

THE WEST'S CAMBODIA DILEMMA

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The European Union and the United States face a Cambodia dilemma: Both have imposed sanctions in response to Cambodia's drift from democracy, risking Phnom Penh's further alignment with Beijing and thus strengthening China's ascent, something Europe and the US have also sought to prevent. However, too soft of an approach risks encouraging the rise of authoritarianism in Southeast Asia.

What, then, is to be done?

Following the dissolution of the main opposition Cambodia National Rescue Party (CNRP) in 2017, the US cut aid to Cambodia, while <u>imposing sanctions</u> on several senior Cambodian military officers and tycoons who have close ties with the ruling Cambodian People's Party. Ties had already been strained when, earlier in 2017, Phnom Penh decided to cancel joint Angkor Sentinel military exercises. Although both countries are working to <u>mend</u> <u>relations</u>, it remains unclear how this détente will last: the Covid-19 pandemic has escalated the US-China strategic rivalry and reaffirmed President Donald Trump's strategy of "<u>America First</u>."

The EU, on the other hand, cites Cambodia's worsening human and labor rights violations as the

justification for <u>suspending</u> the Everything But Arms trade agreement. The EU argues that <u>Cambodia's</u> <u>democracy has declined</u> after unprecedented government crackdowns on press freedom and the banning of the CNRP, and that trade sanctions are intended to reverse the latter's drift away from democracy.

However, Phnom Penh considers the move a threat to its sovereignty and <u>interference in Cambodia's</u> <u>internal affairs</u> and has pushed back especially hard against them. The government argues that the CNRP was dissolved by Cambodia's Supreme <u>Court</u> in November 2017 because it was convicted of espionage and colluding with foreign powers to topple the government.

Furthermore, they argue, if the EU really cared about human rights, why would it forge trade agreements with Vietnam, with its <u>"appalling" human rights</u> <u>record</u>? Why does the EU not impose trade sanctions on countries with a <u>deteriorating human rights</u> record, such as the Philippines?

Conflicting perceptions among Brussels and Phnom Penh prevent the two sides from having constructive and meaningful dialogues to <u>resolve their differences</u>. In the short term, mild sanctions from the EU and the US will not reverse Cambodia's undemocratic drift. Prime Minister Hun Sen has ruled the country for <u>over</u> <u>three decades</u> and shows no sign of giving up power. It now seems that his main political agenda is to sustain the regime, eliminate opposition, and consolidate power by clamping down on dissent.

These strategies will likely be deployed for the next election in 2023, further consolidating the erosion of Cambodian democracy and strengthening <u>the rise of authoritarianism</u> in Southeast Asia.

In the long term, the EBA suspension is a mild sanction, more likely to <u>push Cambodia further into</u> <u>China's orbit</u>, with potentially severe geostrategic implications. <u>US officials</u> and <u>analysts</u> have speculated that Cambodia has already signed a deal allowing China military access to a naval base in Sihanoukville province—even though Cambodia <u>denies</u> any deal granting China exclusive access—and that China is building <u>dual civil-military airports</u> in Koh Kong and Koh Rong.

So far, this has been downplayed and <u>denied</u> by both Cambodia and China. However, recent developments, including the <u>demolition of a US-funded facility</u> at Cambodia's Ream Naval Base on the Gulf of Thailand, does not augur well for regional peace and stability.

Considering <u>Cambodia's close alignment with</u> <u>China and <u>China's increased engagement with</u> <u>Cambodia</u>, the EU and the United States should take heed and deal with Cambodia more strategically; otherwise, a <u>Chinese military base</u> in the region may become a reality.</u>

Dealing with the Dilemma

As distasteful as it may be, given human rights concerns, the West's way forward may be through increased engagement: aid, grants, investment, and government-to-government as well as people-to-people exchanges. As <u>China increases its activities</u> in these areas, it is unwise for the US and the EU to do the opposite if they want to stem Chinese influence.

As regime survival is the name of the game, Hun Sen's regime will be <u>less likely to bow</u> to any sanctions. The US may recognize this risk, having recently approached Cambodia with conciliatory gestures that include more than <u>\$11 million</u> in foreign aid for Cambodia to fight against Covid-19 and its impact. The EU, also, should <u>consider restructuring its</u> <u>sanctions</u> on Cambodia so that the political elites responsible for Cambodia's democratic backsliding and human rights abuses feel the consequences, rather than ordinary Cambodians, especially women who work in the garment industry.

Thus, while still being mindful of Cambodia's political developments, the EU and the US need to strategically engage Cambodia in ways that create a conducive environment for Cambodia's young, fragile democracy to grow. The US and its allies have done so for almost three decades; they have significantly transformed Cambodia's economy as well as supported the development of its liberal

democracy and political infrastructure. Despite recent setbacks, their engagement with Phnom Penh must continue, especially amid China's growing influence in Cambodia, and in Southeast Asia in general. The decline or absence of such engagement would allow for China's dominance of Cambodia, with severe geopolitical consequences to follow.

But will Phnom Penh be more cooperative if Washington and Brussels signal willingness to continue their engagement? It should; Cambodia still needs the EU and the US as major export markets, so it must reconsider foreign policies that seem to lean too far toward China, at least when contrary to international norms. It must refrain from actions seen as serving China's core strategic interests, either domestically or internationally. Tilting toward China—an ally that turns a blind eye toward human rights issues-at the expense of relations with other regional and global partners will only serve the interests of the ruling party, elite groups, and Hun Sen himself, not most Cambodians. As Cambodia's economy is largely export-driven and Cambodian exports to China accounted for less than 15% of their \$8 billion bilateral trade in 2019, China most likely cannot mitigate all losses Cambodians will face, despite Beijing's pledges.

Cambodia must also start to address its <u>tarnished</u> <u>international image</u>. A better image will greatly support Cambodia's post-Covid-19 economic recovery, particularly regarding lost foreign investment and tourism revenue.

Cambodia must address issues concerning its domestic politics as well. Its democratic backtracking has drawn widespread criticism and sanctions from Western governments. If this trend continues, more sanctions and other tough measures will be imposed on Cambodia, negatively impacting the country's socioeconomic development and its <u>vision</u> to become an upper middle-income country by 2030.

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through legal means. It must constructively engage all key stakeholders, particularly democracy advocates, human rights activists, civil society groups, and youth who play a crucial role in contributing to the development of democracy in Cambodia.

It is not the sole responsibility of the EU and the US to address their Cambodia dilemma. Cambodia, too, has a vital role to play in solving this puzzle. Hopefully, if Washington and Brussels extend a lifeline, Phnom Penh will do its part.

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