in order to accelerate decision making process.

Critical policy decisions emerge from a multi-actor coordination process, in which consultation and negotiation are the orders of the day.

The following questions should be constantly reflected by a crisis leader.

## *1. Do you recognise the acuteness and risks of the crisis?*

Some political leaders are complacent and overconfident that the pandemic will not hit their societies hard while some leaders are confident that the pandemic is under control.

They should think twice. What we have learned so far is that a slow response to crisis makes the pandemic outbreak become much worse.

Even the first-class governance systems in Europe and North America are unable to effectively contain the virus outbreak due to their delay in taking actions. The number of infections and

deaths in these two continents is on the rise.

The pandemic will hit the developing countries much harder if the leaders of these countries are not prepared and do not take all the necessary measures to pre-empt the worse-case scenario. The health systems in the developing world is much weaker than that of the developed.

*2. Do you carefully articulate and deliberate the decisions that you make?*

In times of crisis, the leaders must make a timely, bold and strict decision- normally it is not a popular decision. Some countries have introduced austerity measures to control the outbreak-what the scientist call to flatten the curve.

According to some research, on average, one infected person could infect 3 others within one day. If there are no effective interventions, how many people will be affected within ten days or one month? Hence, early policy and human intervention is crucial. Better to pay for short-term costs, especially economic and social costs, rather than bearing the collapse of the health systems and the whole economy.

*3. Do you effectively coordinate policy response and mobilise necessary resources in the fight against the pandemic?*

Some scholars have suggested a “whole-of-government” approach in addressing the crisis, which refers to the creation of shared goal and integrated government response across the public service agencies.

Some others have proposed a “whole-of-nation” approach as the state agencies alone are not capable of addressing the crisis of such scale and magnitude. This approach requires active participation from other segments of society such as the private sector, academic and research institutions, civil society groups, the media, and local community.

*4. Are you accountable for and transparent in presenting your policy and actions before and during the crisis?*

Accurate and updated information on the situation, policy responses, and measures taken need to be conducted in a transparent manner. Fake news and disinformation will only aggravate the crisis.

Policy communication is critical in maintaining public trust and confidence in the government, especially the healthcare system. Particularly in Cambodia, the public trust in the local healthcare system is quite low. Therefore, it is hard for policy makers to ensure the citizens that they are in good hands.

*5. Have you learned from the crisis to enhance the resilience of the society as well as the effectiveness of the government?*

The crisis presents an opportunity for reforms. The leaders need to reflect and reform the institutions and develop a network response in dealing with future crisis.

The leaders must constantly analyse risks and vulnerability, based on which scenario planning and decision making are made. Both defensive and offensive measures need to be taken to deal with the Covid-19 pandemic. Never take things for granted. Never be complacent. To win the war against the virus, try to stay ahead of it.

*This article was first published in AKP on 23 March 2020.*

# How Should Cambodia Respond to Covid-19

Making a move with critical preparedness, readiness and response actions is the only way to deal with pandemic diseases.

Yesterday, the Ministry of Health of Cambodia announced that there were 21 new confirmed cases of Covid-19 in one day-making the total number of confirmed cases to 33. Most of the cases are imported cases. The latest cases are mostly linked to the religious gathering at mosque in Sri Petaling, Kuala Lumpur.

It needs to be cautious that although the community transmission has not yet been serious in the country, according to what we have learned, there is an increasing risk of having a spike of the number of infections in coming days or weeks. When the community transmission starts, it is more difficult to control and manage.

Since early this week, the Cambodian government has taken some concrete steps to contain and mitigate Covid-19 pandemic in the country such as forming an inter-ministerial committee to specifically deal with the disease and imposing travel restrictions and quarantine policy.

Other measures include closing the schools, suspending religious gatherings and the operations of KTV and cinemas, and boosting public awareness campaign on social distancing and maintaining personal and community hygiene.

The risk of not taking action is really high. A whole-of-government approach is required. The countries that move fast and take bold decisions tend to be more effective in containing and mitigating the pandemics.

Sreytouch Vong wrote in the Policy Brief of the Asian Vision Institute (AVI) that, “addressing the Covid-19 crisis requires cooperation at the global, regional and country levels. At the country level, cross-sectoral collaborations-where relevant stakeholders’ roles and scope of their contributions to the prevention and control of the virus outbreak are clearly determined- are necessary”.

The World Health Organisation has done a commendable job in Cambodia in terms of information and knowledge sharing, provision of technical expertise and critical resources, and helping the public to understand the situation and take necessary preventive measures.

Massive testing is necessary. The Director General of WHO said, “you cannot fight a fire blindfolded. And we cannot stop this pandemic if we don’t know who is infected. We have a simple message for all countries: test, test, test. Test every suspected case,”

“This is the defining global health crisis of our time. The days, weeks and months ahead will be a test of our resolve, a test of our trust in science, and a test of solidarity. Crises like this tend to bring out the best and worst in humanity,” he added.

Covid-19 pandemic is testing the leadership and institutional capacity of the Cambodian government as well as the social capital and resilience of Cambodian people. The legitimacy of the government is at stake too.

A blame game is not a solution. Togetherness is the solution.

The only way to overcome this crisis is to work together. We need to prove the strength of humanity and the power of love. No one should be left behind in this fight against Covid-19. We need to take care of those who are infected or vulnerable to be



infected. We need to ensure the safety and a sense of security for all.

We need to support and motivate our medical staff who work around the clock to save people's lives. We need to protect ourselves and our community from being exposed to the virus. We should stay united and act calmly, such as avoiding buying panic.

*This article was first published in AKP on 29 March 2021.*

# Hun Sen's Visit to Myanmar: A Cambodian View

There were mixed reactions before Prime Minister Hun Sen's high-profile visit to Myanmar over the weekend. Some observers criticised the visit, arguing that it would legitimise the military regime. On the other hand, others felt the visit would enhance ASEAN's effective engagement with Myanmar, particularly to enforce the ASEAN's five-point consensus on Myanmar adopted in April last year.

The view in Cambodia is inclined more to the latter. The intention of the visit is clear: to create a conducive environment for dialogue and to pave the way for the implementation of the five-point consensus.

It is beyond dispute that there has been a lack of progress in implementing the five-point consensus. Primarily, violence in the country has not ceased; neither did the SAC allow the Special Envoy to meet all parties, including Aung San Suu Kyi (the junta has said that these parties are still facing ongoing legal processes). As a result, ASEAN decided that Myanmar should not be permitted to send political representation to the 2021 ASEAN Summits and related meetings last year. The SAC decided to boycott the ASEAN meetings altogether (by not sending a non-political representative). Myanmar also did not send a political representative to the special ASEAN-China Summit to mark the 30th anniversary of the ASEAN-China dialogue partnership, even though it is currently the country coordinator for ASEAN-China relations.

Within ASEAN, there are differences regarding the

representation issue. Indonesia, Malaysia, the Philippines, and Singapore have strong views on this issue, while other ASEAN members are relatively flexible. Therefore, the future of the representation of Myanmar at ASEAN Summits depends on the sincerity of SAC and progress in implementing the five-point consensus.

As the rotating Chair of ASEAN this year, the Cambodian government is of the view that the absence of Myanmar ministerial representation at the Summits would not portend well for the grouping. Since there is no mechanism to withdraw Myanmar's ASEAN credentials, the issue of representation at the ministerial level depends on the decision of the other nine ASEAN members.

Seen in this context, the outcome of Hun Sen's visit to Myanmar is regarded as an ice-breaking moment and a positive step, if not yet a breakthrough, towards effective implementation of the five-point consensus (it should be noted, however, that the SAC has linked the implementation of the consensus to the junta's five-point roadmap; in essence, this prioritises the junta's goals ahead of ASEAN's). In a joint press release, the SAC pledged to extend the ceasefire with all Ethnic Armed Organizations (EAOs) until the end of 2022 and called upon all parties to end all acts of violence (it is worth noting that the SAC failed to mention entities such as the People's Defence Forces and the National Unity Government (NUG)).

Drawing on the experiences from Cambodia's prolonged civil war, war cannot end war; only win-win negotiation can end the war. Hun Sen has encouraged Myanmar to de-escalate tensions and build momentum for constructive dialogues among relevant stakeholders. He also shared Cambodia's experiences in the peace process by stressing the importance of having an inclusive political dialogue. He said peace and national reconciliation could

not be realised unless all parties were involved in the negotiation and agreement. This is a point that other ASEAN members would have no issues agreeing with.

Another highlight of the visit is the commitment to facilitate humanitarian assistance to Myanmar people by convening a multi-stakeholder meeting among the ASEAN Special Envoy, the Secretary-General of ASEAN, the representative of the ASEAN Humanitarian Assistance and Disaster Management Centre (AHA Centre), the Myanmar Red Cross Society, and agencies of the United Nations.

Myanmar also promised to facilitate the visit of the Special Envoy and allow him to meet all parties concerned. The parties concerned here are open for interpretation. The NUG — a key stakeholder in the peace process — must be included. Actions matter more than words. ASEAN must stay cautious to prevent the SAC from manipulating ASEAN's diplomatic space to serve its political goals.

Hun Sen holds a strong view that isolation is not the solution. Flexible engagement with a clear purpose — sticking to the five-point consensus and the ASEAN Charter would deliver a breakthrough.

Based on the outcomes of the visit, Cambodia could convince other ASEAN members to allow the SAC's political representative to attend the upcoming ASEAN Foreign Ministers' Retreat to be held in Siem Reap on 18-19 January. This will enable ASEAN to hold the SAC accountable to the five-point consensus. There is no reason to believe that Myanmar's political representative would be barred from the meeting; specifically, U Wunna Maung Lwin, the military-appointed Foreign Minister is expected to attend. Moreover, ASEAN went through 2021 with SAC-appointed ministerial representation from Myanmar at all its sectoral body

meetings. Some ASEAN members, however, have kept raising the question as to Myanmar's political representation at ASEAN meetings.

Hun Sen holds a strong view that isolation is not the solution. Flexible engagement with a clear purpose — sticking to the five-point consensus and the ASEAN Charter would deliver a breakthrough. Yet, it is still early to tell what Hun Sen could do in terms of enforcing the five-point consensus.

What ASEAN can do is to create a conducive environment for inclusive political dialogue among the parties concerned. Ending the violence is the most critical step. Meaningful negotiations cannot occur if the hostilities and violence do not stop. The ASEAN Special Envoy will need to ensure that the SAC honours its words, meet all parties concerned (including the NUG and other entities) to ensure that all parties end acts of violence. The envoy would also have to facilitate political dialogues among all interested entities.

Other elements in the peace process will include the guarantee of security and safety for all parties concerned and the provision of humanitarian assistance. In the end, Cambodia and ASEAN need to ensure that all Myanmar parties concerned play a role to re-establish and maintain an enduring peace. The peace process must be Myanmar-led and Myanmar-owned, as Cambodia's Foreign Minister Prak Sokhonn has stated on various occasions.

*This article was first published in Fulcrum on 10 January 2022.*

# Bonds of Amity

Since establishing diplomatic relations on July 19, 1958, Cambodia and China have witnessed a steady growth in their bilateral cooperation across various domains. From political dialogue and economic collaboration to cultural exchanges and people-to-people interactions, the relationship between the two countries has thrived, strengthening bonds of friendship and mutual trust.

Over the years, Cambodia-China relations have deepened and flourished, leading to mutual benefits and contributing to regional stability and prosperity. The Belt and Road Initiative, in particular, has emerged as a transformative framework for connectivity and cooperation, offering both countries unprecedented opportunities for sustainable development and cooperation in an interconnected and interdependent world.

Sixty-five years of diplomatic ties between Cambodia and China have laid a strong foundation for a multifaceted partnership. Historically, both countries share cultural and economic linkages that span centuries. However, it was in 1958 that formal diplomatic relations were established, and since then, the relationship has grown from strength to strength. China has been a steadfast partner and ironclad friend in Cambodia's economic development, offering significant aid, investments, and technical assistance. Likewise, Cambodia has consistently upheld the one-China policy and has been a partner of China in regional and international forums.

The friendship between Cambodia and China is not only built on shared economic interests but also on a sense of mutual respect and trust. China's support for Cambodia's infrastructure

development, education and healthcare sectors has had a positive impact on the lives of Cambodians, fostering goodwill between the two nations.

Cultural exchanges and people-to-people ties have served as a strong foundation for the friendship between Cambodia and China. Educational and cultural exchange programs, scholarships, and twinning arrangements have nurtured mutual understanding and friendship between the two nations. These interactions have not only enriched academic and cultural landscapes but have also fostered lasting personal connections, promoting goodwill and cooperation at the grassroots level.

Economic cooperation between Cambodia and China has been instrumental in propelling both nations toward shared prosperity. China is Cambodia's largest trading partner. Last year, the bilateral trade volume reached \$14.5 billion. The bilateral free trade agreement has been the catalyst of increased trade volume, in which China favours for 97.53 percent of Cambodia's exports. China is also Cambodia's top investor. Last year, foreign direct investment to Cambodia from China accounted for 90.5 percent of total FDI to the kingdom.

Early this year, Cambodia and China reached a consensus on the China-Cambodia "Diamond Hexagon" cooperation framework focusing on six areas of cooperation including politics, production capacity, agriculture, energy, security, and people-to-people and cultural exchanges.

Both sides are also working on another five-year action plan of cooperation to realise a community with a shared future. Notably, Cambodia is one of the first Southeast Asian countries that signed bilateral agreement on the action plan to implement the community with a shared future.

The Belt and Road Initiative, launched by China in 2013,

represents a visionary approach to connectivity and cooperation across continents. Spanning Asia, Europe, and Africa, the Belt and Road Initiative aims to promote infrastructure development, trade, investment, and cultural exchanges among participating countries. Cambodia's enthusiastic endorsement of the initiative has been instrumental in deepening bilateral cooperation and fostering regional integration.

The crucial step to propel Cambodia out of its development challenges is to enhance the alignment between Cambodia's development strategies and those of China. This alignment is pivotal for the effective utilization of resources and focusing on mutually beneficial priority areas. As a comprehensive strategic partner, Cambodia has benefited from policy coherence, enabling the concentration of resources in areas of common interest. In 2016, during President Xi Jinping's visit, both nations committed to expedite the coordination between the Belt and Road Initiative, China's 13th Five-Year Plan (2016-20), Cambodia's Rectangular Strategy and its Industrial Development Policy 2015-25.

Through the Belt and Road Initiative, Cambodia has witnessed significant improvements in transportation infrastructure, including roads, bridges and ports. These developments have enhanced trade connectivity, reduced logistical costs and boosted economic growth. Moreover, the initiative has facilitated people-to-people exchanges, fostering cultural understanding and building bridges of friendship between nations.

With its strategic location, Cambodia has become an important partner in the Belt and Road Initiative, acting as a gateway for regional economic integration. Projects such as the Phnom Penh-Sihanoukville Expressway, Phnom Penh-Bavet Expressway, the new Phnom Penh International Airport, the



new Siem Reap International Airport, and Sihanoukville Special Economic Zone have improved transportation networks and facilitated trade flows, promoting regional connectivity and bolstering Cambodia's economic competitiveness.

As Cambodia and China commemorate these milestones, it is essential to emphasize the shared visions and opportunities that lie ahead. The Belt and Road Initiative presents Cambodia with unprecedented prospects to further modernize its infrastructure, promote sustainable development, and tap into the immense potential of regional economic cooperation.

Moreover, the strategic location of Cambodia along key Belt and Road routes positions the country as a vital link between China and Southeast Asia. This provides Cambodia with a unique opportunity to leverage its position and develop into a regional hub for trade, investment and innovation.

Both countries must work together to ensure that the benefits of the Belt and Road reach all segments of society, including vulnerable communities, to foster inclusive development. Efforts should be made to align the Belt and Road projects with Cambodia's development priorities and enhance local capacity building for sustainable growth.

As both nations move forward, it is vital to build upon this foundation and explore new avenues of collaboration, ensuring that the Belt and Road Initiative serves as a catalyst for sustainable development, cultural exchanges and people-to-people bonds. By embracing the principles of mutual respect, equal benefits and inclusivity, Cambodia and China can continue to navigate the complexities of an ever-changing global landscape.

The digital economy and innovation sectors hold immense potential for cooperation between Cambodia and China. Knowledge exchange, technology transfer and partnerships in

areas such as e-commerce, fintech and digital governance can foster economic growth, job creation and digital inclusivity. Such collaboration will drive both nations toward a digital future, unleashing new opportunities and empowering their societies.

Continued emphasis on people-to-people exchanges, cultural collaborations and educational programs will deepen mutual understanding, friendship and trust between the two countries. Encouraging more student exchanges, academic partnerships, and cultural events will nurture the next generation of leaders, fostering long-term ties and a community with a shared future.

*This article was first published in China Daily on 19 July 2023.*

## Part II: The Asia-Pacific

# ASEAN's Strategic Challenges

August 8 is the 50th anniversary of the establishment of ASEAN. Clearly, ASEAN deserves to have a huge celebration.

The people of ASEAN should be proud of the achievements of the regional group. But we should not be complacent, and we should stand ready to face all the emerging challenges and risks.

In August 1967, amid heightened tensions in the Cold War and the spread of communism in the region, five Southeast Asian countries – Indonesia, Malaysia, the Philippines, Singapore and Thailand – came together to forge their collective will and efforts to counter communism.

The Bangkok Declaration was issued with the desire to “establish a firm foundation for common action to promote regional cooperation in Southeast Asia in the spirit of equality and partnership and thereby contribute towards peace, progress and prosperity in the region”.

The declaration states: “The association represents the collective will of the nations of Southeast Asia to bind themselves together in friendship and cooperation and, through joint efforts and sacrifices, secure for their peoples and for posterity the blessings of peace, freedom and prosperity.”

In the past five decades, ASEAN has been instrumental in maintaining peace and stability through promoting regional dialogue, trust building and socialisation of norms, particularly the “ASEAN way”, which refers to consultation and consensus and the non-interference principle.

ASEAN has earned the title of a “convening power” as it has been recognised as an honest regional broker and facilitator, providing a platform for trust building and conflict prevention.

But ASEAN needs to take a step further by projecting itself to be a “normative power”, which refers to rules-based and value-driven international cooperation.

ASEAN has faced unprecedented strategic and security challenges since the end of the Cold War. Unless collective will and capacity are enhanced, ASEAN will not be able to navigate through the uncertain and volatile world ahead.

Rising major power rivalry between China and the US is posing serious security threats to the Asia Pacific region. Peace or conflict depends very much on how China and the US mutually adjust to and accommodate each other’s core national interests and co-facilitate regional cooperation in addressing common security threats.

North Korea’s nuclear and missile programmes are threatening regional peace and stability. ASEAN foreign ministers have “strongly urged” North Korea to “immediately comply fully with its obligations under all relevant UN Security Council Resolutions”.

ASEAN’s centrality in shaping the evolving regional security and economic architecture is critical to regional peace and development. But that centrality role needs to be earned.

Centrality cannot be realised without unity and neutrality, shared interests and responsibility, collective wisdom and effort.

If ASEAN is divided by some major powers, it will lose its regional role and relevance. The break-up of ASEAN would be a tragedy for the whole region. So it is necessary for ASEAN to build a common security identity based on international law and multilateralism.

Every state, regardless of its size and power, shares a responsibility in maintaining peace and stability. International

law and rules-based international relations need to be strictly observed.

ASEAN should act as a role model in advancing a rules-based regional order.

Upholding and enforcing a rules-based order would help ASEAN better manage major power relations and transform ASEAN to become a normative power based on international laws/rules.

ASEAN needs to effectively implement and enforce the ASEAN Charter and strengthen rules-based ASEAN community building.

To adapt to intensifying power competition between China and the US, ASEAN member states and ASEAN as a regional institution must implement a robust collective and comprehensive hedging strategy by combining security and strategic measures with economic, socio-cultural and diplomatic measures.

A collective and comprehensive hedging strategy will contribute to the realisation of a stable balance of power or dynamic equilibrium.

ASEAN needs to build a common vision and strengthen regional unity on certain sensitive security issues, particularly the South China Sea issue and the Mekong water resource security issue.

These two issues should be integrated into one basket to forge a common ASEAN position on a rules-based approach towards both maritime and water security issues.

The adoption of the framework agreement on the Code of Conduct (COC) in the South China Sea signifies a critical step towards realising the COC, which is expected to be legally binding. The COC will not only serve as a tool for regional trust building, but also set a concrete foundation for long-term peace

and stability in the region.

Inspired by the COC in the South China Sea, the Mekong riparian countries – Cambodia, China, Laos, Myanmar, Thailand and Vietnam – should also explore developing a legally-binding code of conduct for the Mekong River management.

The construction of a series of hydropower dams along the mainstream of the river is threatening food security and biodiversity in the Mekong basin.

ASEAN must develop simultaneously confidence building measures and preventive diplomacy, while strengthening the conflict resolution mechanism. Given the complexity of the regional security environment, ASEAN should promote multi-stakeholder dialogue on conflict management and conflict resolution.

Promoting common understanding on the root causes of security threats and exploring common acceptable solutions to the threats will help create a common security identity.

ASEAN should further align its security agenda with those of the United Nations, such as building an ASEAN-UN alliance on climate change, on implementing the UN sustainable development goals.

Moreover, ASEAN should aim to establish an ASEAN Peacekeeping Force working under the UN framework to maintain international peace and stability. These will boost ASEAN's global role and image.

*This article was first published in Khmer Times on 8 August 2017.*

# Promoting an Inclusive ASEAN

As ASEAN is working towards the realisation of its 2025 vision, it must holistically address the development disparity and capacity gap between and within the member states.

Realising an inclusive and people-centered ASEAN requires a mutually supporting ecosystem with ASEAN.

Development gaps refer to an unequal level of socio-economic development between countries or regions within a country. Development is not only measured by GDP per capita, but also by the provision of basic needs such as healthcare and education.

Institutional capacity and leadership of the less developed economies of ASEAN are not at the same pace as the other members. Some countries have not effectively implemented a national single window or integrated a regional agenda with a regional development strategy.

Cambodia, Lao PDR, Myanmar and Vietnam (CLMV) are the less developed economies in the region. Institutional capacity, human resources and physical infrastructure are some of the constraints and challenges in their regional projects.

Moreover, the private sector, particularly small and medium-sized enterprises (SMEs) in these countries, face difficulties in joining the regional production network due to the lack of market information, sources of financing, production capacity and non-tariff trade barriers such as standard-related measures.

The poverty rate in CLMV countries is relatively high. According to the Asian Development Bank, the poverty rate in Cambodia is 14 percent, Lao PDR 23.2 per cent, Myanmar 25.6 per cent and Vietnam 7 per cent.



According to the World Bank, the adult literacy rate in Cambodia is 73.9 per cent, Lao PDR is 94.1 per cent, Myanmar is 95 per cent and Vietnam 93.4 per cent. Life expectancy at birth (in years) in Cambodia is 68, Lao PDR 66, Myanmar 66 and Vietnam 76.

Cambodia, Lao PDR, and Myanmar have low levels of healthcare provision, while Vietnam has only a basic healthcare provision.

The level of internet penetration in ASEAN has increased from 81 million in 2009 to 339 million by January 2017. This means that 53 percent of the ASEAN population has access to the internet.

However, the number of internet users in Cambodia is only 45 percent (7.16 million users), Lao PDR 26 percent (1.8 million users) and Myanmar 26 percent (14 million users).

In terms of governance gap, the corruption perception in CLMV countries is relatively high. According to Transparency International's index in 2016, out of 176 countries, Cambodia was ranked 156, Lao PDR 123, Myanmar 136, and Vietnam 113.

Development disparities in Southeast Asia threaten long-term peace and stability and sustainable development in the region. Inequality at the national level and within ASEAN is a potential root cause of future politico-social ills and conflicts.

Development and security are intertwined. To realise a secure, prosperous, and caring community, ASEAN needs to implement an inclusive regionalism in which an "integrated and comprehensive approach towards regional integration" is required.

The Initiative for ASEAN Integration (IAI) was launched in 2000 with the objectives of narrowing the development gap and accelerating the economic integration of the newer members of

ASEAN. The first phase of the IAI Work Plan was implemented from 2002 to 2008, whilst the IAI Work Plan phase II was from 2009-2015.

The IAI Work Plan phase III is from 2016 to 2022. Three mechanisms were created to coordinate and implement the IAI Work Plan: IAI Development Cooperation Forum, IAI Task Force and ASEAN Secretariat- IAI division.

The criteria for projects in the IAI Work Plan include identifying the precise needs of CLMV in terms of external assistance, the importance of a project's role in national development plans, its effectiveness in building CLMV capacity for participation in ASEAN programmes, long-term continuity and sustainability and absorptive capacity of CLMV countries.

The challenges in implementing IAI are the lack of coordination among key stakeholders in needs assessment and project implementation. Institutional capacity, transparency and accountability are the main structural obstacles that need to be overcome.

ASEAN needs to have strong political will and a robust strategy to allocate more resources to narrow development disparity and implement more effectively the IAI.

It is suggested that regional institutional building and the promotion of social protection, particularly the establishment of mechanisms to take care of the most vulnerable, are crucial to narrowing the gaps.

ASEAN and its development partners must target where the gap lies, through identifying development gaps and suggesting policy recommendations. Multi-stakeholder partnerships are critical to harnessing resources to reduce the gaps.

Institutional capacity, resource limitations and governance and accountability need to be holistically addressed. Development needs to be comprehensively understood.

CLMV countries must reform their fiscal policy by allocating more of their budgets to education and skill development, health-related issues, food security and social protection.

They need to deepen the speed and breadth of policy reforms with a focus on inclusive land reform, a free and fair-trade policy, foreign investment and labour migration policy.

With regards to institutional capacity building, ASEAN and its dialogue partners should provide more financial and technical support for the capacity building of public servants and innovation of the public sector.

More support is needed to assist SMEs in CLM (Cambodia, Lao PDR and Myanmar) countries to be part of the regional production network. The main challenges facing SMEs are access to credit, market information, business networking opportunities and language barriers.

The export capacity of CLM countries is relatively low. Non-tariff barriers such as standard requirements are the main constraint for these countries to export their products, especially agricultural products, and processed food, to the region.

ASEAN and dialogue partners need to assist these countries to enhance the quality and standard of their products.

To bridge the digital divide, ASEAN and its dialogue partners must intensify capacity building projects on digital economies for the CLM countries.

As Singapore is planning to focus on the digital economy next year when it chairs ASEAN, more action plans need to be geared towards an inclusive and resilient digital ASEAN, which refers to the capacity and readiness of the ASEAN community in adapting to and grasping the opportunities in a digital age.

*This article was first published in Khmer Times on 24 July 2017.*

# New Economy, Civic Engagement Vital for People-Centred ASEAN

Countries and societies in Southeast Asia are searching for development models that are more inclusive, sustainable, and resilient given the fact that the existing development model is not sustainable, evidenced by the widening socio-economic inequality, environmental degradation, and the prevalence of social injustice in some societies in the region.

One of the root causes of poor development is the implementation of “shareholder capitalism”, in which independent private corporations can pool capital from many shareholders with limited liability and priority is given to the shareholders rather than to the stakeholders and the whole of society.

Therefore, it is imperative that the current economic system and development model require a paradigm shift. There is a need to structurally reform capitalism from purely “capital and profit” driven to “society and people” driven. Across the region, some qualifiers to economic growth have been introduced and integrated into various concepts of development, such as “inclusive growth”, “sustainable development” and “people-centred development”.

A better alternative to the current development model is “stakeholder capitalism”, which refers to a system in which corporations aim to serve the interests of their stakeholders including customers, suppliers, employees, local communities

and shareholders. It is important for public policy makers and leaders of the private sector to introduce and implement stakeholder capitalism together with the revision of the purposes of their organisations towards being people centric.

The Davos Manifesto 2020 suggests key values and purposes for companies, including respect for human dignity and human rights; the alignment of value with customers and suppliers; the contribution to the well-being of local communities; the realisation of environmental, social, and good governance objectives; the improvement of the state of the world.

As for civic engagement, it refers to the process through which members of a society engage with individual and collective actions aimed at influencing public processes. It is the cornerstone of stakeholder capitalism and a means towards building more inclusive, sustainable, and resilient societies. Civic engagement is a critical tool to realise a people-centric development model because it makes both the public and private sectors more accountable to society and the environment.

Civic engagement in shaping the agenda on climate change is a case in point, illustrating the impact of individual and collective efforts of the citizens on the agenda. A 16-year-old Swedish climate change activist Greta Thunberg has empowered and inspired young people across the globe to fight against climate crisis. Particularly, the green movement in Europe has gained significant political space and power in shaping climate policy direction.

In Southeast Asia, however, civic engagement has been constrained by some political systems as well as the general lack of knowledge of the importance of civic engagement. Some youth organisations in the region have been politicised or become part of the youth wing of a political party. Therefore, more policy

dialogues and engagements are required at both the national and regional levels to promote the roles of civic engagement in realising a people-oriented and people-centred ASEAN community.

It is argued here that civic engagement is vital to realising a “just society” and a “sustainable society”. The former refers to a society that respects human dignity, human rights, and social justice. The latter refers to a society that cares about the environment, ecosystems, and future generations. ASEAN leaders should make greater efforts and invest more resources in strengthening and empowering civic engagement to realise their common vision and commitment to building an inclusive, sustainable, and resilient ASEAN.

Some of the ASEAN’s regional projects should include the mapping of regional issues, the identifying of key stakeholders and the developing of strategies to mobilise resources. There is also a need to promote a value-driven leadership and partnership building across the sectoral bodies of ASEAN. Trust building, cross-sector partnership and multi-stakeholder dialogues are constant processes that must be continuously enriched. To build trust, we need common moral aspirations and ethics and common interests and identity.

It is important for ASEAN to promote stakeholder capitalism and enhance civic engagement in order to realise a truly people-centred regional community. Some of the policy interventions should put people first in the policy formulation and implementation in both the public and private sectors. They should identify local issues and needs (especially through applying anthropological research approaches), develop innovative solutions, connect local knowledge and promote local ownership.

Leaders of civil society in Southeast Asia, especially organisations working with the grassroots, need to spread stories and further share best practices on civic engagement. Connecting stakeholders, connecting knowledge, and connecting action are vital to generating a greater impact. Leaders of civil society must be more creative, innovative, and engaged with public processes and space in order to make a difference.

The 100 Model Villages Project which is being studied and developed by the Asian Vision Institute (AVI) can showcase successful village development models based largely on local knowledge, initiatives, and ownership. The Project's findings suggest that key intervention strategies consider the following: listening to local people, analysing local needs and issues from a holistic approach, developing capacity building programmes for local stakeholders, building public-private-people partnerships (PPPP) and sharing knowledge between and among local communities.

*This article was first published in Khmer Times on 5 February 2020.*

# How to strengthen ASEAN-EU Partnership

The European Union (EU) became the dialogue partner of ASEAN in 1977, making the EU one of the oldest partners of ASEAN.

The EU has played an important role in assisting the ASEAN member states, especially the less developed economies, to build their institutional capacity to further integrate into the regional economy.

Pursuing open economic regionalism, ASEAN and the EU are the world's two most successful and dynamic regional organisations.

Political integration within ASEAN, however, is far less integrated compared to that in the EU due to the fact that ASEAN member countries still give priority to their sovereignty and adhere to the principle of non-interference.

In terms of identity building, the EU is trying to balance between two foreign policy objectives, namely building a normative power based on the principles of human rights and democracy and promoting a trading power based on commercial interests. The signing of the trade and investment agreement with Vietnam in 2019 illustrates that the EU gives more priority to commercial interests than values and norms.

However, it is paradoxical when it comes to the EU's relations with Cambodia in which the EU puts human rights and democratic values first. This is a clear double standard being practiced by the EU.

Both ASEAN and the EU are grappling with the myriad



challenges deriving from global power shift, rising protectionism and unilateralism, and the decline of multilateral system and global governance. To surmount these challenges, ASEAN and the EU are compelled to work closer together to strengthen open societies and a rules-based multilateral system.

The EU wishes to upgrade its partnership with ASEAN to a strategic partnership. However, the proposal remains on hold. The EU and ASEAN need to build shared understanding and intentionality on multilateralism, overcome political and strategic trust deficit, take concrete measures to increase their presence in each other's region, and promote engagement across sectors. Here are some specific cooperation areas to be considered.

First, both partners need to forge common understanding and position on rules-based international order and multilateralism. Even among the ASEAN member countries they don't have common standard on what constitute a rules-based international order. Therefore, ASEAN and the EU should further promote multi-track dialogues and consultation on the concept of rules-based international order and rules-based connectivity so that common understanding and position can be forged.

Second, ASEAN and the EU should expand their cooperation on connectivity projects to also include security connectivity, which refers to connecting security issues, connecting multiple stakeholders, and connecting knowledge to address common non-traditional security threats such as climate change and pandemic diseases. As both continents are scrabbling with the outbreak of Covid-19, information and knowledge sharing is critical at the moment.

Third, the EU needs to be mindful of trust deficit and policy gaps. The EU's positions on the Rohingya issue in Myanmar, palm oil issue with Indonesia and Malaysia (with the concern

over environmental protection), Sharia law in Brunei, anti-drug campaign in the Philippines, and the partial withdrawal of preferential trading treatment under Everything-but-Arms (EBA) scheme from Cambodia adversely affect the quality of the ASEAN-EU partnership.

Many ASEAN members are sensitive to foreign interference into their domestic affairs, as the memories of colonialism and imperialism remain alive in their strategic culture, nationalist narrative, and regime legitimization. The EU should avoid touching on this political nerve.

It is therefore necessary for ASEAN and the EU to be more sensitive to certain issues that might derail or hurt the strategic and political trust between the two regional blocs. The health of the bilateral relationship between the EU with each ASEAN member state has strong correlation with the quality of the overall ASEAN-EU partnership. Bilateralism and multilateralism are intertwined in the case.

Prime Minister Hun Sen said in February 2020 that the EU has difficult relationship with some ASEAN member states such as the Philippines, Indonesia and Malaysia, Myanmar, and Cambodia, and this affects the progress of advancing ASEAN-EU relations. Notably, in January 2019, Malaysia, and Indonesia deferred ASEAN's decision in elevating its relations with the EU towards strategic partnership because of the EU's discrimination against palm oil.

ASEAN and the EU must further exchange their global perspective so that they could build common position on global issues and challenges, and to possibly harmonise their worldviews especially with regard to how to strengthen effective, coherent and cohesive multilateralism and multilateral coordination.

The 13th ASEM Summit to be held in Cambodia in

November 2020 will be an opportunity for Asian and European leaders to reflect, fathom and envision together to resolve some of the global pressing issues such as climate change, epidemic disease, socio-economic inequality, fragmented societies, violent extremism, and the declining multilateralism.

The task ahead for the members of ASEAN and the EU is to build a united position against protectionism and unilateralism and to promote effective and proactive multilateralism. Moreover, they need to work closer together to ensure fair share of growth, promote social justice and inclusion across the regions.

*This article was first published in Khmer Times on 13 March 2020.*

# Interview on the International Relations Discipline

*Where do you see the most exciting research/debates happening in your field?*

As the global power shift is happening and the geopolitical rivalry between the US and China is intensifying, the realist school and great power politics have gained more traction and relevance in explaining international relations. The key questions in the field relate to the future of multilateralism and US-China relations. Asian theories of International Relations are another interesting development in the field given the growing influence of China and other Asian countries on a new world order. As yet, there are no coherent and structured Asian theories.

*How has the way you understand the world changed over time, and what (or who) prompted the most significant shifts in your thinking?*

The Covid-19 pandemic has significantly shaped the way we live, think, and behave. The pandemic has also accentuated pre-existing geopolitical rivalries and inequalities including gender inequality. International relations need to be restructured, moving towards strengthening global governance in response to emerging global issues and challenges. I am deeply concerned about the decline of multilateralism and the forceful return of “might is right” strategic thinking. Therefore, as international relations scholars, we are compelled to construct narratives and develop sound arguments that can affect positive changes such as building a rules-based international order and promoting open and inclusive globalization. Some of the key questions are how to

restore, revive and nurture a rules-based multilateral system. I believe that small state like Cambodia can contribute to shaping a new world order that can protect the independence, sovereignty, and interests of small states. To realise that small states have no other choices but work in unison, forming a collective agency that can impact positive changes in the international system.

*How has the Mekong sub-region contributed to Asia regional development in recent years?*

The Mekong region is a new growth centre as well as strategic frontier of Asia. Various initiatives and mechanisms have been created by key economic partners, including Mekong-Japan cooperation, Mekong-Korea Cooperation, Mekong-Lancang Cooperation (with China), Mekong-US Partnership, and Mekong-Ganga Cooperation (with India). These initiatives have contributed to the development and connectivity of the region. The Covid-19 pandemic outbreak has severely affected the economy of the region in 2020. Thailand is the worst hit country with an estimated contraction of 7.8 percent, followed by Cambodia with a contraction of 1.8 percent. Vietnam is the most resilient economy with a growth rate of 3.1 percent in 2020, followed by Myanmar with 1.1 percent and Lao PDR 0.5 percent.

What are the implications of the increasing presence of China in the Mekong subregion, as well as China's intensifying rivalry with the US?

The increasing presence of China in the region contributes to regional economic dynamism and development, regional production networks and supply chains. However, there are certain concerns and issues relating to the quality of Chinese investment and development projects. It is strongly recommended that Chinese companies should adopt ESG (Environmental, Social and Governance) standards in order to promote the image

and positive impact of Chinese presence. The US-China rivalry has caused a security dilemma for the Mekong countries as they are not interested in taking sides, or worse being forced to take sides. Economic security and interests are the key national interests and foreign policy objectives of the Mekong countries. Therefore, China's political influence and strategic space have been expanded in the region more significantly than that of the US.

*How has minilateralism emerged in Southeast Asia and what are the associated risks and opportunities?*

Minilateralism refers to a flexible, functional cooperation arrangement on specific issues among countries or localities in a geographically defined area or region. It has gained more traction recently due to its functionality and flexibility. But minilateralism is a double-edged sword, it could either complement or undermine multilateralism. Economic minilateralism is regarded as positive force towards regional integration and connectivity. Security minilateralism, which is mainly influenced or led by major power(s) such as the Quadrilateral security arrangement among Australia, India, Japan, and the United States, could potentially undermine the ASEAN-driven regional security architecture.

*What impact is the development of China's Maritime Silk Road Initiative having on Cambodia's political and economic development?*

Deep political trust, strategic convergence, and common economic interests are the foundations of the bilateral relationship and the key factors that have formed Cambodia's positive perceptions, particularly among governing elites, towards China's foreign policy initiatives. Cambodia has fully embraced China's proposed Belt and Road Initiative (BRI), which is believed to assist Cambodia to develop its infrastructure and

strengthen its economic competitiveness. In this connection, economic rationale best explains Cambodia's perception and approach towards China.

Since infrastructure development is the core of growth and the main reason for Cambodia's engagement in the BRI, the Cambodian government must integrate the principles of sustainability in infrastructure decision-making: Infrastructure must be planned from the very beginning through integrated environmental and social planning approaches, which allows sustainability requirements to be included to the largest extent possible. Chinese companies can also be a real catalyst for sustainable growth in Cambodia if they, together with the local government, put more effort into embracing international best practices and significantly improve the transparency and accountability of their investment and development projects.

You are the director of a think-tank in Cambodia and well-connected with academia. What advantages does this link provide? What is the biggest obstacle to creating an effective synergy between academia and policy?

Trust is the most important capital especially in building synergy between the think tank community and policy makers. To build and nurture trust requires constant frank dialogue and consultation. Personal relationships matter the most. As a think tanker, we need to understand the needs of the policy makers, think ahead of them in terms of identifying issues and proposing solutions, developing multiple futures and scenarios, and develop a trust-based partnership.

*What is the most important advice you could give to young scholars of international relations?*

Firstly, we should invest more time in interactions with those who have different worldviews and analytical frameworks

so that we can broaden our knowledge horizon. No single theory or conceptual framework can explain international relations. We need to always open our heart and mind to new or opposing ideas and perspectives. The fact of the matter is that a diversity of views is critical for creative and smart thinking.

Secondly, perception is a reality. Therefore, we need to interact with policy makers to understand their perception, which we can use as a base to construct an analytical framework and structured argument. Exploring and constructing alternative theories or non-Western theories of International Relations would help us see and analyse the world in a more holistic and integrated manner.

*Interview with E-International Relations on 24 November 2020.*



# The Mekong Region in the Wake of COVID-19: Challenges and Prospects

The Mekong countries of Cambodia, Lao PDR, Myanmar, Thailand, and Vietnam have been experiencing the impacts of the Covid-19 pandemic at varying degrees. As of 12 December, the five had accumulated 113,219 cases with total deaths amounting to 2,340. Lao PDR had the lowest rate of infection with 41 cases and zero mortality. Myanmar had the highest rate of infection with 107,215 cases and 2,245 deaths.

With the exception of Thailand, all the Mekong countries are vulnerable to health risks and hazards due to their relatively weak healthcare infrastructure. So far, the Mekong region has managed the pandemic outbreak better than maritime Southeast Asia. Crisis leadership, multi-stakeholder partnership, and international cooperation have been the defining factors in effectively managing this major public health crisis.

The measures adopted by the Mekong countries have included restricting people's movements and large-scale gatherings, contact tracing and testing, as well as aggressive public awareness campaigns. These measures have been carefully tightened or loosened depending on the public health risk assessment and in order to mitigate their economic impact.

## *Economic Aspects*

The economy of the Mekong region is estimated to contract at varying levels depending on the country's openness and resilience of its economic structure. According to the Asian

Development Bank (ADB), Thailand has been worst hit with a contraction of 8.3 percent followed by Cambodia at 4 percent, and Lao PDR at 2.5 percent. Myanmar and Vietnam are projected to sustain positive growth this year at 1.8 percent.

The region is predicted to experience a remarkable economic rebound in 2021 with 5.9 percent for Cambodia, 4.5 percent for Lao PDR, 6 percent for Myanmar, 4.9 percent for Thailand, and 6.3 percent for Vietnam. The post-Covid-19 economic recovery for these countries is premised on the speed and effectiveness of their national economic adjustment as well as on level of regional integration.

The five governments have introduced a series of economic stimulus packages including financial assistance to the poor and other vulnerable groups, unemployment benefits, tax incentives, financial support to affected industries, reskilling and upskilling, and digital transformation support.

The pandemic has accelerated the speed of digitalization across the region. Both the public and private sectors have adapted to and adopted digital technology to overcome the challenges and disruptions caused by the pandemic. Thailand and Vietnam have significantly invested in digital infrastructures and capacity while Cambodia, Lao PDR, and Myanmar have begun to embark on related policy development. Cambodia is finalizing its digital economy policy framework and digital government policy. In November, an e-commerce strategy was introduced and a capacity building program on e-commerce started in early December.

#### *Political Implications*

The state's capacity to curb the pandemic and restore the economy critically defines the legitimacy of governments, regardless of political ideology or system. Overall, the handling

of the pandemic has contributed to the reaffirmation of regime legitimacy across capitals in the Mekong region. Crisis leadership including crisis management and communication has played a key role in performance legitimacy. In authoritarian regimes where civil and political rights are under constant pressure, the preservation of social, economic, and public health security is fundamental to sustain public trust in the government.

The pandemic has accentuated pre-existing socio-economic inequalities. Since inequality is often the root cause of political instability, the key challenge for governments in the region has been to bring about an inclusive recovery. In Cambodia, the government could only afford to provide unemployment benefits to workers in shuttered or suspended factories and to those in the travel and tourism sectors. The most vulnerable groups are those working in the informal economic sector without access to social safety nets or financial support. Women are also disproportionately affected.

The state alone cannot respond to the worst economic recession in decades. Recovery requires the participation of the private sector and civil society. This opens political space for non-state actors to get involved. In turn, a multi-stakeholder and whole-of-society approach have emerged as norms of political governance, contributing to regime legitimacy and political stability.

### *Geopolitical Implications*

The Mekong region has become a new growth centre as well as a strategic frontier of the Asia-Pacific region. Geopolitical rivalry has been on the rise especially between China and the United States in the contested Mekong region. The pandemic has exacerbated this power competition with China leading the United States in offering leadership and support.

China has taken advantage of this opportunity by launching its so-called “mask diplomacy” and “vaccine diplomacy” to ratchet up influence or soft power in the region. China sent its first medical team to Cambodia in March, after it managed to control the pandemic at home. Subsequently, there were several rounds of medical experts sent to the region together with medical supplies such as masks and personal protective equipment (PPE).

The Mekong countries have become more reliant on China for public health security as well as economic recovery. Speaking at the third Lancang-Mekong Cooperation Summit in August 2020, Chinese Premier Li Keqiang said that China would give Mekong countries priority access to Covid-19 vaccines, create special funds to promote public health cooperation and continue to provide anti-pandemic materials and technical support.

To counter China, the United States upgraded its Lower Mekong Initiative to the Mekong-US Partnership in September 2020 with a pledge to provide USD1.2 billion for health programs. Japan also stepped up its support to the Mekong countries in combatting the pandemic. At the 12th Mekong-Japan Summit in November 2020, Japan committed USD125 million worth of grant assistance in the form of medical supplies and equipment, as well as technical cooperation.

To navigate geopolitical rivalry, Mekong countries are strengthening their home-grown Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS). At the 9th ACMECS Summit in November 2020, the leaders agreed to establish a Secretariat and common fund for ACMECS in order to strengthen regional ownership and to better coordinate and facilitate regional cooperation projects. Thailand and Cambodia have committed USD200 million and USD7 million, respectively,

to the common fund.

The US-China competition in the Mekong will continue to intensify, particularly in soft power projection including economic power. To earn the region's trust, the two powers must demonstrate leadership by empowering and enabling the Mekong peoples to realize their own potential, and by supporting the Mekong countries in recovering quickly, inclusively, and sustainably from the pandemic-induced economic fallout. Both China and the United States need to understand that actions matter more than words.

*This article was first published by the Asia Society Policy Institute on 21 December 2020.*

# Constant and Continuous: Vietnam's Foreign Policy After The 13th Party Congress

The recent 13th Party Congress of the Communist Party of Vietnam signified continuity in leadership and policy. The Politburo, showing trust and confidence in 76-year-old Secretary-General and State President Nguyen Phu Trong, selected him for a third five-year term. This comes despite party rules mandating a limit of two terms and retirement age of 65.

The new Politburo is expected to provide predictable and stable government and continue reforms, particularly the war on corruption. In the face of Covid-19 and geopolitical tensions, strong and decisive political leadership was deemed necessary.

The same applies for Vietnamese foreign policy. At the opening session of the 13th Party Congress, Nguyen Phu Trong emphasised lessons learnt in foreign affairs: Vietnam strives to “properly and effectively handle relationships with major powers and neighbouring countries,” and invest more in research and assessment capacities on global and regional trends to better enable the country to seize opportunities.

Over the next five years, Vietnam's foreign policy will continue to pursue omni-directional engagement, international integration, and diversification of partners. According to the Political Report to the 13th Congress, there are four foreign affairs priorities: (1) improve the efficiency of foreign relations; (2) proactively and actively promote foreign affairs; (3) promote multilateral diplomacy; and (4) fulfil international responsibilities.

The Political Report identifies three foreign policy pillars: party diplomacy, state diplomacy, and people diplomacy. It holds that consultation and coordination among the party, state, and the public play a crucial role in formulating foreign policy and advancing national interests defined in terms of peace and stability, economic development, and international prestige.

For professional development, the Political Report highlights the importance of strategic research and forecasting, and that advice on foreign affairs should be proactive to avoid situations where the country is thrown into a state of passivity and shock. The 2019 Vanguard Bank incident when China Coast Guard vessels harassed an oil rig in Vietnam's exclusive economic zone affirmed this need. Continuous training and capacity building for diplomats are essential to adapt to changing external and domestic conditions.

Drawing out from the 13th Party Congress, Vietnam will continue to preserve its strategic autonomy through a 'hedging strategy' seeking to build stable partnerships with all major powers, especially the United States and China. Cooperation and struggle, the tension inherent in hedging, will remain the primary tactic of Vietnam's foreign policy. There is no pure form of cooperation. Cooperation always is accompanied by the struggle to protect national interests and independence.

Drawing out from the 13th Party Congress, Vietnam will continue to preserve its strategic autonomy through a "hedging strategy" seeking to build stable partnerships with all major powers, especially the United States and China.

In Vietnam's hedging strategy, deepening international integration, including participating in the China-led Belt and Road Initiative and US-led Free and Open Indo-Pacific (FOIP), and promoting ASEAN unity and centrality will gain new momentum

in tandem with efforts to diversify Vietnam's strategic partners and sources of growth.

Domestically, internal unity and political consensus within the Party and the State are strong concerning this balancing act between China and the United States. However, public opinion is somewhat polarised when it comes to Vietnam's relations with China. Anti-China nationalism has risen over the past few years. The majority of Vietnamese prefer to build closer ties with the United States, while being suspicious of China. The recent State of Southeast Asia: 2021 Survey Report that polled elite opinion in Vietnam corroborated these views.

Vietnam's complicated relationships with the two competing major powers- China and the United States- present daunting challenges for the country's leadership. Remarkably, Vietnam was the third Southeast Asian country called by the new US Secretary of State Antony Blinken, after the two US treaty allies, the Philippines and Thailand. During Blinken's 4 February call with Vietnam's Deputy Prime Minister and Minister of Foreign Affairs Pham Binh Minh, the two reaffirmed "the strength of the U.S.-Vietnam Comprehensive Partnership and discussed our shared commitment to peace and prosperity in a free and open Indo-Pacific region and protecting and preserving the rules-based South China Sea."

The United States is Vietnam's most important strategic partner. It is expected that the United States will continue to enhance its strategic partnership with Vietnam and not allow differences over democracy and human rights to overshadow this partnership. Vietnam will continue to give special attention to relations with the US to enhance its economic interests and strengthen its strategic deterrence against China in the South China Sea.



Regarding the US's FOIP strategy, Vietnam will take advantage of opportunities to cooperate with the US and its allies and partners to improve its economic development and infrastructure. Vietnam will strengthen its maritime enforcement capacity and promote a rules-based regional order while enhancing ASEAN's central role in the regional multilateral cooperation frameworks.

The Vietnam-China relationship will remain complicated and sometimes troubled. The sovereignty dispute in the South China Sea will persist and Vietnam will continue to promote the primacy of UNCLOS to challenge China's claims. Promoting 'the rules-based South China Sea' will remain a top foreign policy priority.

At the same time, Vietnam is trying to implement a "separation of politics from economics" game plan with China to limit the impact of the differences over the South China Sea on bilateral economic ties. China is the second largest global economic power and export market for Vietnam that provides huge opportunities for Vietnam.

As Vietnam's external environment becomes more fluid and contested, the political leadership and foreign policy remain constant.

*This article was co-authored with Nguyen Huu Tuc, published in Fulcrum on 1 March 2021.*

# Fighting Covid-19: China's Soft Power Opportunities in Mainland Southeast Asia

The Covid-19 pandemic is the defining crisis of the century. It acutely affects human lives and livelihoods, exacerbates inequalities, pushing millions more into poverty, and accentuates geopolitical competition. In addition, the politicisation of the pandemic in the form of a blame game ramped up, especially in the first half of 2020. China was criticised, mainly in the US and Europe, for lack of transparency in handling the pandemic. In the Southeast Asian region, China received positive reactions for the decisive, swift and effective response to the pandemic. Southeast Asian countries were among the first to offer political, diplomatic, and humanitarian aid to China. Remarkably, Cambodia Prime Minister Hun Sen visited Beijing on 5 February 2020 to show spiritual and diplomatic support to the Chinese government and people in the fight against the pandemic.

To restore its international image, rigorous public diplomacy and concrete actions on the ground have been implemented by China. After stabilising the situation at home, Beijing started providing Covid-19 assistance to other countries and regions. This article assesses the implications of its Covid-19 assistance on China's soft power projection in Mainland Southeast Asia. It argues that the pandemic created a strategic opportunity for China to exert soft power in Mainland Southeast Asia through health diplomacy. In general, China's soft power received a needed leg-up in the region.

### *Covid-19 and China's Soft Power*

According to a survey carried out by Pew Research Centre in October 2020, unfavourable views of China's handling of the Covid-19 pandemic was increasing. Across the 14 countries surveyed (Australia, Canada, Japan, South Korea, the United States, and other European countries), a median of 61% expressed dissatisfaction with China's way of dealing with the outbreak. Information operations, especially by the US, were carried out to challenge the legitimacy of the Communist Party of China. To counteract this offensive, China launched a communication initiative, mainly in the realm of public health diplomacy.

Southeast Asia has become the most fertile ground for China in crafting narratives to support its image building and its handling of the pandemic. China has a strong basis for its soft power projection in Southeast Asia, given that these countries are attracted to China's material resources. Economic resources, cultural assets and technological innovations are the main sources of China's soft power. Southeast Asian countries have high economic stakes in their relationship with China, which explains why they have stood firmly with China in combating the pandemic. Southeast Asian leaders protested the politicisation of the pandemic and called for international cooperation and solidarity in which the World Health Organisation (WHO) plays a key role. At the special foreign ministers' meeting on 14 February 2020, ASEAN expressed "full confidence in China's abilities to succeed in overcoming the epidemic". According to the survey on ASEAN perception carried out by ISEAS – Yusof Ishak Institute, China is seen as having provided the most assistance to the region during the pandemic.

China designed a humanitarian plan to gain a geopolitical advantage and has managed to transform the Covid-19 pandemic

into a strategic opportunity to assert its leadership role and expand its geopolitical influence. Health diplomacy has become an important tool to project China's image as a responsible and benign global power. This could, of course, only be implemented after China had successfully curbed the outbreak at home. Obviously, China's global influence through soft power projection will be more dynamic in the post-Covid-19 era, but more resources and efforts are needed to better communicate and tell China's story. China's overall image in Southeast Asia, according to the survey by ISEAS – Yusof Ishak Institute, declined slightly in 2020. It means that although China did well in public health diplomacy, its assertive behaviour in the South China Sea, and the perceived risks stemming from overreliance on China, affected China's soft power status.

#### *Mainland Southeast Asia Facing the Pandemic*

Mainland Southeast Asian countries (Cambodia, Lao PDR, Myanmar, Thailand and Vietnam), which were believed to be the most vulnerable to the viral outbreak due to its geopolitical proximity to, and intensive people-to-people contacts with China, have managed the Covid-19 pandemic rather well, measured in terms of the number of infections and mortality rate. The economic impact of the pandemic has been monumental. The overall economic performance in 2020 was at its lowest in decades. Thailand was badly hit, with a contraction of 6.1 per cent, followed by Cambodia at 3.1 per cent, and Lao PDR at 2.5 per cent. Myanmar and Vietnam manage positive growth at 1.8 per cent and 2.3 per cent, respectively.

Thailand was the first country in Mainland Southeast Asia to declare its first infection case on 13 January (a Chinese woman from Wuhan), followed by a confirmed case in Vietnam on 23 January (a Vietnamese woman returning from Wuhan).

Cambodia was next, with its first case recorded on 27 January – a Chinese man from Wuhan. Myanmar and Lao PDR were surprisingly spared from pandemic infections until March. Lao reported its first two cases, two Laotians working in the travel and tourism industry, on 14 March, while Myanmar reported its first two confirmed cases on 23 March – two Burmese men, one returning from the United States, and the other from the United Kingdom.

Across the region, there have been several waves or spikes of infections. In Cambodia, there were three small infection spikes in 2020 and one big surge from the third wave of community transmission on 20 February. Lao PDR had only an infection spike, which was on 23 November with 14 new cases. Myanmar experienced an abrupt high rate of infections with 100 new cases on 6 September, to an average of more than 1,000 daily new cases from 4 October to 22 December. Thailand experienced two big spikes from late March to early April, with the highest rate of new cases at 143 being on 29 March, and from late December 2020 to January 2021 with the resurgence with 809 cases on 21 December. Vietnam had four small spikes in late March with 15 new cases on March 30, 17 cases on 7 May, 49 cases on 31 July, and 16 cases on 15 November.

The measures adopted by the five governments in Mainland Southeast Asia include restrictions on the movement of people, surveyance and contact tracing, targeted testing (testing individuals with signs or symptoms and asymptomatic individuals with recent known or suspected exposure). A whole-of-society approach, effective crisis leadership, inter-agency coordination, enhancement of healthcare systems, and evidence-based decision making with technical support and cooperation from the World Health Organisation and international organisations

have contributed to effective response mechanism. Across the region, the approval rate (approve and strongly approve) of the government's response to the pandemic is quite high, with about 80 per cent in Cambodia, about 55 per cent in Laos, about 42 per cent in Myanmar, about 45 per cent in Thailand, and about 97 per cent in Vietnam.

#### *China's Covid-19 Assistance*

China has played a critical role in offering medical information and supplies such as PPE (Personal Protective Equipment), facemasks, and test kits, and deploying medical teams to Southeast Asian countries to combat the pandemic; some have called this assistance "face mask diplomacy" or "Covid-19 diplomacy". Overall, China has harvested significant political leverage from this in the region. Its image in Cambodia has improved.

China sent its first anti-epidemic medical team and medical supplies, including test kits, to Cambodia on 23 March. It was the first international Covid-19 assistance offered. Then on March 13 and 25, China donated medical supplies and masks and PPE to Vietnam and Thailand, respectively. On April 8 and 9, a Chinese medical team arrived in Myanmar and Lao PDR, respectively, together with other medical supplies. There were a few more rounds of Chinese assistance after that, particularly to Cambodia, Lao PDR and Myanmar.

China's health diplomacy has been boosted by its information and communication strategy. The Chinese embassies, state-owned media, and think tanks have coordinated in structurally advancing China's Covid-19 diplomacy.

China's Covid-19 assistance has been integrated into the narrative on the country's grand vision of building a community with a shared future. For instance, on 22 March, the Communist

Party of China sent a congratulatory message to the Lao People's Revolutionary Party on the occasion of the 65th anniversary of its establishment. The message read, "following the outbreak of the Covid-19 in China, the Lao party, government and all sectors of Lao society lost no time in expressing sympathy and solicitude to China for providing financial and material assistance, well embodying the spirit of the China-Laos community with a shared future."

Chinese companies also donated financial assistance to the region. The Alibaba Foundation, Jack Ma Foundation, and Huawei launched global campaigns to provide medical assistance. At the national level, Chinese companies which had invested in Mainland Southeast Asia also donated resources to support national governments. In Myanmar, for instance, China's State Power Investment, Pengxin, Hengyi, CITIC Group, and China Communication Constructions donated medical supplies worth about USD2 million. Chinese NGOs also joined China's mission in offering humanitarian assistance to regional countries. On 4 May, the Blue-Sky Rescue Team, one of the non-governmental organisations (NGO) in China, sent a team of 10 volunteers and donated medical supplies to Cambodia to help fight the pandemic.

China's health diplomacy has been boosted by its information and communication strategy. The Chinese embassies, state-owned media, and think tanks have coordinated in structurally advancing China's Covid-19 diplomacy. The Chinese embassies were unprecedentedly very active in sharing information concerning China's responses to the pandemic, assistance to other countries, and the call for international solidarity in the fight against the pandemic. China Daily created a special section on "Fighting the Covid-19 the Chinese Way", People's Daily has a similar section called "Fight the Novel Coronavirus", and

China Global Television Network created a section on “Covid-19 Frontline”.

### ***Reactions from Mainland Southeast Asia***

In terms of strategic trust and partnership, from the Chinese perspective, Cambodia and Lao PDR are in the first tier, Myanmar, and Thailand in the second, and Vietnam in the third. Cambodia and Lao PDR are staunch supporters of China’s regional initiatives such as the Belt and Road Initiative (BRI) and Lancang-Mekong Cooperation (LMC), while Myanmar and Thailand are somewhat more cautious towards China. Vietnam is very cautious of China’s intentions in the region and has, for instance, shown a degree of resistance to the BRI and opposed China’s proposal to form a regional secretariat for the LMC.

In the wake of the pandemic outbreak in early 2020, Cambodia did not impose any restrictions on travellers from China. Prime Minister Hun Sen even planned to visit Wuhan, the epicentre of the pandemic, but due to high health risk, he could only visit Beijing on 5 February. During that visit, he met President Xi Jinping to show support to the Chinese government and people in the fight against the pandemic. This was regarded as a vote of confidence in the Chinese leadership, which was then under strong international criticism. During the visit, he said Cambodia would stand with China in all circumstances and work together to combat the pandemic.

The Lao government highly appreciated China’s Covid-19 assistance, such as information sharing, capacity building, and the provision of medical supplies. Bounnhang Vorachith, General Secretary of the Lao People’s Revolutionary Party (LPRP) Central Committee and President of Laos, said China’s assistance truly reflected the “time-honoured close friendship and the brotherly and comradely relationship of cooperation and mutual assistance



between the two parties, countries and peoples, and vividly demonstrates the spirit of the Laos-China community with a shared future”.

Myanmar President U Win Myint also expressed his appreciation of China’s assistance in the fight against the pandemic and articulated his confidence in the leadership of the Chinese government in controlling the pandemic. He pledged to advance and deepen the China-Myanmar Comprehensive Strategic Cooperative Partnership and build a community with a shared future. At the reception of the fourth batch of medical supplies from China on 9 June, Union Minister for Health and Sports Myint Htwe said China’s assistance significantly helped Myanmar in the prevention, treatment and control of the Covid-19 pandemic.

While government leaders praise China’s assistance, some local analysts, however, raised concern over the increasing influence of China in the country. U Maw Htun Aung, Myanmar country manager of the Natural Resource Governance Institute, said Chinese humanitarian assistance aimed to foster China’s influence in the country, while Chinese companies tried to assure political support and enhance their public image. “China is seeking both political and economic gain by promising economic support and delivering aid to Myanmar in a time of crisis. They know that Myanmar needs both”, he added. Another analyst Khin Khin Kyaw Kyee, the head of the China desk at the Institute for Strategy and Policy, argued that Chinese aids serve to project China as a benign power and a responsible member of the global community. “This aid to some extent can help China expand its political influence in the recipient countries,” she added.

Thailand-China bilateral relations emerged stronger during the pandemic. During a phone conversation with a Chinese

diplomat in Bangkok on 17 March 2020, Thai Prime Minister Prayut Chan-o-cha said that “bilateral ties will emerge even stronger in this joint campaign against the virus”. Meanwhile, Deputy Prime Minister Anutin said that China’s assistance exemplified the special friendship of “Thai and China as one family”. He shared the view that the bilateral relationship would be more consolidated. In addition, at the reception of medical supplies donated by China in June 2020, Thai Prime Minister Prayut Chan-o-cha said the long-standing relationship with China would continue in all aspects, including social, cultural and economic ties. At the meeting with Chinese foreign minister Wang Yi on 15 October, Prayut appreciated China for making the Covid-19 vaccine a “global public good” and pledged to build the Silk Road of Health and support the synergies and connectivity between the “Eastern Economic Corridor” with the Guangdong-Hong Kong-Macao Greater Bay Area. In April 2020, Chuan Leekpai, President of the National Assembly of Thailand, thanked China for helping Thailand and looked forward to welcoming Chinese tourists as soon as the pandemic situation improved.

In January 2021, Vietnamese Prime Minister Nguyen Xuan Phuc praised China’s fight against the pandemic at home and abroad. He said that learning from its experience in handling severe acute respiratory syndrome (SARS), China would secure an early victory against the epidemic. Although Vietnam and China have forged cooperation on the Covid-19, deep distrust remains. A Vietnamese government official reportedly said that “the Chinese government won’t give out accurate numbers, so we can’t simply accept what they tell us.” The pandemic crisis accentuates the competition between Vietnam and China, from sovereignty disagreements in the South China Sea to economic disputes.

Cambodia and Lao PDR are the most receptive to China's assistance, without much questioning of China's strategic intention. Thailand and Myanmar are also positive towards China, while Vietnam remains the most sceptical towards China's regional intention, due to the lingering tensions in the South China Sea and relatively high anti-China national sentiments in Vietnam.

China's vaccine diplomacy in promoting vaccine multilateralism since late 2020 and making vaccine a global public good has been applauded. To some analysts, China's vaccine diplomacy aims to "increase China's global influence and iron out...geopolitical issues" or "advance its regional agenda, particularly on sensitive issues such as its claims in the South China Sea". Addressing the Lancang-Mekong Cooperation summit in August 2020, Chinese Premier Li Keqiang pledged that China would prioritise providing Covid-19 vaccines to Mainland Southeast Asian countries. The regional countries have responded positively, except for Vietnam, which seeks other sources of vaccines.

In January 2021, Thailand announced plans to purchase two million doses of Sinovac vaccine. There are three phases of delivery: 200,000 doses to arrive by February 2021, another 800,000 doses to arrive by March, and 1 million in April. In January, China promised Myanmar 300,000 doses of vaccines. In February, Lao PDR received 300,000 doses of vaccines developed by China National Pharmaceutical Group (Sinopharm). Cambodia has received 1.3 million doses of vaccine from China (which arrived in March and April) and is going to receive another 1 million doses in 2021. Vietnam is reluctant to administer Chinese vaccines, with some leaders raising concerns over transparency and legitimacy relating to China's vaccine diplomacy in the

region, while others remain sceptical of China's intentions.

### *Conclusion*

China has transformed the Covid-19 crisis into a window of opportunity to boost its soft power through sharing information and knowledge, providing medical supplies, deploying medical teams, and providing vaccines. China's soft power has been slightly enhanced, based on the perception of policymakers or ruling elites, and its geopolitical influence has increased in Mainland Southeast Asia. The regional countries have applauded and appreciated China for successfully curbing the pandemic outbreak, for the provision of Covid-19 assistance, and for the promotion of vaccine diplomacy. Nevertheless, there are some concerns with regard to China's strategic intentions.

Cambodia and Lao PDR are the most receptive to China's assistance, without much questioning of China's strategic intention. Thailand and Myanmar are also positive towards China, while Vietnam remains the most sceptical towards China's regional intention, due to the lingering tensions in the South China Sea and relatively high anti-China national sentiments in Vietnam. The prospect of China's soft power in the region will continue to rise thanks to its economic resources and to its coalition-building on international issues such as the Covid-19 pandemic. But there are remaining concerns over China's strategic intentions. Although China is generally regarded as the most influential economic power in the region, its growing assertive or even dominant behaviour will produce a backflow to its goodwill diplomacy and soft power projection.

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# BRI Projects in Cambodia and Laos Roll on Despite Covid-19

Begun in 2013, the Belt and Road Initiative (BRI) has become one of the key international cooperation platforms, mainly focusing on infrastructure development and connectivity. As of June 2021, 140 partner countries had signed on to it, in growing acknowledgement of the BRI being a catalyst for global growth. A World Bank report estimated that if fully implemented, BRI transport infrastructure can reduce travel times for economies along transport corridors by up to 12%, thus reducing trade costs. It is projected that trade would increase up to 9.7% for corridor economies and up to 6.2% for the world at large. International trade is expected to increase global real income up to 2.9%, lifting 7.6 million people from extreme poverty and 32 million people from moderate poverty.

The smaller economies in Southeast Asia, such as Cambodia and Laos, are much attracted to the BRI chiefly because it helps develop their economies, bridge the developmental gaps within and across national boundaries. These two countries are China's closest strategic partners in Southeast Asia. This paper seeks to shed light on the impact of the Covid-19 pandemic on BRI projects in general and Cambodia and Lao PDR in particular. It argues that despite the ravages and disruptions caused by the pandemic, the BRI projects in Cambodia and Lao PDR have not been much affected, and China's soft power in these two countries continues to grow.

# Covid-19 Pandemic and the BRI Projects

For China, BRI is at the core of its opening-up strategy. It helps China maintain economic dynamism and a high growth rate by increasing its global value chains and expanding export markets. China has a strong interest in strengthening and developing BRI projects in the post-pandemic era with the hope that its presence, image, and influence will continue to expand. From the Chinese perspective, Covid-19 provides an opportunity for raising China's economic, cultural, technological, and scientific potential. Remarkably, trade between China and BRI partners has exceeded 9.2 trillion US dollars, and direct investment by Chinese companies in countries along the Belt and Road has surpassed US\$130 billion.

BRI provides economic opportunities for the recipient countries, enhancing infrastructure development and connectivity and increasing trade and investment relations with China. But infrastructure investment pays off only when it increases the productivity of the host economy. Most BRI infrastructure projects are debt-financed, and the host country needs to repay the debt to China. Excessive debt is a possibility and challenge for poor host countries with limited capacity to repay the debt. Some countries were already in debt distress before the pandemic, and this will be compounded by the opacity of contracts and the associated corruption in the post-pandemic recovery. It is argued that the pandemic partially leads to a diversification in BRI financing, which in turn reduces overdependence on China and helps host countries limit debt trap impacts and may improve

the transparency and accountability of the BRI projects.

The Covid-19 pandemic has caused certain disruptions to BRI projects, including interruptions of supply lines for raw materials, production of construction components, and the mobility of workers. It needs to be noted that BRI projects are largely dependent on the international transfer of Chinese personnel and managers.

During the pandemic, China added more impetus to soft infrastructure projects such as a “health silk road” and a “digital silk road”. Concerning the health silk road, by mid-June 2021, China had provided more than 290 billion masks, 3.5 billion protective suits and 4.5 billion testing kits to the world and helped many countries build testing labs. It has also donated and exported more than 400 million doses of finished and bulk vaccines to more than 90 countries. As of June 2021, Laos had received 1.4 million doses of Sinopharm from China (donation), and as of 11 July 2021, Cambodia had received 2.2 million doses of Sinopharm (donation) and commercially received 4.35 million doses from Sinovac and Sinopharm.

Notwithstanding a sudden drop in total BRI investments in 2020, the ASEAN region still received US\$16.9 billion, accounting for 36 per cent of total BRI investments.

China’s Ministry of Foreign Affairs stated in June 2020 that 30%–40% of BRI projects had been affected by the outbreak, and a further 20% had been *seriously* affected. A year later, Foreign Minister Wang Yi said, “despite the sudden outbreak of Covid-19, Belt and Road cooperation did not come to a halt. It braved the headwinds and continued to move forward, showing remarkable resilience and vitality”. He also suggested deepening international cooperation on vaccines, strengthening cooperation on connectivity, promoting collaboration on green development,

and advancing free trade. Notably, businesses involved in BRI are being encouraged to fulfil their social responsibilities and improve their environmental, social and governance (ESG) performance. It marks a new beginning in enhancing the quality and accountability of BRI projects. However, implementing these ESG guidelines remain an issue, and the BRI projects in Cambodia and Laos need to improve their ESG standard.

In a survey of 25 central banks from Europe (13), Asia (4), the Middle East, (3), The Americas (2), Africa (2), and Oceania (1) in early 2021, only 18% of them said their projects had been significantly affected by Covid19. As many as 30% said the pandemic had no impact on projects. There has been no reduction in funding from China, and Chinese development and state-owned banks continue to offer financial support. Interestingly, 87% of the responses expect BRI projects to contribute to post-Covid recovery, and 75% expect the BRI to support a green recovery and sustainable development. Moreover, nearly 80% believe that BRI projects are economically viable. At the same time, 23% say BRI debt is causing their external debt volume to reach an unsustainable level.

Across Southeast Asia, despite some disruptions, most BRI projects remain in full swing, with ongoing efforts increasing connectivity on the ground and at sea. Some BRI projects have been postponed several times. For instance, the Jakarta-Bandung High-Speed Rail project which started in 2016, has been delayed several times, from 2019 to 2020 then 2021 and now 2023. Notably, trade and investment relations between China and ASEAN continued to increase, even during the pandemic. In 2020, ASEAN became the largest trading partner of China, surpassing the European Union, with the bilateral trade volume hitting US\$732 billion. China's BRI investments in ASEAN increased from



US\$16.8 billion in 2014 to US\$29.3 billion in 2019, accounting for about 27.6% of BRI investments worldwide. Notwithstanding a sudden drop in total BRI investments in 2020, the ASEAN region still received US\$16.9 billion, accounting for 36 per cent of total BRI investments.

### *Main BRI Projects in Cambodia*

Cambodia has embraced BRI mainly for economic reasons. Infrastructure development is the key national interest of the Kingdom, and China has been the main development partner in this field. As of June 2021, China had built 3287km of road, eight main bridges with a total length of about 7690m. It is the top investor and donor for Cambodia, and cumulative Chinese investment capital from 1994 to 2019 was US\$23.43 billion, accounting for 49.84% of total foreign direct investment in Cambodia. China provided grants of about US\$280 million from 2013 to 2015, about US\$590 million from 2016 to 2018, and about US\$560 million from 2019 to 2021.

Speaking at the Asia-Pacific High-Level Conference on the Belt and Road Cooperation in June 2021, Cambodian Foreign Minister Prak Sokhonn said that BRI projects in Cambodia were quite resilient, notwithstanding the disruptions caused by the pandemic. Addressing the world political parties' meeting organised by the Communist Party of China on July 6, 2021, Prime Minister Hun Sen underlined that BRI was a win-win cooperation mechanism that played a critical role in socio-economic development especially during the pandemic crisis and post-pandemic recovery. He added that China's support helps enhance Cambodia's political independence.

Currently, China is constructing a 190km expressway connecting the capital city Phnom Penh to Preah Sihanouk province on the coast. The expressway has a width of 24.5m with

two lanes on either side. The road is being developed on a build-operate-transfer (BOT) basis, invested by the China Road and Bridge Corporation through the Cambodian PPSHV Expressway Co Ltd. After completion, it will be the first expressway in Cambodia, costing about US\$2 billion. The construction began in March 2020 and was scheduled to be completed by the first half of 2022, but that was later postponed to March 2023. As of June 2021, 51.35 per cent of the project has been completed. On June 21, the Cambodian Minister of Public Works and Transport said the project went well despite the Covid-19 pandemic and will be completed by September 2022, ahead of the March 2023 schedule.

Cambodia and Laos, China's two closest strategic partners in Southeast Asia, are relying more on China where their economic and strategic interests are concerned.

Other ongoing key infrastructure projects are the new Siem Reap international airport and the new Phnom Penh international airport. The new airport in Siem Reap costs US\$880 million and is constructed by the Chinese-owned Angkor International Airport Investment (Cambodia). The new airport can accommodate 7 million passengers. Construction started in March 2020 and is scheduled for completion by 2023. By May 2021, 42 per cent had been completed. The following two phases will see the airport accommodate 10 million passengers by 2030 and 20 million passengers by 2050. Another new Phnom Penh international airport funded by the Overseas Cambodia Investment Corporation (OCIC) has a close connection with China. It is also a BOT project with an investment capital of 1.5 billion, out of which about US\$1.1 billion comes from China Development Bank and US\$280 million from OCIC. Metallurgical Corporation of China designs and builds the airfield. The construction began in early 2020 and

is expected to be completed by 2023.

These main BRI projects were initiated by the Cambodian government before financial support was sought from China. Being Build-Operate-Transfer (BOT) projects, they will not add to Cambodia's external debt distress. According to the joint World Bank-IMF debt sustainability analysis of Cambodia in 2019, Cambodia's external debt distress is low, as is the overall risk of debt distress. In 2020, Cambodia's external public debt stood at US\$8.8 billion of which about US\$4 billion were with China, i.e. about 44 per cent of the total foreign debt.

Chinese companies in charge of BRI projects have managed to adapt quickly to the pandemic by securing the supply of raw materials and ensuring that their workforce was not exposed to the virus. The key challenge for infrastructure development in Cambodia is the lack of human resources, and in June 2021, the Ministry of Public Works and Transport requested support from China to train Cambodian engineers, especially for road, bridge, and other infrastructure projects.

#### *Main BRI Projects in Lao PDR*

Laos has the ambition to transform its geography from a landlocked to a land-linked country. Since the turn of the century, China's economic presence in Laos has expanded, and in 2013, it emerged as the largest investor in Laos. In 2017, China had become the top donor and investor and second-largest trading partner for Laos. A strong partnership with China is believed to be central to the Lao ruling elite's development-based performance legitimisation and the enhancement of identity-based inner justification.

Lao Foreign Minister Saleumxay Kommasith has stressed the importance of advancing high-quality Belt and Road cooperation, i.e., the Laos-China Railway and the Laos-China Economic

Corridor, and the promotion of a Laos-China community with a shared future. Ambassador Khamphao Emthavanh in turn has said that BRI helps Laos connect with the region and that the railway project was the “symbol” or iconic project of BRI in Lao. Scholar Kuik Cheng-Chwee argues that Laos needs to be on board in order to leverage the railway’s operations to diversify growth and expanding business sectors and industries. The rail project promises to bring transformative benefits by strengthening the ecosystem for national development, expanding market access to the region, and transforming Laos into a regional logistic hub.

The US\$5.9 billion high-speed rail project connecting Vientiane to Boten town in China is the largest BRI project in Laos, and when ready, the railway will carry both passengers and freight, travelling at a maximum speed of 160km to 200km per hour. The project started in December 2016 and is to be completed and operational by December 2021. The 422km railway is expected to lead to a significant increase in trade, investment, tourism, and industry development. After completion, it is hoped that Lao export to China will increase by 60 per cent and that the country will be able to receive more than 1 million Chinese tourists per year. The Lao ruling elite generally regards the rail project as a “river of iron” that will transform Lao’s geo-economic destiny and strengthen the political relevancy of the Lao People’s Revolutionary Party.

The World Bank is cautiously optimistic about the project, stating that it could provide Laos with a land link to global and regional supply chains. Still, Laos would need to invest much more in streamlining border crossings and building more roads and facilities connecting to the line to help local traders connect with the supply lines. In addition, Laos needs to identify and implement new business opportunities, and enable local

companies to take advantage of the project.

Some studies, however, show that Laos risks falling into a vicious debt cycle, closely related to infrastructure lending from Chinese financial institutions. There is a concern that the rail project might lead to a “debt trap” since the project is worth about one-third of the country’s GDP, and China funds 70 per cent of the total costs. As a result, Laos has incurred an estimated US\$1.5 billion in external debt to China. It is a considerable amount for a country with a nominal GDP of around US\$20 billion and official foreign exchange reserves of around US\$1.1 billion. China has reportedly started delaying or writing off some of the debt Laos is building up to pay for the railway and other Chinese-backed projects in exchange for asset transfers.

The rail project will obviously provide better access for China to the raw materials and markets in mainland Southeast Asia. The cost of regional transportation and logistics will drop, reducing reliance on aviation or long shipping routes between southern and south-western China to mainland Southeast Asia. The Sino-Lao and Sino-Thai rail routes, which are expected to extend southwards to Malaysia and Singapore, are parts of the Pan-Asia railway network China seeks to construct, connecting Kunming with Singapore. China’s BRI projects, coupled with robust vaccine diplomacy, are critical sources for Chinese soft power and economic influence in the region.

### *Conclusion*

China’s BRI projects have been affected by the Covid-19 pandemic but only to a moderate and manageable level. BRI projects in Southeast Asia, especially in Cambodia and Laos, have been resilient, and the key BRI projects in Cambodia, especially the Phnom Penh-Sihanoukville Expressway, the new international airports in Siem Reap and Phnom Penh and Laos, especially the

high-speed rail project are not much affected by the Covid-19 pandemic. The continued inflow of Chinese investments and the growing trade relations between China and Southeast Asian countries will expand China's economic presence and influence in the region, shaping a new regional economic order with China in the centre.

Cambodia and Laos, China's two closest strategic partners in Southeast Asia, are relying more on China where their economic and strategic interests are concerned. Infrastructure development is central to the national development strategies of these two small economies, and China will continue to inject more resources and exert more influence in these two countries in order to gain a firm foothold in the Mekong region.

*This article was first published in Fulcrum on 30 July 2021.*

# ASEAN's Peace Effort in Myanmar

The military coup in February 2021 marked a critical turning point in Myanmar's political development, from a promising to a disappointing trend. The coup has destroyed the foundation of democracy built over a short period, from 2015 to 2021, after decades of military rule. It has also put the country into a political and economic crisis, compounded by public health crisis caused by the COVID-19 pandemic outbreak.

The Myanmar crisis is a test of ASEAN's unity and centrality. ASEAN is not institutionally designed to deal with the internal crisis of its member states. However, the unfolding political and humanitarian crises in Myanmar have serious regional security implications. Therefore, ASEAN is compelled to respond to the crisis.

According to the latest UN report, the number of internally displaced people in Myanmar has reached 1 million, with almost 700,000 being forced to relocate due to the eruption of violence after the military seized power in February 2021. Moreover, more than 40,000 refugees have crossed borders into neighbouring countries. Notably, the security forces in Myanmar have killed at least 1,600 people and detained more than 12,500 since the coup. The COVID-19 pandemic, weakening public service delivery due to civil disobedience movement, economic downturn, and soaring prices on essential commodities such as food and fuel are multiple crises affecting the Myanmar people.

Engagement is generally believed to be the only viable way to address the Myanmar crisis. The key question is how

to effectively engage different stakeholders to promote peace dialogue and cease violence.

The ASEAN's 'Five-Point Consensus' on Myanmar outlined key strategic objectives to restore normalcy but did not elaborate on the engagement strategy. Cambodia, the rotating chair of ASEAN, has adopted a different approach by having no pre-conditions for having dialogues with the military junta and other stakeholders in Myanmar.

Cambodian Prime Minister Hun Sen's high-profile visit to Myanmar on 7–8 January 2022 was a critical ice-breaking moment in ASEAN's engagement with Myanmar- this is the fact. Cambodia neither has hidden geopolitical agenda nor economic interests in Myanmar. It does not have any ambition to impose its view on Myanmar but just wants to share its experience regarding the peace-making and peacebuilding process.

At the second meeting between Prime Minister Hun Sen and Senior General Min Aung Hlaing on 26 January 2022, Cambodia again urged Myanmar to implement the ASEAN's 'Five-Point Consensus', facilitate the visit of the ASEAN Special Envoy, end all forms of violence, and cooperate on humanitarian assistance.

The ASEAN Special Envoy and his representative managed to make their visits to Myanmar in March and June to facilitate humanitarian assistance and create a conducive environment for dialogue among different stakeholders to cease the violence. Cambodian Deputy Prime Minister and Minister of Foreign Affairs Prak Sokhonn said before his second visit to Myanmar that he tried to push forward five agendas, namely "the cessation of violence, constructive engagement, Covid-19 vaccinations, humanitarian relief, and optimism".

The humanitarian assistance front seems to be moving ahead of other agendas. For example, the multistakeholder consultative



meeting on ASEAN humanitarian assistance to Myanmar was held in May 2022 to address three key issues, namely humanitarian assistance delivery arrangement framework, operational challenges of the delivery of humanitarian assistance, and a framework for COVID-19 vaccine administration.

The meeting agreed to deliver humanitarian assistance in a timely, effective, safe, and non-discriminatory manner. Prak Sokhonn underlined that humanitarian programmes must have a long-term impact, and the access, safety, and security of all implementing parties, including the ASEAN monitoring team, must be guaranteed.

The Tatmadaw has been trying to set or dominate the terms of engagement. Nevertheless, the Cambodian ASEAN chair has been trying to stick to the core objectives of ASEAN and the terms of engagement set by ASEAN by demanding the Tatmadaw to grant access to the Special Envoy to meet with all key stakeholders, including Aung San Suu Kyi.

Why is Cambodia so committed to helping Myanmar? Here are some facts. First, Cambodia suffered from a prolonged civil war for almost three decades, so it does not wish to see any country endure such pain and suffering. Cambodia is willing to help the people of Myanmar live in peace.

Second, as the rotating chair of ASEAN, Cambodia is obliged to address issues facing the region. The Myanmar crisis is at the top of the agenda. If it chose to play low and not to act, Cambodia would be blamed for not being a responsible chair. Hence, it is better to act than do nothing. Helping Myanmar also means helping ASEAN.

Third, Cambodia is a small country in Southeast Asia, and it always regards ASEAN as the cornerstone of its foreign policy. Like other members, Cambodia views ASEAN as a shield to

protect and advance its national interests. Therefore, there is no reason for Cambodia to weaken or split ASEAN.

It is worth noting that immediately after the military coup in February 2021, Prime Minister Hun Sen publicly stated that it was an internal affair of Myanmar, and that Cambodia would never interfere in the internal affairs of other countries. Non-interference is the core guiding principle of Cambodia's foreign policy. However, regional circumstances have obliged Cambodia to play a proactive role in the Myanmar issue because ASEAN's credibility and relevance need to be protected. The Myanmar issue is truly a litmus test for ASEAN. As violence continues to take place and people are still suffering, ASEAN is compelled to respond to demonstrate its moral responsibility.

Cambodia has taken a bold, decisive step, with a carefully crafted responsible engagement strategy, hoping to make a breakthrough in the Myanmar issue. Prime Minister Hun Sen is the architect of the engagement strategy with Myanmar. He viewed his first visit to Myanmar as a 'planting a tree' mission, meaning that solving the Myanmar crisis would require time and patience.

The engagement strategy with Myanmar is based on the 'Five-Point Consensus', adopted by the ASEAN leaders in April 2021, and the ASEAN Charter. Four practical steps being implemented are the followings.

First, ending violence and enforcing a ceasefire. Meaningful dialogue and negotiation may not be possible unless ceasefire and non-violence are observed by all the parties concerned. This is the most critical step in the peace negotiation process.

Second, protecting people's lives and livelihood. The right to life and livelihood is the most important human right. Therefore, it is necessary to coordinate and facilitate humanitarian

assistance programmes so that aid can reach those in need without discrimination or disruptions.

Third, facilitating inclusive political dialogues. The ASEAN Special Envoy plays a crucial role in promoting mutual understanding and trust between and among the different stakeholders in Myanmar, based on which meaningful and substantive dialogue and negotiation can occur.

Fourth, ensuring a peaceful and democratic power transition. A free and fair election with the participation of all political parties is the means toward a peaceful transition. The State Administration Council (SAC) announced its plan to hold an election in August 2023. Therefore, ASEAN needs to monitor the election process closely to ensure it is acceptable to all parties.

To realise this goal, Cambodia proposed for the formation of an ASEAN Troika, consisting of former, current, and future ASEAN chairs plus the Secretary-General of ASEAN to work as a close-knit team to implement, monitor, and evaluate the progress of implementing the five-point consensus. However, the Tatmadaw was reluctant to support this proposal.

ASEAN needs to develop a detailed roadmap with a specific time frame to effectively enforce the Five-Point Consensus and empower the ASEAN Special Envoy to carry the mission. Otherwise, the SAC will continue to dictate the terms of engagement and impose restrictions on the work of the Special Envoy.

Myanmar people themselves will define their country's future. Therefore, the peace-making and peacebuilding process must be led and owned by Myanmar. At best, what the Cambodia ASEAN Chair can do for the people of Myanmar is to set the foundation for future solutions to the political crisis, reduce violence, facilitate humanitarian assistance, and create a

conducive environment for inclusive political dialogues among all parties concerned.

Concerning restoring democracy, the Indonesian Chair of ASEAN in 2023 might need to develop an ASEAN roadmap to assist Myanmar in returning to the democratic path, especially to ensure that the elections in Myanmar will be free, fair, and inclusive. Democracy and peace are intrinsically intertwined. Peace cannot be sustained if foundations of democracy are not stable and deeply rooted. The journey to peace and democracy in Myanmar takes time. Therefore, ASEAN needs to be optimistic and agile.

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# Sea Change: The Blue Economy can be a Pillar of ASEAN-China Cooperation.

The world economy is on the brink of recession, characterized by high inflation, unemployment, weak growth and the uneven post-COVID-19 pandemic recovery compounded by looming energy and food security crises.

The international community is searching for innovative solutions to global issues while exploring new sources of growth. International cooperation and partnership are the keys to addressing global issues. However, geopolitical rivalries and great power politics are hindering international cooperation.

In the Asia-Pacific region, US-China competition does not show any signs of abating. Southeast Asian countries are under increasing pressure to side with the United States, although no country in Southeast Asia is interested in taking sides. On the contrary, they wish to stay neutral and independent and have good relations with both China and the US.

Any attempt to form an alliance against China is doomed to fail, because the economies of the Association of Southeast Asian Nations and China are so interdependent. Last year, although the region was still struggling against the COVID-19 pandemic, the bilateral trade volume reached \$878.2 billion, and China's total investment in ASEAN countries was about \$14.35 billion.

The ASEAN-China relationship has entered a new era after a comprehensive strategic partnership was formed last year. The blue economy can be another linchpin connecting ASEAN and

China and a critical source of new regional economic dynamism.

The development of the blue economy can be a new source of growth that can create jobs, mitigate the impacts of climate change, and help meet the food needs of a growing global population.

According to the World Bank, a blue economy refers to the sustainable use of ocean resources for economic growth, improved livelihoods and jobs while preserving the health of the ocean ecosystem.

China has been steadfast in promoting regional cooperation on the blue economy. In 2013, during his visit to Southeast Asia, Chinese President Xi Jinping expressed his commitment to developing a maritime partnership with ASEAN in their joint efforts to build the 21st Century Maritime Silk Road. China is strengthening its maritime cooperation with ASEAN countries and making “good use of the China-ASEAN Maritime Cooperation Fund set up by the Chinese government” to build the new “maritime silk road”.

Five years later, China and ASEAN adopted the China-ASEAN Strategic Partnership Vision 2030 to strengthen their partnership on the blue economy further and promote marine ecosystem conservation and the sustainable use of the ocean, seas and marine resources, including cooperation in marine science and technology, ocean observation and hazard mitigation, as well as ocean economy development.

According to the ASEAN Outlook on the Indo-Pacific, a document released at the 34th ASEAN Summit in June 2019, inclusiveness, mutual benefit, and respect for international law are the key principles of the maritime economic cooperation between the two sides.

At the special ASEAN-China Summit in 2021 to mark the 30th anniversary of the dialogue partnership, both sides highlighted boosting their partnership on the blue economy and promoting marine ecosystem conservation and sustainable use of the ocean, seas and marine resources.

To do so, the two sides need to develop a common definition of the blue economy and develop a concrete, practical action plan to realize a shared vision of the blue economy.

Some of the potential areas for practical cooperation are marine aquaculture, marine fishery processing, marine transportation, marine new energy, marine biopharmaceuticals and marine environmental protection.

Meanwhile, the existing bilateral mechanisms and agreements such as the China-ASEAN Maritime Consultation Mechanism, the Joint Statement on China-ASEAN Port Development and Cooperation, China-ASEAN Agreement on Maritime Transport, and the ASEAN-China Maritime Education and Training Development Strategy need to be effectively implemented.

China's recently established Hainan Free Trade Port can play an important role in advancing the ASEAN-China partnership on the blue economy, by promoting joint research and development on the blue economy, the development of an international carbon emissions trading venue, and coastal and maritime tourism.

A blue economy cannot be realized without maintaining regional peace and stability and an open, inclusive, balanced, resilient and rules-based multilateral system. Strategic trust is essential.

Both sides have built momentum on frank and open dialogues based on mutual respect and win-win cooperation to build, maintain and nurture strategic trust.

China's support of implementing the cooperation areas under the framework of the ASEAN Outlook on the Indo-Pacific also contributes to mutual trust and confidence building.

Moreover, building synergies between the Belt and Road Initiative with ASEAN initiatives such as the ASEAN Master Plan on Connectivity 2025 can further promote greater economic interdependence between China and ASEAN, which in turn will contribute to regional peace and stability.

*This article was first published in China Daily on 2 June 2022.*



# Southeast Asia Expert Roundtable: What Next for ASEAN Connectivity and Regional Integration?

As the chair of ASEAN in 2022, Cambodia has set the tone on the spirit of “togetherness” and put forward initiatives to further strengthen ASEAN’s competitiveness and resilience. This includes the proposal to establish the ASEAN Green Deal which aims to promote knowledge sharing as well as develop integrated solutions for the transformation to a green economy. It is also targeted at generating new industries and opportunities from technological innovation and improved productivity. Additionally, the deal will seek to harness investment opportunities in green infrastructure through public-private partnerships; accelerate and consolidate sustainable production and consumption; and foster low-carbon, resource-efficient, and socially inclusive development.

As ASEAN transitions into the post-COVID-19 era, some specific measures, including the ASEAN Comprehensive Recovery Framework (ACRF), have been adopted to promote inclusivity, sustainability, and resilience. A sustainable ASEAN requires coordinated regional efforts in promoting climate resilience, clean and renewable energy, green investment, and fair financing.

An inclusive ASEAN demands member states work closely together to ensure that no one is left behind in the regional integration and connectivity process. Digital and financial

inclusion, social protection, gender equality, and people-centered development are critical measures to achieving an inclusive recovery.

Amidst rising international uncertainties and multiple complex crises, ASEAN needs to continuously build its institutional capacity in response to future challenges. A resilient ASEAN refers to the readiness of the organization to face shocks and hazards. Therefore, ASEAN needs to invest more resources and double down on its efforts in building a future-ready and crisis-responsive organization.

Moving forward, strengthening ASEAN centrality remains a core task. In addition to its traditional convening and agenda-setting power, ASEAN needs to be able to shape and deliver outcomes to prove its relevance. The policy measures that have been adopted need to be effectively implemented. For this to happen, leadership and institutional capacity are required. ASEAN needs to strengthen decision-making to respond to emerging issues and challenges.

Despite ASEAN's economic achievements and progress, the grouping needs to enhance its competitiveness amidst global headwinds, chiefly arising from sharpening geopolitical competition, economic fragmentation, and climate crises. ASEAN must not be complacent about geopolitical forces that can disrupt peace, stability, and prosperity in the region. Therefore, the organization needs to continuously reform to adapt to geopolitical changes through the promotion of open and inclusive multilateralism set against the context of a rules-based international order.

*This interview was published by the Asia Society Policy Institute on 22 November 2022.*

# “Green Deal” Can Link ASEAN and the EU for a Cleaner Future

Cambodia’s 2022 ASEAN chairmanship gave a possible glimpse of Southeast Asia’s future with the Kingdom’s proposed ‘ASEAN Green Deal’. The deal is a framework intended to harness the green economy and combat climate change in the region.

At its centre is a gradual transition toward a future that is sustainable, resource-efficient, resilient and economically competitive. This lofty goal would focus green development and investment on virtually all economic sectors, enabled by technology, innovation and circularity.

This kind of societal reimagining will need strong international collaboration to come to reality. Cooperation on sustainable development is already a key pillar of the ASEAN-EU strategic partnership, so the Green Deal could be a vital part of the blocs’ next stage of inter-regional cooperation.

The European Green Deal is a source of inspiration for the ASEAN Green Deal. The European Commission introduced its own deal in December 2019 with the overarching goal of becoming the first carbon-neutral continent by 2050.

Specific targets set for the EU deal by 2030 include a minimum 55% cut in greenhouse gas emissions; achieving more than a 32% share of renewable energy; and hitting at least a 32.5% improvement in energy efficiency.

The European deal also includes proposals for new legislation and funding to support the transition to a green economy, including the establishment of extraordinary financial

support via the Recovery and Resilience Facility and the Just Transition Mechanism.

These aim to mitigate the economic and social impact of the Covid-19 pandemic and make European economies more sustainable, resilient and better prepared for green and digital transitions. Total funding of over \$1.07 trillion, or about €1 trillion, has been raised to implement the initiative.

The EU and ASEAN are already working together toward similar transition goals in Southeast Asia. At the third ASEAN-EU Dialogue on Sustainable Development in November 2021, the Green Team Europe Initiative in cooperation with ASEAN set out a work programme for a greener future. The EU has provided an initial grant of \$32.2 million (€30 million) to be implemented with the European Green Deal and the ASEAN Community Vision 2025.

Moreover, the EU has committed \$53.68 million (€50 million) to the ASEAN Catalytic Green Finance Facility to encourage private investments in green infrastructure projects in ASEAN member states. Green economic investments are an increasingly attractive source of growth for ASEAN.

A study by the Asian Development Bank shows that a green recovery from the Covid-19 pandemic in ASEAN can potentially create \$172 billion in investment opportunities annually and generate more than 30 million jobs by 2030.

As the ASEAN Green Deal is in the early development stage, it will require multi-stakeholder dialogues to get input from partners. The ASEAN Economic Club, launched by Cambodian Prime Minister Hun Sen and established in 2022, has provided input to the Cambodian government by organising an international conference in cooperation with various local Cambodian partners last November. The group also discussed

a potential Green Economic Zone (GEZ), an as-yet unrealised concept.

ASEAN might need to come up with a regional mechanism to mobilise public and private finance for green investment and transformation, while accelerating and scaling up green innovation. Dialogue partners such as the EU can play important roles in resource mobilisation and knowledge sharing.

ASEAN and the EU should further make concrete their cooperation on the Green Deal by focusing on strengthening the capacity of ASEAN member states to develop and implement green economic policies, as well as their access to green finance and technology. They can also support the development of GEZs in ASEAN member states and promote environmentally friendly knowledge sharing and collaboration between the blocs.

The GEZ concept is a good model for this. To be successful, such a zone would require a holistic master plan – rather than individual non-integrated site projects – in order to attract potential investors and global talent.

The GEZ is based on local context. It would be a location to integrate best practices across disciplines to efficiently serve the community through economic development based on social and technological innovation. It would be a multi-purpose zone for various interconnected industries to increase their productivity and limit environmental impacts.

The characteristics of the GEZ should be scalable and adaptive. Ideally, it would be scalable because of a simple structure with operating guidelines that can be adjusted to meet the needs of the GEZ jurisdiction. It would also be adaptive because its development is based on local context and needs.

There are three key factors to develop the GEZ.

These start with green energy, which includes infrastructure and logistics. Such energy would support the global transition to a zero-carbon, affordable and resilient energy system.

Next, green production and consumption should harness new technologies and applications to improve efficiency, lower costs and reduce environmental impact along value chains.

Last but certainly not least, green finance platforms mobilise the public and private investment to make this transformative agenda possible.

As Southeast Asian economies transition toward more sustainable, resource-efficient and carbon-neutral economies, a regional framework will greatly help to set the tone for what these fundamental changes should look like.

To that effect, the ASEAN Green Deal can set the stage for diverse states to join together for a brighter future.

*The article was first published in Southeast Asia Globe on 28 February 2023.*

# Common, Comprehensive and Cooperative

In Southeast Asia and beyond, the security of countries is interconnected, interdependent and indivisible. And the world is obviously at a critical juncture as multiple complex crises are posing unprecedented threats to the very foundations of peace, stability and the progress of humanity in different parts of the world.

The international security environment is becoming increasingly complex, uncertain and fragile as geopolitical rivalries have led to armed conflicts and tensions in some places, compounded by the looming global economic recession and the climate crisis.

The formation of geopolitical fault lines and bloc politics, the strategic trust deficit, and sharply increased geoeconomic fragmentation have put strain on the multilateral system and global governance. In other words, multilateralism is in decline and protectionism and populism on the rise.

The World Economic Forum's Global Risks Report 2023 voices concern over the rising geopolitical fragmentation that heightens the risk of multi-domain conflict. Global security issues are becoming more multidimensional with cross-border implications.

Like the fight against the COVID-19 pandemic, no one is safe unless everyone is safe. We need to acknowledge that our security and well-being are intrinsically intertwined. The escalating hostilities in Ukraine, heightening geopolitical rivalries, soaring food and energy prices, and the climate crisis are among top

global security issues that require unprecedented international cooperation and partnership.

In the Asia-Pacific region, the US-China competition is structurally complex in tandem with the global power shift from the West to the East. The United States, since 2016 when Donald Trump came to power, has taken an assertive approach to check the rising power of China in order to maintain the US' supremacy.

US-China competition has led to heightened tensions in the Taiwan Straits, the South China Sea, and to some extent the Mekong region. Making things worse, the US' zero-sum game mentality and the formation of security blocs aimed at containing China are among the main disabling factors in the region.

Things are getting black and white as the grey area is shrinking. Some countries have opted to choose sides either through a formal or informal alliance system. Some countries have been forced to bandwagon against their legitimate interests. Some are struggling to stay independent and neutral.

Against this backdrop, there is a need to search for wisdom, strengthen international cooperation, and promote strategic trust to address the multidimensional, entangled global issues and challenges. In 2022, China introduced the Global Security Initiative to promote common, comprehensive, cooperative and sustainable security.

In Southeast Asia, countries are striving to maintain regional peace and stability through the promotion of open and inclusive multilateralism and rules-based international order. The Association of Southeast Asian Nations is compelled to develop innovative and effective solutions to deal with regional and international issues. To navigate such uncertain and turbulent times, ASEAN is working hard to maintain a culture of dialogue and trust building by providing safe, open, and constructive



platforms for dialogue and trust building. Speaking at the ASEAN Defence Ministers' Meeting Plus in Siem Reap in November 2022, Cambodian Prime Minister Hun Sen proposed the concept of "harmonious security" which refers to viable, inclusive, and sustainable security.

Hun Sen said that five elements are needed to realize harmonious security in the region, namely strengthening ASEAN unity, centrality, and effectiveness; promoting an open, inclusive, and rules-based regional security architecture; strengthening people-centric and trust-based security cooperation; embracing comprehensive security; and nurturing cooperative security.

The philosophical foundations of harmonious security rest on three concepts: common security, comprehensive security, and cooperative security.

Common security refers to the shared understanding and assessment of security risks and threats between countries. Instead of using "deterrence" to protect national security, states should adopt confidence-building measures. In other words, security is indivisible, interconnected, and interdependent.

Comprehensive security is gaining more relevance as the non-military risks are increasing. Climate security, public health security, cybersecurity and water-food-energy security are all major security risks.

Cooperative security is based on the consolidation of shared norms, values and interests. The Treaty of Amity of Cooperation, for instance, provides crucial norms to govern international relations in Southeast Asia and beyond. The key norms include mutual respect for independence, sovereignty, equality, territorial integrity and the national identity of all nations, and the right of every state to lead its national existence from external interference, subversion or coercion.

Harmonious security might sound unrealistic to some, but the world needs a constructive strategic narrative to influence decision-making and state behaviour. If all states perceive and approach security from the perspective of promoting harmony, peace will prevail. Experiences from Southeast Asia can be a source of inspiration and wisdom for the world.

ASEAN and China should inject more momentum and resources to implement the ASEAN Outlook on Indo-Pacific and China's Global Security Initiative. These two initiatives are compatible and mutually reinforcing.

*This article was first published in China Daily on 6 February 2023.*

# Fully Tapping Potential of RCEP

Cambodia and China should increase cooperation through SMEs to fully reap the benefits of the trade pact.

The Regional Comprehensive Economic Partnership is a catalyst of regional economic growth, integration and connectivity in the Asia Pacific, accounting for about 30 percent of global GDP and one-third of the world's population.

The RCEP, the world's largest free trade agreement, is a modern, comprehensive, high-quality and mutually beneficial economic partnership that facilitates the expansion of regional trade and investment and significantly contributes to global economic growth and development, especially in the face of the difficult post-COVID-19 socio-economic recovery.

The Asian Development Bank's study found that the RCEP will increase member economies' incomes by 0.6 percent by 2030, adding \$245 billion annually to regional income and 2.8 million jobs to regional employment.

The RCEP covers trade in goods, trade in services, investment, economic and technical cooperation, and creates new rules for electronic commerce, intellectual property, government procurement, competition, and small- and medium-sized enterprises.

Cambodia-China economic ties have gained new momentum after the coming into force of the Cambodia-China Free Trade Agreement and the RCEP in January 2022.

China is Cambodia's largest foreign investor, with non-financial direct investment reaching \$690 million in the first 11 months of 2022, a year-on-year rise of 32.7 percent. China is also Cambodia's largest trading partner. Bilateral trade volume

hit about \$14.5 billion in 2022, a year-on-year increase of 19 percent.

In the joint statement released after the visit of Cambodian Prime Minister Hun Sen to China in February, both sides agreed to enhance customs inspection and quarantine cooperation and further promote imports of high-quality agricultural products from Cambodia and continue to advance “Single Window” interconnection to facilitate trade flow.

By making full use of the RCEP and the CCFTA and international platforms such as the China International Import Expo, the China Import and Export Fair, and the China-ASEAN Expo, Cambodia can enhance its competitiveness and popularity of its products in China.

Localities in both countries can also play their respective roles to take advantage of the existing bilateral and regional trading arrangements and platforms to enhance practical economic cooperation, especial the trade in goods and services and digital trade.

The RCEP offers both sides huge potential to cooperate and optimize benefits.

According to a study by the Economic Research Institute for ASEAN and East Asia in October 2022, there is a huge export potential for the Kingdom. The report shows that Cambodia’s GDP could rise by around 2 to 3.8 percent, and exports between 9.4 and 18 percent. A 9.4 percent increase in exports could have an annual growth impact of 2 percent on the baseline growth rate and a 3.2 percent increase in employment. The higher impact of an 18 percent increase in exports can translate into a 3.8 percent GDP increase and a 6.2 percent increase in employment. Job opportunities would increase by 3.2 to 6.2 percent annually, and tax revenue by 2 to 3.9 percent, while the overall investment

could increase by around 23.4 percent.

The RCEP also provides a platform and framework for parties to undertake economic cooperation programs and activities that can enhance the capability of SMEs to benefit from the opportunities arising from their integration in the regional and global supply chains.

In this connection, China and Cambodia should deepen their cooperation on SMEs. It is important to create an environment where businesses can operate with less bureaucratic bottlenecks. In this context, e-government platforms such as online business registration, licensing and taxation have provided continuity, accessibility and reduced transaction costs.

The issue of taxation is of tremendous importance for small businesses. In this regard, tax incentives and tax simplification can enable SMEs to grow their operations until they reach a certain level of sustainability.

Going forward, China and Cambodia should develop concrete cooperation to help Cambodia enhance its production capacity, competitiveness and export capacity, especially supporting SMEs to fully reap the benefits stemming from the RCEP.

First, the two countries should exchange best practices on how to improve SMEs' access to markets and participation in global value chains, by promoting and facilitating partnerships among businesses.

Second, China and Cambodia should promote the use of e-commerce by SMEs and enhance the digital capacity of SMEs.

Third, the two sides should strengthen the entrepreneurship and innovation capacity of SMEs, including the application of latest technologies.

Fourth, China and Cambodia should promote awareness,

understanding and effective use of the IP system among SMEs.

Fifth, they should promote good regulatory practices and build capacity in formulating regulations, policies and programs that contribute to SME development.

*This article was first published in China Daily on 3 April 2023.*

# Ushering in the Green Transformation

The urgent need for green development has gained significant traction. As nations grapple with the devastating consequences of climate change, the Association of Southeast Asian Nations and China have emerged as key players in fostering a green transformation. In 2021, ASEAN and China issued a joint statement on enhancing green and sustainable development cooperation and in 2022, both sides committed to strengthening common and sustainable development. Notably, 2021 and 2022 were designated as years of sustainable development cooperation between ASEAN and China.

In 2022, Cambodia, the rotating ASEAN Chair, proposed developing the ASEAN Green Deal to promote a sustainable and inclusive recovery from the COVID-19 pandemic. At the ASEAN Summit in Indonesia this month, ASEAN Leaders adopted a Declaration on Developing a Regional Electric Vehicle Ecosystem as part of ASEAN's efforts to reduce greenhouse gas emissions, accelerate the transition to clean energy, decarbonize the land transport sector in the region, achieve net-zero emission targets and improve energy security in each ASEAN member state and in the region.

It is crystal clear that a green economy is an important source of growth for ASEAN. Moreover, a green recovery and transformation will help ASEAN to achieve an economically and environmentally resilient future. According to a study by the Asian Development Bank, ASEAN's green recovery from the COVID-19 pandemic could potentially create \$172 billion in

investment opportunities annually and generate more than 30 million jobs by 2030.

As Southeast Asian economies are in transition toward more sustainable, resource-efficient and climate neutral economies, a regional framework on green recovery and green transformation is needed. In this connection, the development of the ASEAN Green Deal can serve as a regional framework for multi-stakeholder consultation and partnership building.

To realize the ASEAN Green Deal, five strategic policy interventions are recommended: first, advancing a zero-carbon, affordable and resilient energy system; second, developing smart, low-carbon, water-secure and climate-resilient infrastructure and mobility; third, mobilizing public and private finance for green investment and transformation; fourth, accelerating and scaling up green innovation; fifth, implementing the United Nations Economic and Social Commission for Asia and the Pacific's Asia Pacific Green Deal and the Framework for Circular Economy for ASEAN Economic Community through the promotion of multi-stakeholder consultation and partnership building and the development of a green economic zone.

ASEAN and China are endowed with abundant resources and diverse ecosystems, providing a fertile ground for innovative green solutions. By pooling their strengths, the ASEAN members and China can tackle shared environmental challenges and drive sustainable development. Collaborative initiatives on renewable energy, environmental conservation and sustainable infrastructure will not only promote economic growth but also ensure the preservation of natural resources for future generations.

Renewable energy stands at the forefront of the global transition toward a low-carbon future. Green investment is



critical to realizing the low-carbon transition and a carbon-neutral economy. According to various studies, Southeast Asia needs about \$3 trillion cumulative green investment to stay on track to reach 1.5 C target by 2030. In this connection, ASEAN and China can leverage their collective capabilities to ramp up investments in renewable energy sources such as solar, wind, hydro, and geothermal power.

China's growing influence in renewable energy development globally presents a significant opportunity for ASEAN to expedite its energy transition. This is particularly noteworthy considering the existing cooperation between China and ASEAN in various domains. To illustrate, China has invested approximately \$31 billion in renewable energy projects in the ASEAN region from 2000 to 2020, constituting about 60 percent of the total foreign public investment in the region during that time frame.

Moreover, the involvement of the private sector is crucial to China's advancement in renewable energy projects within the region. Starting from 2010, the private sector, acting as a sponsor and financing institution, has played a prominent role in China's engagement with renewable energy projects. In this regard, Chinese sponsors have pledged an investment of \$3.6 billion in renewable energy projects as of 2023.

Electric vehicles present another promising avenue for cooperation between ASEAN and China. ASEAN is actively striving to establish favourable conditions within its domestic market to attract investments from EV manufacturers. In this context, China, being the foremost producer of EVs, holds significant importance. Strengthening partnerships with China through investments in EV products can generate positive spill-over effects, fostering innovation and growth in renewable energy-supporting industries across the region. This collaborative effort

has the potential to drive the transition toward clean energy in the ASEAN region.

To facilitate a comprehensive green transformation, the members of ASEAN and China must foster a conducive policy environment. Harmonizing regulations, promoting knowledge exchange, and establishing regional standards and certifications are vital steps. By aligning their policy frameworks, these nations can incentivize sustainable practices, attract green investments and establish a level playing field for businesses operating in the region.

ASEAN and China's collaboration on a green transformation transcends regional boundaries and serves as an exemplary model for global cooperation to realize the necessary green transformation including the development and promotion of electric vehicles which China is leading.

The imperative for a green transformation is an unparalleled opportunity for ASEAN and China to lead the charge toward a sustainable and resilient future. By capitalizing on their strengths, fostering innovation and prioritizing cooperation, ASEAN and China can together embark on a common journey toward a greener tomorrow.

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