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Cambodia's Strategic Partnership with Korea: A Hedging Act

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On 16 May 2024, Cambodia and South Korea agreed to elevate their bilateral relations to a "strategic partnership" during Cambodian Prime Minister Hun Manet's official visit to the Republic of Korea (ROK). This strategic partnership, part of Cambodia's hedging strategy, will enable the country to diversify its foreign relations whilst balancing its engagement with major powers. This article highlights how Cambodia's hedging strategy serves as an instrument to bolster economic interests, strengthen the defence sector and develop the capacities of Cambodia's UN peacekeepers.

Hedging Strategy

Cambodia's strategic use of hedging allows it to challenge the perception of being a "client state of China" while maintaining autonomy in its foreign policy. This approach enables Cambodia to effectively manage relationships with regional and major powers by upholding its independent and neutral stance, guided by the principle of "friend to all and enemy to none." Through this strategy, Cambodia has successfully strengthened ties with its immediate neighbours, adhering to the principles of "peace, friendship and development." As a result, the country has not only preserved its strategic autonomy but also enhanced its diplomatic position in the region.

The strategic alignment between South Korea's Indo-Pacific Strategy and Cambodia's hedging approach offers a mutually beneficial framework for enhancing regional stability and economic growth. This partnership bolsters Cambodia's strategic autonomy and economic development while strengthening South Korea's presence in Southeast Asia. It ultimately contributes to a more balanced distribution of power in the region. By prioritising diverse partnerships and a rules-based order, both nations collaborate effectively. This challenges perceptions of Cambodia as a "client state" of any single power and reinforces South Korea's commitment to active regional engagement. Their strategic cooperation exemplifies how middle powers can work together to navigate complex geopolitical landscapes. It fosters a more interconnected and stable Indo-Pacific region while advancing their individual national interests.

Bolstering Economic Cooperation

Cambodia's hedging strategy bolsters economic growth in the multipolar world. By engaging multiple external players, Phnom Penh avoids over-reliance on any single power whilst maximising benefits. South Korea exemplifies this as a key partner with FDI reaching 5 billion USD in 2023. The Cambodia-South Korea Free Trade Agreement further strengthens this relationship, providing preferential market access and boosting bilateral trade. This partnership creates an exclusive economic zone for Korean firms, driving investment and economic cooperation. Consequently, Cambodia diversifies its exports, minimises vulnerability to

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external shocks, and reduces dependence on any single country, fostering sustainable economic growth.

This approach diversifies Cambodia's economic engagements beyond traditional partners while fostering a robust economy. It enables access to varied market, investments, and developmental aid. As Vietnam's business costs rise, Seoul seeks investment opportunities in other ASEAN nations. Cambodia's strategic location and young low-wage workforce offer South Korean companies promising prospects for market expansion, regional connectivity, and competitive carbon-neutral operations. This partnership allows Cambodia to attract diverse investments whilst providing South Korea a foothold in the growing ASEAN market.

Strengthening Defence Cooperation

The hedging strategy also gives Cambodia more access to modern military technology, defence expertise and training capabilities which South Korea proves itself to be a reliable partner. Cambodia's Defence Policy (2022) prioritises capacity building and increased its defence budget to 1.02 USD billion by 2027 to modernise its armed forces. South Korea with its advanced defence industry offers significant potential for enhancing Cambodia's military capabilities. Joint naval exercises will expose Royal Cambodian Armed Forces (RCAF) to modern tactics and equipment while RCAF officers studying in South Korea gain insights into advanced military doctrines and technologies.

South Korea's expertise in developing cost-effective military hardware aligns with Cambodia's modernisation goals. Potential areas of collaboration include upgrading air defence systems, enhancing naval capabilities, and exploring joint equipment production. This partnership could accelerate Cambodia's military modernization, offering access to sophisticated defence capabilities that complement existing resources.

By strengthening defence ties with South Korea, Cambodia can access valuable military knowledge and technology diversifying its defence relationships beyond China. This strategic hedging allows Cambodia to balance its military partnerships reducing over-reliance on any single partner. Such diversification enhances Cambodia's autonomy in defence matters, aligning with its foreign policy objectives of maintaining strategic independence amidst regional geopolitical complexities.

Enhancing the capacities of Cambodia's UN peacekeeping forces

Enhancing cooperation with South Korea under the UN framework can help Cambodia improve its overall peacekeeping capacity through advanced military technology acquisition and training programmes. Cambodia has emerged as a key regional contributor to UN peacekeeping missions despite limited resources. This outstanding contribution is demonstrated by the dispatch of blue helmets to missions in nine countries involving over 9000 personnel, including 726 female peacekeepers since 2006.

In November 2022 Phnom Penh and Seoul signed a memorandum of understanding (MOU) focusing on the transfer of heavy military materials under the tripartite UN peacekeeping mission project. This defence cooperation serves as a crucial cornerstone for strengthening both nations' peacekeeping capabilities within the UN framework. It will better equip their blue helmets to provide humanitarian assistance and disaster relief in global conflict zones, enabling them to play a pivotal role in promoting international peace and security.

Conclusion

In an uncertain and unpredictable global political and economic landscape, implementing a hedging strategy through an independent and neutral foreign policy enables Phnom Penh to navigate complex geopolitical currents with agility and foresight. As the partnership with Seoul unfolds, Phnom Penh can leverage its strategic position to enhance national security, stimulate economic growth and contribute to regional development and stability.

The views expressed are the author's own and do not reflect the views of the Asian Vision Institute.