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Friday, August 17, 2018 - 12:00am Cambodia's Troubling Tilt Toward China And What It Means for Washington's Indo-Pacific Strategy Charles Edel

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When Cambodian Prime Minister Hun Sen claimed a landslide victory in the country's July 29 elections, most international observers quickly denounced the results as rigged. Given that the election has helped consolidate Hun Sen's 33-year, increasingly authoritarian hold on power, these accusations are troubling. Even more troubling, however, may be Hun Sen's recent tilt toward <u>China</u> [2] and the increasing local and regional benefits Beijing is receiving from its relationship with <u>Cambodia</u> [3].

For myriad reasons, Washington has long considered Cambodia a strategic lost cause. Yet the country's Chinese turn should serve as a warning of what China's growing economic presence, especially in authoritarian countries, will mean for Southeast Asia and Eurasia more broadly. To respond effectively, the United States and its allies need to look at Cambodia with fresh eyes as both a national security challenge and opportunity. Although Hun Sen has tightened his grip on the country and pushed it closer to Beijing, there actually exists widespread, if quiet, anger among ordinary citizens at their government's subservience to China.

TIES THAT BIND

Over the past two decades, China has worked diligently to cultivate ties to Cambodia's strongman. Beijing has continued to back Hun Sen as he has dissolved Cambodia's main opposition party, thrown its leader in jail, <u>manipulated</u> [4] social media to boost his perceived popularity, and presided over the <u>hollowing out</u> [5] of the country's two largest independent newspapers. When a crackdown on political opposition started last November, China came to the government's defense. After meeting with Chinese Foreign Minister Wang Yi in late March, Hun Sen wrote on his <u>Facebook page</u> [6] that "Chinese leaders would like to support and wish Samdech Techo [Hun Sen] to win the election and lead Cambodia's destiny to make it become more developed in the future." And in the run-up to July's elections, China's ambassador to Cambodia <u>attended</u> [7] a ruling party election rally in Phnom Penh.

This support has taken more tangible forms as well. Last December, China pledged to give Cambodia's <u>National</u> <u>Election Campaign</u> ^[8] \$20 million for polling booths, computers, and other equipment. Visiting Cambodia in June, China's defense minister announced a military aid package of \$100 million and claimed that Cambodia was a "<u>loyal</u> <u>friend</u> ^[9]." Beijing has worked hard to cultivate such loyalty with its southern neighbor. To help Hun Sen offset domestic and international criticism of his increasingly authoritarian turn, China has <u>increased</u> ^[10] its aid and investment, announcing hundreds of millions of dollars' worth of <u>concessional loans</u> ^[11], supporting <u>infrastructure</u> <u>projects</u> ^[12], and upping the number of Chinese <u>tourists</u> ^[13] visiting Cambodia over the last year by over <u>40 percent</u> ^[14]. China is now Cambodia's largest aid donor.

In exchange for Beijing's unquestioning support, Cambodia under Hun Sen has increasingly become a vassal state of China and helped expand Beijing's local and regional ambitions. The Cambodian government has displaced thousands of Cambodian families for Chinese-funded projects. Most egregiously, in a deal that violated Cambodian national laws, the government secretly ceded more than <u>20 percent of Cambodia's coastline</u> [15] to a Chinese-owned company. Hun Sen has dutifully responded to Beijing's calls to do more to protect Chinese investments, attacking those who question Cambodia's growing economic reliance on its northern neighbor. He has also defended China's development projects abroad, brushing aside criticism that such projects have placed unsustainable debt burdens on recipient countries, caused lasting environmental damage, and displaced local workers.

For China's regional ambitions, the relationship with Cambodia yields continual dividends. Despite not being a claimant to the disputed maritime territory in the South China Sea, Cambodia has consistently supported China's island-building and militarization there. It has shielded Beijing [16] from criticism by the Association of Southeast

Asian Nations by repeatedly blocking any measures that would hold Beijing accountable for its aggressive behavior. In addition, China's acquisition of the large swaths of Cambodian coastline and construction of port facilities in the coastal city of Sihanoukville, offer tantalizing potential future locations for Chinese naval bases that would allow Beijing the ability to project power further into and beyond the region. And last year, Cambodia scrapped a long-running U.S. military aid program, while scaling up its training and coordination with China's People's Liberation Army.

Perhaps most important for a Chinese regime that has suffered from an <u>image problem</u> [17] abroad, Cambodia has served as a loyal voice providing positive propaganda for Beijing. Standing next to a senior official from the Chinese Communist Party's Publicity Department last April, Hun Sen presided over the release of a volume of Xi Jinping philosophy into Khmer and encouraged Cambodian "officials, professors, and students to read the book." As the independent media has been snuffed out in Cambodia, Chinese state-run media organs such as <u>China Daily</u> [18], <u>The Global Times</u> [19], and Xinhua have stepped into the void, filling the editorial pages in Cambodian newspapers and turning them into mouthpieces for Chinese propaganda. In this, Cambodia has proved a troubling example of a state working in tandem with Beijing's censors and propagandists.

Meanwhile, the relationship with China has compromised Cambodia's independence and sovereignty while bringing little benefit to ordinary citizens. Although Chinese investment has led to construction projects across Cambodia, <u>observers</u> [20] have also expressed concern that "white elephant projects, ghost cities, and Potemkin villages" are unlikely to do anything for the country's future development. In keeping with their practice in other parts of the world, Chinese state companies bring in Chinese workers to build roads, dams, and bridges and fail to hire local workers or transfer knowledge and expertise to local communities. Typical of this is Chinese investment in the coastal city of Sihanoukville, which has seen a massive influx of Chinese casinos and tourists. As Anna Fifield reported in *The <u>Washington Post</u>* [21], resentment is mounting among average Cambodians. "All this building they're doing is only to benefit Chinese," a Sihanoukville man said. "It's good for the landowners but not for ordinary people." "In a large number of cases, the benefits have been minimal or negative," wrote <u>Sebastian Strangio</u> [22], author of *Hun Sen's Cambodia*. These investments by Beijing have also led to environmental degradation in a country that is already struggling with a range of environmental issues.

Another area of concern is the debt-trap diplomacy aspect of China's aid. China has played an outsize role in Cambodia's development, accounting for nearly <u>44 percent</u> [23] of the foreign direct investment that Cambodia has received between 1994 and 2014. It is estimated that around <u>70 percent</u> [24] of roads and bridges in the country are funded by China on the back of about \$2 billion in loans, which is equivalent to about one-tenth of Cambodia's GDP. This influx of Chinese cash has placed Cambodia in a precarious, even subservient relationship with Beijing. Cambodia owes China more than \$4 billion—<u>two-fifths</u> [25] of its outstanding national debt according to some estimates.

WILL WASHINGTON STEP UP?

Cambodia's alignment with China has occurred in the absence of sustained U.S. and Western engagement. This is unfortunate because the struggle playing out in Cambodia is a microcosm of the much larger battle for influence under way in Southeast Asia. In its 2017 National Security Strategy, Washington recognized that there is "a geopolitical competition between free and repressive visions of world order ... taking place in the Indo-Pacific region." If the United States wants to champion open and free societies, then it must work to highlight how authoritarian regimes such as Cambodia's do not serve their people.

Policymakers in Washington usually ignore Cambodia in broader discussions of these issues for a number of reasons. It is a small developing country that does not own or border strategic territory; it has been ruled by Hun Sen for more than three decades; and it is generally regarded as the country most in the pocket of China. From an economic, democratic, political, and strategic perspective, then, Cambodia is considered infertile territory—worthy of acknowledgement but not attention or resources.

This is a mistake. Cambodia may be a harbinger of what can happen to a sovereign nation's politics and policies when a government moves fully into Beijing's camp, but that does not make it a hopeless case. The United States can and should counter Chinese influence as part of a broader Indo-Pacific strategy. And doing so in a country such as Cambodia would also indicate the U.S. commitment to the entire region—not just to places where it is convenient.

If Washington and its allies were to reconceive how they think about Cambodia, there's much they could do—both within the country and more broadly in Southeast Asia. The urgency of competing with an increasingly illiberal China in Southeast Asia is rising, but U.S. resources have not increased in tandem. Increasing competition without also increasing resources is not a formula for success. To compete effectively, Washington needs to commit more funds to boost public diplomacy and people-to-people exchanges with Cambodia. Second, more must be done to

counter disinformation campaigns. Over the last <u>year and a half</u> [26], Cambodia has gone from a somewhat open media environment to one increasingly dominated by propaganda and disinformation. Thinking creatively about how to get Cambodians more access to information—whether by using technology to translate foreign media into Khmer or increasing Voice of America and Radio Free Asia resources—would allow a more open conversation to take place within Cambodia about the country's future direction and Chinese activity in it. Additionally, expanding the list of targeted sanctions on those individuals enabling the crushing of dissent might increase pressure within the regime to rethink its unquestioning loyalty to Hun Sen.

Washington can also double down on assistance and investment that helps the Cambodian people, including through funding humanitarian aid and underwriting de-mining efforts. Its recent <u>Indo-Pacific Business Forum</u> ^[27] could provide a launching point to incentivize private-sector investment in Cambodia that is aimed at furthering Cambodia's future growth and not just extracting its resources. Many Cambodians feel that that China has no interest in environmental protection, workers' rights, training, or transparency. This is potentially favorable terrain for U.S. private-sector engagement that is sustainable, market driven, meets high standards for safety, and is intended to help drive growth rather than weigh the country down with unsustainable debt.

For any of this to work, however, the United States and its partners need to make a coordinated effort to provide a viable alternative model of sustainable development. Cumulatively, Australian, American, European, Indian, Japanese, and South Korean resources are vast. All of these countries have officially noted the importance of Southeast Asia to their future development—and undertaking a persistent effort to provide an alternative model would have a powerful effect. Doing so would, at the very least, provide countries such as Cambodia with a real choice. Increasing pressure on Hun Sen—whether by further highlighting his close personal alignment with Beijing or undertaking coordinated sanctions against those in his regime responsible for human rights violations—is not an end unto itself. Rather, these are policy tools intended to counter the spread of Chinese influence and empower the average Cambodian.

Cambodia's recent elections earned it a brief moment of attention and opprobrium in Washington. If that remains the full extent of American engagement, it will represent a missed opportunity. Speaking with hundreds of Cambodian students, business leaders, military officers, government officials, and journalists bears out <u>polls</u> [28] showing that this very young country is very pro-American. With increasing discomfort with China has come a desire for more U.S. engagement. Cambodia is not in China's pocket, even if the current leadership is. Capitalizing on that fact stands to benefit the people of Cambodia, weaken China's grip on Phnom Penh, and make U.S. strategy more competitive in the region.

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