



Asia Pacific Bulletin

Number 100 | March 15, 2011

Cambodia's Bumpy Development Road: Implications for US Interests

BY DONALD JAMESON

Donald Jameson, a former US diplomat who served in Phnom Penh, discusses Cambodia's current economic development that "has attracted the interest of international investors who see Cambodia as a potential new 'Asian Tiger.'"

When US Secretary of State Hillary Clinton visited Cambodia in late 2010, she told senior Cambodian government officials "this does not look like the country I have been reading about in the press." Most first-time visitors to Phnom Penh would likely react similarly. The city hosts a vibrant society, with traffic-clogged streets, a proliferation of stylish restaurants and boutiques, and buildings under construction everywhere, many of them high-rise apartments and office blocks. If the visitor were to venture outside the capital, large-scale investment in infrastructure, especially roads and bridges, with construction underway on additional projects are what greet the eye. In addition, there are extensive land clearing projects underway for new plantations to grow rubber, palm oil, cashews and other tropical products, as well as new industrial sites springing up along main transportation arteries. In short, Cambodia is clearly a country on the move economically.

Having prepared for the visit by reading recent media coverage of Cambodia, much of it carrying headlines such as "The Beleaguered Cambodians," "Cambodia's Curse," and "Country for Sale," the majority of people would probably find themselves, like Mrs. Clinton, a bit confused. Many media reports revolve around how Cambodia is plagued by rampant corruption benefiting a wealthy ruling oligarchy and their crony capitalist friends, while much of the population lives in abject poverty. There is also much coverage about widespread human rights abuses, including the confiscation of land from small landholders for investment projects, often without adequate compensation. As a result, visitors are led to anticipate a culture of impunity that protects the rich and powerful while victimizing the poor and powerless. In addition, they would expect to hear about strict limits on freedom of expression and assembly, as well as frequent intimidation of politicians, journalists, labor leaders, human rights advocates and other critics of Prime Minister Hun Sen and his ruling Cambodian People's Party (CPP).

The truth is both of these contrasting visions are accurate and represent important aspects of the complex reality that is Cambodia today. In recent years, Hun Sen has consolidated power at the expense of a weak and fractured opposition and, since the 2008 election, enjoys a CPP supermajority in the National Assembly. This has allowed him to pass any legislation he desires as well as to take punitive actions, including withdrawal of parliamentary immunity from legislators who oppose him. As a consequence, Hun Sen now has virtually absolute power. He makes almost daily off-the-cuff speeches using colorful, and often demeaning, language to castigate his critics, both domestic and foreign. Additionally, he has cultivated close relations with China, Vietnam, and South Korea, which bankroll many of his development projects and provide political cover. These connections enable him to defiantly reject criticism of his authoritarian behavior by Western countries and the United Nations.



“From a strategic perspective, the growth of Chinese influence in Southeast Asia makes it important for the United States to maintain a balancing presence, which most of the counties in the region also desire.”

The East-West Center promotes better relations and understanding among the people and nations of the United States, Asia, and the Pacific through cooperative study, research, and dialogue. Established by the US Congress in 1960, the Center serves as a resource for information and analysis on critical issues of common concern, bringing people together to exchange views, build expertise, and develop policy options.

The *Asia Pacific Bulletin* (APB) series is produced by the East-West Center in Washington. The views expressed in this publication are those of the authors and do not necessarily reflect the policy or position of the East-West Center.

EastWestCenter.org

EastWestCenter.org/Washington

However, there is a positive side to Hun Sen’s political dominance. He has imposed stability on a country that has experienced more than thirty years of turmoil and civil war. This has attracted the interest of international investors who see Cambodia as a potential new “Asian Tiger.” Along with the ongoing activities of foreign aid donors and more than 2,000 non-governmental organizations, this has led to outside involvement in Cambodia on a scale unprecedented in its history. In the process, a once insular, heavily rural, and very conservative society is being transformed into an extension of the modern globalized world. It is difficult to predict where these deep social changes will eventually lead, but the old Cambodia characterized by its apparently gentle smiling people and languorous pastoral charm seems destined over time to resemble other fast-growing Asian countries. As Cambodia moves toward greater integration with the outside world, the personalized patrimonial political culture, which underlies current abusive governance practices, may gradually evolve toward a more responsive modern polity.

An urbanized, better educated, and informed citizenry will likely demand more responsible and accountable leadership. This could be delayed or derailed by clan rivalries leading to a struggle for power or a coup d’état of the sort that Cambodia has experienced in the past. The country could also be shaken by popular unrest stemming from a severe economic crisis or failure by the economy to create adequate employment for the 200,000 new job seekers joining the labor market annually. However, barring a complete breakdown in authority that drives investors and aid providers away, Cambodia seems likely to remain generally on a trajectory toward a more modern socio-political system, although there will very probably be significant bumps along the road.

What happens in Cambodia has important implications for the United States. Cambodia is located between fellow ASEAN members Thailand and Vietnam, with whom relations have historically been troubled. Cambodian politicians have long manipulated popular hatred toward these two neighbors to divert attention from domestic problems and fuel attempts to unseat sitting leaders, as was the case in 1970 with Norodom Sihanouk. In recent years Hun Sen, whose government was installed by the Vietnamese following their 1979 invasion to drive out the Khmer Rouge, has played upon public resentment towards Thailand to rally support at critical times, usually in the run up to elections. In 2003 this led to riots which resulted in attacks on Thai-owned businesses in Phnom Penh and the burning of the Thailand Embassy. Any unrest in Cambodia would likely result in similar incidents stoked by either the Cambodian leadership or those trying to depose them, endangering US interests in regional stability. Successful economic and social development would significantly reduce the likelihood of such an occurrence.

From a strategic perspective, the growth of Chinese influence in Southeast Asia makes it important for the United States to maintain a balancing presence, which most of the counties in the region also desire. Cambodia’s alignment with China, based upon large amounts of Chinese aid and investment, is a concern. The United States cannot outbid China in this game, but it can play a strong hand that Cambodia and its ASEAN partners will welcome. US efforts in this regard are complicated by the fact that it must remain true to its human rights concerns and democratic values, but this will become less of a constraint as Cambodia progresses towards modernization and political maturity. It is thus important that the United States remain closely involved as Cambodia moves forward with its development agenda. Secretary Clinton’s recent visit to Cambodia, several port calls by US naval vessels—one captained by a Cambodian American—and the arrival of Peace Corps volunteers in Cambodia four years ago are important steps in this direction.