

CAMBODIA 2040



# CAMBODIA 2040

*INTERNATIONAL RELATIONS AND GOVERNANCE*

Volume 3

Edited by  
DETH SOK UDOM  
BRADLEY J. MURG  
OU VIRAK  
MICHAEL RENFREW



# Chapter 3 | Geopolitics, Great Power Competition, and Cambodian Foreign Policy

POU Sothirak

## Introduction

The post-Cold War global order, grounded in American unipolarity, developed a shared set of institutions and norms that are now in the midst of renegotiation in light of rapid changes in relative power, economic status, power projection capabilities, and domestic political realignments in many of the Western liberal democracies. As the world prepares to confront a change of administration in Washington with Vice President Joe Biden taking office early next year, expectations among scholars and analysts across the globe are extremely diverse concerning the future equilibrium of the global political structure. In East and Southeast Asia, three potential structures need to be considered when analyzing how Cambodia's foreign policy can develop over the next twenty years and how Cambodia can best act within the confines thereof: (i) US unipolarity and a 'status quo ante' return to American hegemony; (ii) Chinese hegemony; and (iii) Sino-American Bipolarity. Each of these presents distinct challenges and opportunities and will ultimately define the choice sets that all states in Southeast Asia, including Cambodia, will have open to them.

Cambodian foreign policy in the next 20 years will be shaped by the developing re-configuration of regional and global political powers, dictated by a relentless competition for influence to secure supremacy. This competition, manifesting

Blank Page

itself via geographic arrangements, can and will undoubtedly impose an unpredictable and insecure future for smaller states. Unless the kingdom maneuvers pragmatically and adheres to the correct balance of power between and among the stronger and more powerful states, Cambodia's future will remain adrift and subject to the mercy of those powers.

While the possibility of a multipolar world is regularly mooted by analysts, this option is not considered here for two reasons. First, there is the yawning gap in military power - which is only likely to widen - between the US and China and all other actors. While the European Union (EU) is and will continue to be a major actor in terms of trade, aid, investment, and the promotion of global norms of human rights, EU member states' unwillingness to invest in significant expansion of military power ultimately undermines the possibility of it acting as an independent pole. Second, there is the case of Russia - which suffers from the opposite problem. While Moscow maintains its significant nuclear arsenal and significant conventional military forces, its economy remains weak and highly resource dependent. With a GDP only slightly larger than that of Australia, it is difficult to see how Russia can achieve its long-standing revisionist goals in light of the size of its economy. Moscow continues to remain primarily a regional force - focused on its "near abroad," and acting globally through the means of asymmetric warfare, depicting its relative weakness.

For Cambodia, regardless of which of the three realities set out below takes hold, each would have highly significant although somewhat differing impacts on the kingdom's future agency and its ability to influence the direction of subregional, regional, and global political outcomes as well as the protection of the kingdom's own national interests. As a relatively small state in terms of geographic size, population, and economy - Cambodia has confronted and will continue to confront a very different foreign policy landscape than that of not just the great powers, but also its own ASEAN partners. Indonesia, Thailand, Vietnam, and the Philippines - due to their sheer size - will face a significantly less demanding, although still extremely challenging path, and maintain much greater room to maneuver than Phnom Penh.

It is important to note here that Cambodia's modern history is one that has been heavily determined by geopolitical competition among foreign powers larger than itself. European competition for hegemony in Southeast Asia resulted in Cambodia becoming a French protectorate in the 1800s. A century later it was the Cold War and US-Soviet competition and the war in Vietnam that ultimately destroyed King Norodom Sihanouk's quest to maintain Cambodian neutrality and sovereignty and resulted in the rise to power of the Khmer Rouge regime and the subsequent genocide that killed over 1.5 million Cambodians. Since the close of the Cold War, Cambodia has experienced a very unique set of historical circumstances: geopolitical stability. The post-Cold War geopolitical equilibrium inclusive of the maintenance of the Bretton Woods Institutions and the institutionalization and expansion of ASEAN has given Cambodia space to develop, climb the ladder of human development, and find its place in the family of Southeast Asian states. Each of the four geopolitical equilibria - even the maintenance of U.S. hegemony in the region - in light of other global trends and diverse developments in national politics will mean that Cambodia will remain vulnerable and will face a very different world than that which has existed since the 1991 Paris Peace Accords.

## **Returning to the Status Quo Ante: U.S. Hegemony**

Over the course of the last four years, President Donald Trump appears to have forsaken the American-led global order - his administration has been widely perceived to have rejected globalization as a positive force, most notably via the US-China trade war and the implementation of protectionist economic policies. At the same time, the US withdrawal from the Paris Climate Accords, an approach to NATO that has raised questions as to the future of that alliance, and a benign neglect approach to the World Trade Organization (WTO) have further heightened concerns as to the future role of the U.S. With these moves, the US is often seen as moving away from its leadership role in the rules-based global order that was once the cornerstone of US policy and a key source of American regional hegemony in Southeast Asia.

The election of Biden in November has many analysts expecting a rapid volte face by Washington in many of these areas and the US returning to the policies

of the Obama administration. Such an approach would certainly strengthen the American position in the Indo-Pacific region, particularly if the Trans-Pacific Partnership were revived - an entity once viewed as essential to countering growing Chinese economic influence.

While recognizing the impacts of the last four years, there is a strong case to be made that American hegemony in the region will continue over the next two decades, at least. In terms of power projection capability, the U.S. Navy is likely to maintain supremacy for the foreseeable future. As former Defense Secretary Mark Esper noted earlier this year, Beijing's own military modernization is not anticipated to be completed until 2035 and by China's own estimates naval supremacy in the Indo-Pacific is unlikely to be achieved until 2049. Responding to that threat, the Department of Defense's announcement of significant new investment in its fleet indicates that despite Chinese expansion in the South China Sea and a highly successful approach to naval modernization - US military superiority could very easily be here to stay.

Moreover, in 2020 we saw the establishment of the new Mekong-US Partnership, replacing the somewhat moribund Lower Mekong Initiative (LMI), promising over \$150 million in new investment in the region. The economic role of the U.S. - an area where China has made its most significant gains - has been further buttressed by the conversion of the Overseas Private Investment Corporation (OPIC) into the new U.S. International Development Finance Corporation, promising significant new overseas investment by American firms.

Finally, despite the deep unpopularity of Mr. Trump, Washington continues to maintain unparalleled soft power owing to the sheer size and influence of its cultural industries (film, music, fashion, high-tech) and its huge higher education sector, which counts over 4,000 colleges and universities and the benefit of English having become the global lingua franca. While it is unlikely that there will be a full return to the status quo ante of American hegemony, a new form of American hegemony and the maintenance of a unipolar global division of power remains a highly feasible scenario. The rapid consolidation of the minilateral Quad grouping of states over the last year - Australia, India, Japan, and the

United States - gives something of a basic outline as to some of the contours of future American unipolarity might look like.

## **A New Order for Southeast Asia: Chinese Hegemony**

China's 40-year rise continues with strategic priorities for the next twenty years including becoming a global power that is able to transform the existing unipolar order into a bipolar or multipolar one; modernization of its military power, doctrines, and activities; bringing Taiwan under direct rule by Beijing; resolution of East China Sea disputes with Japan and South China Sea disputes with various ASEAN states to its own benefit. China has made it clear that it seems to foster "a new order type of international relations."

While military modernization and the establishment of a Chinese naval base in Djibouti together with the rapid construction of new island bases in the South China Sea have depicted China's steady expansion in military power (not to mention its significant investment in space-based defense capabilities), it is in the economic sphere that Beijing has been most successful. While the Belt and Road Initiative (BRI) has encountered significant problems - most notably constant questions over alleged "debt trap diplomacy," lack of adherence to OECD Development Assistance Committee (DAC) best practices, and the Hambantota Port debacle in Sri Lanka - China has rapidly become the largest aid provider and foreigner investor in a many states. The establishment of the Asian Infrastructure Investment Bank (AIIB), despite initial concerns on the part of many states, has generally been a success - and, more importantly, an alternative to existing Western and Japanese-dominated multilateral financial institutions. While it is doubtful that in the next 20 years China will be able to achieve anything resembling Chinese unipolarity, it is important to recognize that Beijing has regularly asserted that it does not seek global hegemony, rather hegemony within East and Southeast Asia.

In Southeast Asia, Beijing has had considerable success - its Lancang-Mekong Cooperation mechanism (LMC) has been viewed positively by the lower Mekong states that have joined. Moreover, it has built close relationships with Cambodia, Laos, and Myanmar through significantly expanded state to state ties;

educational exchange programs; and previously unthinkable levels of infrastructure investment. Its cultural diplomacy has also expanded - through the expansion of Confucius institutes across the region. While China remains far behind the United States in terms of soft power, the decision of millions of Southeast Asian parents to have their children learn Mandarin as well as English is a useful data point as to the expectations of many in the region that Chinese hegemony (at least economically) is a strong possibility.

## **Bipolarity: Sino-American Competition in Southeast Asia**

The final potential scenario - bipolar competition between China and the United States - is one which many have said already characterizes the current state of affairs in Southeast Asia, with ASEAN members being forced to choose sides while attempting to protect themselves from such a choice through policies such as ASEAN Centrality. While Sino-American relations are certainly at their post-Cold War nadir, I do not believe we have reached the point where the increasingly popular phrase “The New Cold War” can be justifiably applied to current circumstances. That being said, present realities are certainly less than ideal and there is a very strong case to be made that even if global bipolarity and a new global Cold War is not likely in the next 20 years (recognizing slowing Chinese growth, challenges in Beijing’s public diplomacy, and questions as to the long term stability of authoritarian regimes in the context of President Xi Jinping’s reforms to the model of single party governance developed by Deng Xiaoping), a prolonged and intensified Sino-American conflict over hegemony in East and Southeast Asia is a very realistic scenario. Perceptions of zero-sum competition between China and the United States at present together with the escalation of tensions over the South China Sea and Taiwan depict the main lines of conflict that we would likely observe. For Southeast Asia, this underscores the vast importance of ASEAN and a realistic discussion of that institution. For Cambodia’s secure future, the kingdom cannot afford to take the U.S. – China rivalry lightly.

The approach deriving from the “ASEAN Way” is more than 50 years old and has been less than effective in recent years - internal review of the ASEAN Charter



and the revitalization of the institution is long overdue. It is perhaps time to reconsider the norms of consensus-based decision making and non-interference as these have limited its ability to manage geopolitical rivalries and security dynamics in the region that are only likely to increase in the context of this scenario. Reform of the ASEAN Regional Forum is also necessary in that it does not have the requisite capacity to enforce a framework of “rules of acceptable behavior.” Finally, the concept of ASEAN Centrality - the declaration of which was an important first step - continues to be under-developed and under-conceptualized and requires much greater clarity if it is to be effective in protecting Southeast Asia in general and Cambodia in particular from the worst impacts of Sino-American hegemonic competition.

## **Conclusion**

Regardless of which of these three structures Cambodia is confronted with, the kingdom’s foreign policy orientation should ultimately be grounded upon two key principles: pragmatism and neutrality in terms of how it develops its relationships with all actors. For a state such as Cambodia, with relatively limited agency, it is essential to avoid placing all of its eggs in one basket, i.e., leaning towards one side or the other. Whatever challenges may arise in the future development of future foreign policy - it is in the national interest of the kingdom to take a mixed approach incorporative of balancing and hedging but not bandwagoning, depending upon the context of particular issues and conflicts.

Cambodia’s place in ASEAN and support for the stronger institutionalization of ASEAN will be essential across any of the three scenarios mentioned above. The maintenance of ‘foreign policy neutrality’ requires Cambodia to commit willingly to ensuring that the country’s approach toward multilateralism is working well to safeguard not only the kingdom’s national interest but also ASEAN’s region-wide interest. Cambodia must reinvigorate itself and develop its existing institutions to manage emerging challenges and ensure that the country’s foreign policy options are in full support of the ASEAN Way towards a form of regionalism and multilateral cooperation that are able to function properly in order to tackle regional issues adequately.

The pursuit of a pragmatic and neutral Cambodian foreign policy is only enhanced by the kingdom's partnership with its fellow ASEAN states. If there is one "absolute" for the kingdom over the next two decades, it will be the importance of embedding itself more deeply and integrating more fully with its neighbors - an approach that some might consider idealist, but also one that provides the greatest protections for Cambodia, the safeguarding of its sovereignty, and the achievement of its national interests.

