

Diplomatic Briefing

The Implications of Political and Security Challenges in the Asia-Pacific Region and Beyond

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Diplomatic Briefing is a collection of categorized opinion pieces and short articles from an extended network of scholars and regional experts, covering a wide range of issues from international relations, to sub-regional affairs, to foreign policy, to economic and trade, and beyond.

Initiated by Konrad-Adenauer-Stiftung (KAS) Cambodia and the Cambodian Institute for Cooperation and Peace (CICP), the Diplomatic Briefing aspires to serve the diplomatic community, policymakers, and interested stakeholders in Cambodia and the region on analyzing and debating the latest trends, challenges and issues in the global arena that may pamper key developments of Cambodia and threaten regional peace and stability at large.

The Diplomatic Briefing also attempts to serve as a platform for intellectual exchange of perspectives and insights as well as for emerging Cambodian scholars to have their research works published.

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Your CICP and KAS team



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EDITORIAL NOTES



Welcome to the Sixth Volume of the Diplomatic Briefing!

This annual flagship publication has become an important platform, both for the contributors and readers alike, in laying out the key pertinent issues that confront the strategic development of the region and beyond. This edition is special in many ways, one of which includes the incorporation of the economic realm into a bigger picture analysis, as well as various country-specific case studies raising political and strategic challenges.

We are particularly pleased to have had DCM Taninai-san of the Japanese Embassy in Cambodia share his candid experience as an international law practitioner on trade negotiations, dispute settlement cases, and other relevant WTO practices. Equally important is the key highlight of how the Cambodian economy thrived in response to the government policies aimed at mitigating macroeconomic shocks during the Covid-19 pandemic. The success story of Cambodia in curbing the wider spread of COVID-19 and the country's rapid economic recovery during the post-pandemic period deserve greater recognition.

The post-pandemic transition has significantly shaped the current environment we find ourselves in today, including politically, economically, and socially. A remarkable twist of the political landscape can be seen in Southeast Asia, the most notable of which would include Thailand and Cambodia. We also engaged in some flashback reflections on major regional events occurring in 2022, such as Cambodia's chairmanship of ASEAN, Indonesia's G20 Presidency, and Timor-Leste's accession to ASEAN. Other lingering issues include the US-China rivalry and its implications on specific countries (like in the case of the Philippines under its new administration) as well as the contestation's impact on Mekong sub-regional cooperation, the Korean peninsula tension, and the drastic Russia-Ukraine war. The rise of China is a controversial topic, especially with the most recently announced proposals – the Global Development Initiatives (GDI) and Global Security Initiatives (GSI) – on top of other grand schemes. This also leaves us with the more specific question of whether the rise of China is an opportunity for Cambodia amidst unceasing geopolitical competition and an increasingly tense regional security architecture. The emergence of India as a rising middle power also poses questions about the country's influence on the Asia-Pacific and ASEAN in particular.

We are also delighted to feature three articles which were very well written by our young fellows of the Horizon Fellowship program, a collaborative capacity-building project between KAS Cambodia and CICP. The astounding 32nd Southeast Asia Games hosted by Cambodia earlier this year project the image of Cambodia as going “beyond the games” but also challenge some of the ongoing narratives that mislead the Kingdom's efforts and intentions. The aspect of Cambodia's “balancing act” is also an important topic to debate and testify the country's foreign policy direction at large. Last but not least, a specific case study on Vietnam and its ambitions in the region's semi-conductor industry is also worth noting here.

Finally, we hope that this publication will contribute to the scholarly community here in Cambodia and also across the region. We welcome more debate, more thought-provoking insights, and more diverse perspectives so that Diplomatic Briefing can serve its purpose in fostering more concrete and pragmatic ideas. On behalf of the editorial team, we are thankful to all the contributors, friends and institutional partners, as well as the entire production team for making this publication possible.

Enjoy reading!

PICH CHARADINE

The Editorial Team

Deputy Executive Director

Cambodian Institute for Cooperation and Peace

SPOTLIGHT



THE INTERNATIONAL ECONOMIC LAW PERTAINING TO SUSTAINABLE DEVELOPMENT: ITS EVOLUTION AND APPLICATION IN ASIA

TANINAI ICHITOMO

*Minister/Deputy Chief of Mission
Embassy of Japan in Cambodia*

Prior to taking up his current assignment in August 2022, **Mr. Taninai Ichitomo** was the Director of Economic Dispute Settlement Division at the Ministry of Foreign Affairs in Japan. He has also served as the Director of the Division for Issues Related to Claims between Japan and the Republic of Korea, and Counsel for Treaties Negotiation. He has served overseas as Counsellor at the Permanent Mission of Japan to the International Organizations in Vienna. He joined the Japanese Ministry of Foreign Affairs in 1997 as a Foreign Service Officer. He holds a MA from the University of Chicago and was a fellow at the School of Foreign Service at Georgetown University.

** This essay is an extended version of the author's oral presentation at the 13th Annual Conference of the Japan Chapter of the Asian Society of International Law in Tokyo in July 2022. This essay is based on the author's personal views and does not represent the views of the Government of Japan.*

Introduction

The balancing of competing interests in international relations is always a difficult but important challenge. Above all, more and more economic relations among nations are now covered by free trade agreements and investment agreements, thereby liberalizing trade and investment transactions. As a result, there is a corresponding and increasing need to balance the benefits of this with the equally important requirement for sustainable development.

In recent years, there has been a notable evolvement in the content of international economic law to encompass some elements of sustainable development. This is distinct from multilateral agreements that specialize in sustainable development, including those relating to the environment. Accordingly, there have been, and will likely be, increasing numbers of dispute settlement cases involving sustainable development factors pursuant to international economic agreements.

Indeed, the key for ensuring effective rules and implementation may be that the factor of sustainable development is effectively enshrined within each step in the practice of international law: negotiation/conclusion, application/interpretation, and dispute settlement.

This article will explain the relevant practices of the World Trade Organization (WTO) and Economic Partnership Agreements (EPAs), and briefly introduce State-to-State Dispute Settlement (SSDS) cases, with a focus on Asia, from my perspective and experience as an international law practitioner.

Practice in the WTO

Firstly, I would like to explain how globally accepted practices in the WTO work. In this organization, the importance of non-trade, societal matters, such as environmental and labor issues, has been consistently recognized. The Preamble to the WTO Agreement expressly refers to the protection and conservation of the environment and sustainable development.¹

Some WTO agreements, such as the TBT (Technical Barriers to Trade) Agreement, have provisions allowing Member States to employ measures relating to legitimate policy objectives, which can be legally considered as not infringing upon primary treaty obligations. Besides this, some WTO Agreements, such as GATT (General Agreement on Tariffs and Trade), have general exceptions clauses, such as GATT Article 20, that allow Member States to pursue limited legitimate policy objectives as exceptions to MFN (Most Favored Nation) treatment and other fundamental rules of free trade.

Case Law

One of the most important WTO panel decisions pertaining to sustainable development is DS58 (which was brought forward by Thailand, India, Malaysia and Pakistan against the United States — Import Prohibition of Certain Shrimp and Shrimp Products).²

1 AGREEMENT ESTABLISHING THE WORLD TRADE ORGANIZATION (excerpt) "Recognizing that their relations in the field of trade and economic endeavor should be conducted with a view to raising standards of living, ensuring full employment and a large and steadily growing volume of real income and effective demand, and expanding the production of and trade in goods and services, while allowing for the optimal use of the world's resources in accordance with the objective of sustainable development, seeking both to protect and preserve the environment and to enhance the means for doing so in a manner consistent with their respective needs and concerns at different levels of economic development,..." (Emphasis added by the author).

2 [Online]. Available: https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds58_e.htm



11 Member States signed the CPTPP on March 8, 2018
Photo: Department of Trade Negotiations

This seminal case relates to the US practice of imposing an import ban on shrimp from those countries because they do not put in place specific preventive measures against the inadvertent mixed capturing of sea turtles. Those complainant countries alleged that the measure constituted a violation of GATT Article 11 that prescribes the prohibition of numerical restrictions. On the other hand, the US claimed that the measure was justified as an exception based on GATT Article 20.

It is notable that the Appellate Body of the WTO, which is the last and highest adjudication body, ruled that, in this case, the interpretation of the WTO should be “evolutionary” in nature. Referring to the Preamble to the WTO Agreement, the Appellate Body decided that the measure relates to the conservation of exhaustible natural resources, as provided for in GATT Article 20(g), which is a general exception clause. It then decided that the US measure was not ultimately justified, as it still constituted an unjustified and discriminate measure.³ It can, therefore, be said that the WTO Dispute Settlement process has generally been balanced and has taken societal values into account when making its decisions and recommendations. Van den Bossche and Zdouc wrote that “the Appellate Body strikes a balance between, on the one hand, trade liberalization, market

access and non-discrimination rules and, on the other hand, other societal values and interests.”⁴

As some scholars have observed, many treaties today specialize in specific fields and international dispute settlement mechanisms co-exist. In this situation, it can be said that it is generally required in treaty interpretation to interpret treaties in harmony with international law relating to other fields.⁵ In the coming years, the details of CBAM (Carbon Border Adjustment Measure), which is actively being considered by the EU, may well be the focus of such coordination by the WTO.

Fisheries Subsidies Agreement

A successful balancing act between free trade and sustainable development was recently achieved by the WTO. In June 2022, the negotiations on the Fisheries Subsidies Agreement, that originally commenced in 2001 at the Doha Ministerial Conference, were finalized

3 Mitsuo Matsushita, Akio Shimizu, and Junji Nakagawa, Casebook WTO Hou (Casebook WTO Law), (Yuhikaku 2009), p.134-135.

4 Peter Van den Bossche and Werner Zdouc, *The Law and Policy of the World Trade Organization: Text, Cases and Materials*, 4th ed. (Cambridge University Press 2019), p.548. Yet how the WTO adjudicators could take into account State’s public policy considerations in a specific case involving the WTO Covered Agreement without exceptions clauses has been a delicate and often difficult issue. See Andrew D. Mitchell, “The Right to Regulate and the Interpretation of the WTO Agreement” in *Journal of International Economic Law* (25 July 2023)

5 See, for example, Yuka Fukunaga, *Bouekifunso to WTO (Trade Dispute and World Trade Organization)*, (Houritsubunkasha 2022), p. 67

among the Member States of the WTO at the 12th Ministerial Conference in Geneva.⁶

After 20 years of protracted negotiations, the Conference achieved, as a first step, a tentative agreement on the text. The fact that WTO Member States agreed on the prohibition of subsidies to be provided without any undertakings for resource restoration in connection with IUU (Illegal, Unreported and Unregulated) fishing and resources that are suffering from overfishing is a positive development. This Agreement is expected to contribute to the achievement of the Sustainable Development Goals (SDG) and the promotion of global fishing resources management.⁷

Examples of EPAs

Notwithstanding the achievement of the Fisheries Subsidies Agreement, global rule-making centered on the WTO has become an increasingly daunting prospect. The primary reason for this is that every decision at the WTO requires a consensus among its Member States. Consequently, EPA/FTAs have become more prominent as tools to make new, and often higher-standard, rules. I would like to use the examples of CPTPP (TPP11) and Japan-EU EPA to illustrate this point.

(1) CPTPP⁸

Environment Chapter

CPTPP, the successor of TPP, is state-of-the-art and one of the largest and most ambitious EPAs in the world. It has a chapter specifically relating to the Environment (Ch. 20), which is more comprehensive than other agreements.

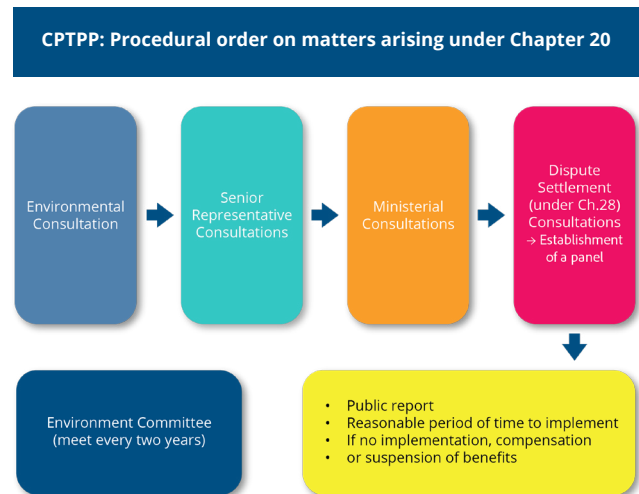
I will not go into the details here, but the Chapter reaffirms the commitment, based on multilateral environmental agreements, to the rules on the protection of the ozone layer, the protection of the marine environment from shipping pollution, biodiversity, the transition to a lower emission society, marine capture fisheries, the conservation of natural resources, and others.

6 Agreement on Fisheries Subsidies (WT/MIN(22)/W/22). [Online]. Available: https://www.wto.org/english/tratop_e/rulesneg_e/fish_e/fish_e.htm

7 “Fisheries Implementation Yeas Away” on Washington Trade Daily (June 23, 2022); “At MC12, growing number of WTO members engaging on environmental issues” on World Trade Online (June 13, 2022)

8 Comprehensive and Progressive Agreement for Trans-Pacific Partnership. [Online]. Available: <https://www.mfat.govt.nz/en/trade/free-trade-agreements/free-trade-agreements-in-force/cptpp/>

The flow of monitoring and dispute resolution mechanisms is summarized in the diagram below.



Source: The Author

The CPTPP Environment Committee met in June 2021 and, as a result, a number of concrete activities have already been implemented, such as a workshop on illegal trade in wildlife. Japan has hosted a series of webinar sessions on climate change, decarbonization and other topics. The use of consultations at various levels are encouraged. Disputes regarding issues detailed in the Chapter are subject to adjudication using procedures set out in the general Dispute Settlement (DS) Chapter (Ch. 28). The outcome of the DS adjudication is an enforceable panel report; failure to comply with the panel’s findings within a reasonable period will trigger the complaining party’s right to compensation and the suspension of the respondent party’s benefits.

Preamble of the CPTPP

During the CPTPP (TPP11) negotiations in 2017, I was a Co-Chair of the Legal Working Group where there was a heated discussion on how we should treat issues of societal value, such as the environment, leading to a new recital of the Preamble.⁹ So, to give another example, if one of the provisions of the Environment Chapter became the focus of a claim under the DS Chapter, the Preamble could be referenced by arbitrators as a context, under the Vienna Convention on the Law of Treaties, to assist in the interpretation of the relevant articles.

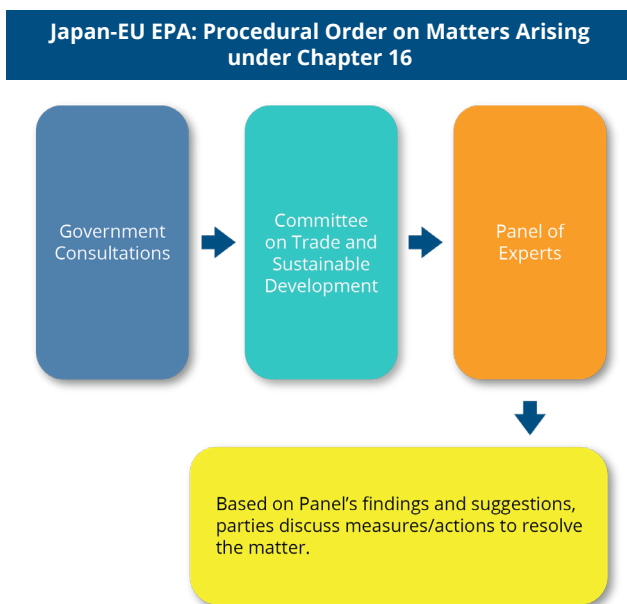
9 The Preamble of CPTPP (excerpt): “REAFFIRM the importance of promoting corporate social responsibility, cultural identity and diversity, environmental protection and conservation, gender equality, indigenous rights, labour rights, inclusive trade, sustainable development and traditional knowledge, as well as the importance of preserving their right to regulate in the public interest;...”

(2) The Japan-EU Economic Partnership Agreement (EPA)¹⁰

EPAs concluded between the EU and several Asian countries have a chapter designated to trade and sustainable development.

I was engaged in a professional capacity in the negotiation and conclusion of the Japan-EU EPA from 2017 to 2018. The Japan-EU EPA has a designated chapter (Ch. 16) on trade and sustainable development. It covers how the environment and labor relate to trade and sustainable development, stipulates the need to respect basic labor rights, prohibits deviation from the rules and regulations concerning how the environment and labor affect trade or investment, and reaffirms the importance of international agreements on the environment and labor, among other rules.

The flow of monitoring and dispute resolution mechanisms under Ch. 16. can be summarized as shown below.



Source: The Author

It establishes that a special committee is required for the effective implementation of the Chapter and provides for the facilitation of joint dialogue with civil society. In the case of a disagreement over the interpretation or implementation of the Chapter, it stipulates that the Parties should consult each other. Where that does not resolve the issue, it stipulates that the Committee on Trade and Sustainable Development will be convened

with the intention of resolving the issue. In the event that this does not resolve the issue, a panel, composed of technical experts, will be established based on the request of a Party. Importantly, unlike CPTPP, a panel report issued under Chapter 16 is not enforceable through, for example, compensation or the suspension of benefits. Rather, following the issuance of the report, parties “shall discuss actions or measures to resolve the matter in question, taking into account the panel’s final report and its suggestions”.

Similarly, both the Korea-EU EPA and the Vietnam-EU EPA have a designated Chapter (Ch. 13) on trade and sustainable development. They both have similar provisions to the Japan-EU EPA, including the establishment of a Panel of Experts that can issue advice or recommendations on the implementation of the Chapter.

Investment Treaties

Bilateral BITs

Next I would like to review recent practices relating to investment treaties.¹¹ Recent investment treaties often include provisions on environmental protection and sustainable development. In Asia, such treaties include the EU-Singapore Investment Agreement and the EU-Vietnam Investment Agreement.

ECT Reform Negotiations

The Energy Charter Treaty (ECT), which was signed in 1994, is a multilateral agreement between European countries, Japan, and some former Soviet Union countries. It covers the liberalization of trade, the transit of energy materials and products, and the protection of investment in the energy sector. The negotiations to modernize the ECT had been ongoing for five years, and on 24 June 2022, an agreement in principle was finally achieved.¹²

This will, among other things, reform the ECT’s investor-

10 [Online]. Available: https://www.mofa.go.jp/policy/economy/page6e_000013.html

11 For reference, see Markus Burgstaller, “Investment Protection and Sustainable Energy Projects in the Age of Climate Change: Comment from Counsel’s Perspective” in *Evolution, Evaluation and Future Developments in International Investment Law* (Hart Publishing 2021)

12 [Online]. Available: <https://www.energychartertreaty.org/modernisation-of-the-treaty/>; <https://policy.trade.ec.europa.eu/news/agreement-principle-reached-modernised-energy-charter-treaty-2022-0>

state dispute resolution mechanisms and explicitly allow countries to take regulatory action that will affect existing investments, for reasons such as environmental protection or climate action. A substantial set of articles on Sustainable Development and specific dispute settlement methods will be created. These will include details about the activities of a conciliator.

However, after this was agreed in principle, some EU states announced their intention to withdraw from the Treaty, and the voting for the said agreement in principle has been postponed for twice. How this agreement is applied by the member states of ECT, therefore, remains to be seen.¹³ Nevertheless, such rules may influence the content of investment treaties that are yet to be concluded by Asian countries in the future.

SSDS Cases: the USMCA Case, the EU-Korea Case

In recent years, we have seen some concrete examples regarding the use of EPAs/FTAs to bring State-to-State Dispute Settlement (SSDS) cases that are relevant to sustainable development.

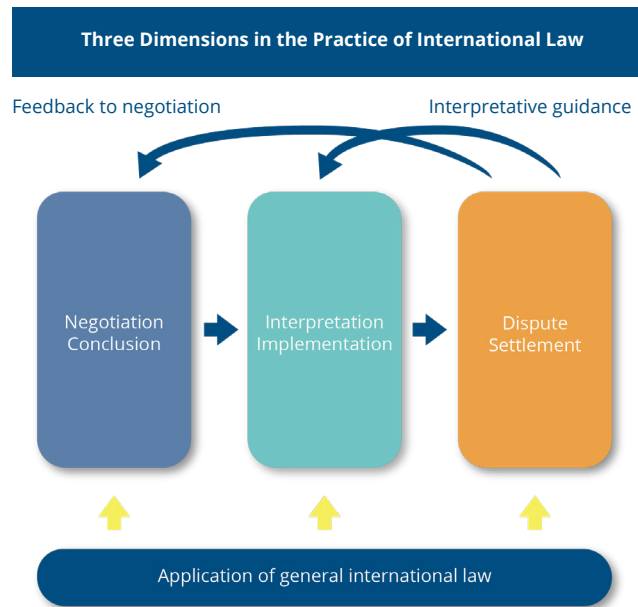
Although not in Asia, the US requested the first-ever environmental consultation under the US-Mexico Canada Agreement (USMCA) in early 2022, when it questioned whether Mexico was meeting its obligations under the Agreement’s environment chapter. The US had concerns about whether Mexico was meeting its commitments to protect the critically endangered Vaquita Porpoise, prevent illegal fishing and stop the trafficking of Totoaba fish.¹⁴

Another example is the case where, in 2019, the EU brought claims against Korea based on the EU-Korea EPA over an alleged violation of Korea’s obligations under the Trade and Sustainable Development Chapter as relates to obligations set out in the ILO Conventions. In January 2021, the Panel of Experts issued an award

recommending that Korea amend its labor law to be better aligned with the legal obligation to respect, promote and realize principles relating to basic labor rights, specifically the right to organize a labor union.¹⁵ It is noteworthy that, on 22 June 2022, the EU announced its policy to actively utilize Trade and Sustainable Development Chapter mechanisms to pursue its green and labor objectives.¹⁶

Concluding Observations

As can be seen in the diagram below, from my experience as a practitioner of international law, the key to effective rules is enshrining sustainable development in every step of the practice of international law: negotiation/conclusion, application/interpretation, and dispute settlement. This would result in primary and secondary rules that are appropriately designed, and which complement each other. Indeed, Professor Lowe of Oxford University, England, observed that “whatever rules are applied by the tribunal or court, the authority of those rules is also likely to be enhanced. The mere fact that the tribunal and the rules are used gives them greater prominence and makes their existence more of a factor in the calculations of members of the community”.¹⁷



Source: The Author

13 [Online]. Available: <https://www.gibsondunn.com/energy-charter-treaty-recent-developments/>; [Online]. Available: <https://arbitrationblog.kluwerarbitration.com/2023/05/08/ect-modernisation-perspectives-no-winners-the-long-end-of-the-ect-modernisation-process/#:~:text=The%20vote%20on%20the%20outcome,the%20vote%20has%20been%20fixed.>

14 [Online]. Available: <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2022/february/ustr-announces-usmca-environment-consultations-mexico>; [Online]. Available: <https://www.ifaw.org/news/environment-consultation-mexico-vaquita>

15 [Online]. Available: https://trade.ec.europa.eu/doclib/docs/2021/january/tradoc_159358.pdf; [Online]. Available: <https://www.iisd.org/itn/en/2021/10/07/the-trade-related-conundrum-of-the-eu-korea-fta-expert-panel-are-ftas-a-novel-forum-to-enforce-sustainable-development-goals/>

16 [Online]. Available: https://ec.europa.eu/commission/presscorner/detail/en/ip_22_3921

17 Vaughan Lowe, *International Law* (Oxford University Press, 2007), p.31

In terms of primary rules, in recent years, more EPA/ FTAs have had designated chapters on sustainable development, including components relating to the environment, human rights or labor. A similar tendency has been observed in investment agreements as well. On a global level, we have seen the example of the WTO's new Fisheries Subsidies Agreement.

In addition, the right of states to regulate has been emphasized in recently negotiated treaties. On the other hand, if states are likely to start putting more emphasis on regulations relating to the environment, the fundamental rules of trade and investment that have underpinned the world's liberal economic system, that has been in place since the Second World War, could be affected, resulting in tension.

In fact, adjustment between trade interests and societal interests has been an important policy and legal agenda for a long time. For example, Julian Arato pointed out that various COVID-related measures put in place by states are presumed to be in violation of WTO Agreement and need to be justified under the exceptions clause. However, that is problematic, as such a practice gives rise to doubt over the legitimacy of an overloaded dispute settlement mechanism, suggesting more work should be done on specifying the rules in the first place.¹⁸

In the coming years, it may become more important to consider how we adjust policy space to enable states to implement legitimate societal policy without violating trade and investment rules. There should, potentially, be coordination among WTO Member States on the interpretation of exceptions clauses to appropriately expand a State's policy space.

At the same time, it is essential to have secondary rules on monitoring, consultative and dispute settlement mechanisms in order to secure the compliance of State Parties to agreements with enhanced sustainable development rules. Since scientific, societal, economic, and technological features related to prescribed sustainable development components are likely to evolve overtime, it is essential to incorporate mechanisms to constantly monitor and update, where necessary, the content of relevant provisions and their



applications. The Japan-EU EPA or CPTPP, in particular, could provide examples of well-articulated mechanisms in this regard. Dispute settlement cases based on EPAs or investment agreements will, over time, solidify the exact meanings of some of the contentious articles related to sustainable development.

Implications for the Countries in Asia

With further economic development in Asia, and increased consciousness about economic degradation and its effects on the lives of ordinary citizens, it is likely that Asian countries will become more receptive to such features of international economic law in the years to come.

The launching of the IPEF (Indo-Pacific Economic Framework for Prosperity) in May 2022, led by the US, may further solidify this trend. Currently, its members include Australia, Brunei, Fiji, India, Indonesia, Japan, Republic of Korea, Malaysia, New Zealand, the

18 Julian Arato, "The Perils of Pandemic Exceptionalism" in *American Journal of International Law* (October 2020)



Asian leaders meet with US President Biden at a summit launching the Indo-Pacific Economic Framework (IPEF)
 Photo: Cabinet Secretariat Cabinet Public Relations Office · Creative Commons BY

Philippines, Singapore, Thailand, Vietnam, and the US. The four pillars of the framework will cover fair and resilient trade; supply chain resilience; infrastructure, clean energy and de-carbonization; and tax and anti-corruption. The clean energy and infrastructure pillar is said to include a series of agreements that encompass “renewable energy targets, carbon removal purchasing commitments, energy efficiency standards, and new measures to combat methane emissions.”¹⁹

Having said that, based on my experience as a trade agreement negotiator, in pursuing the mainstreaming of sustainable development in international economic agreements and similar initiatives, it is important to be fully conscious of widely different political, social and economic situations and needs of Asian countries. It is thus necessary to calibrate the contents of the relevant provisions to be well received and effective,

perhaps with tailored capacity building and technical cooperation initiatives.

Lastly, turning to Cambodia, the Kingdom is a Member State/Party of the WTO, RCEP and numerous other economic agreements, therefore making it part of the trade and investment regimes that, depending on their relevant rules, enable it to pursue its own interests in relation to sustainable development while, at the same time, being subject to litigation in relation to its sustainable development policy in the future.²⁰ As the rules and practices of international economic law related to sustainable development continue to evolve, it would be sensible for countries in the region, including Japan, Cambodia and the other ASEAN Member States, to share experiences, information and, possibly, know-how in order to effectively deal with related challenges in the future.

19 [Online]. Available: <https://ustr.gov/ipef>; <https://www.whitehouse.gov/briefing-room/statements-releases/2022/05/23/fact-sheet-in-asia-president-biden-and-a-dozen-indo-pacific-partners-launch-the-indo-pacific-economic-framework-for-prosperity/>

20 [Online]. Available: <https://aric.adb.org/fta-country>; <https://investmentpolicy.unctad.org/international-investment-agreements/countries/33/cambodia>; [Online]. Available: <https://www.khmertimeskh.com/501178750/cambodia-set-for-more-bilateral-ftas/>



CAMBODIAN ECONOMY THRIVING DURING COVID-19

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Dr. Phon Sokpanya is currently a Deputy Director General of the General Department of ASEAN. In 2012, she got a MEXT scholarship from the Japanese government to pursue her postgraduate education in Graduate School of International Cooperation Studies, Kobe University, where she earned her master's degree in economics and Ph.D in International Studies in 2015 and 2019 respectively. In the pursuit of her childhood dream to become a diplomat representing Cambodia and to help promote women's role in diplomacy, upon her return to Cambodia in 2019, she has started her diplomatic career at the Ministry of Foreign Affairs and International Cooperation, Kingdom of Cambodia. Aside from her main work, she has written several articles and op-ed. She has recently published an article on "Comparative Study on the Implementation of Water Diplomacy: Focusing on the Indus and Mekong Rivers at the Cambodia Development Review of the Cambodia Development Resource Institute and op-ed on "Gender Equality in Cambodia: Women in Leadership, Peace and Security" on the Phnom Penh Post Newspaper. Currently, she is actively engaged in advancing gender equality and raising awareness of women, peace, and security among officials of MFAIC, line ministries and various institutions.

Introduction

The COVID-19 pandemic has ravaged societies around the world by shrinking supply chains and negatively affecting a third of the global economy.¹ The impact has plunged the world into the deepest financial crisis since the Great Depression and has widened existing inequalities. Cambodia, although having been successful at controlling and preventing the spread of the virus, has not been spared in bearing the brunt of the financial impact. Cambodia's economy is faltering, as the outbreak has weakened the country's main growth engines, including tourism and construction, and has forced around 400 garment and footwear factories to suspend their operations.² However, the Cambodian economy has bounced back relatively quickly thanks to the government's sound policy, especially the timely and effective administration of the Covid-19 vaccination. In 2022, the World Bank revealed that Cambodia's economy had recovered with a growth rate of 4.8 percent and predicted that this figure would climb to 5.8 percent in 2023³, while the ADB claimed Cambodian growth was 5.3 percent in 2022 and expected it to increase to 6.2 percent in 2023.⁴

This article discusses Cambodia's macroeconomic performance and how it was impacted during the Covid-19 pandemic. Specifically, it first illustrates its

share of GDP by sector before the Covid-19 pandemic. Subsequently, it explains the government policies put in place to cushion the economy as well as to help the poor through the establishment of social safety net programs. Following this, there is a discussion on its share of GDP by sector during the pandemic. Finally, a conclusion sums up the points made.

Overview of Cambodia's Economy before Covid-19

For the last two decades before the COVID-19 pandemic, Cambodia demonstrated strong economic performance with an average annual growth rate of about 7 per cent, making it one of the world's fast-growing economies. Several factors, including macroeconomic and political stability, openness to trade, significant foreign direct investment (FDI) inflows, and structural transformation, were significant drivers behind this rapid economic growth.⁵ The success of Cambodia's economic development is also partly explained by substantial financial and technical assistance from multilateral and bilateral agencies. In 2014, Cambodia graduated from a low-income country status, passing the \$1,020 GNI per capita threshold, to become a lower-middle-income country.

1 World Economic Forum. 2020.

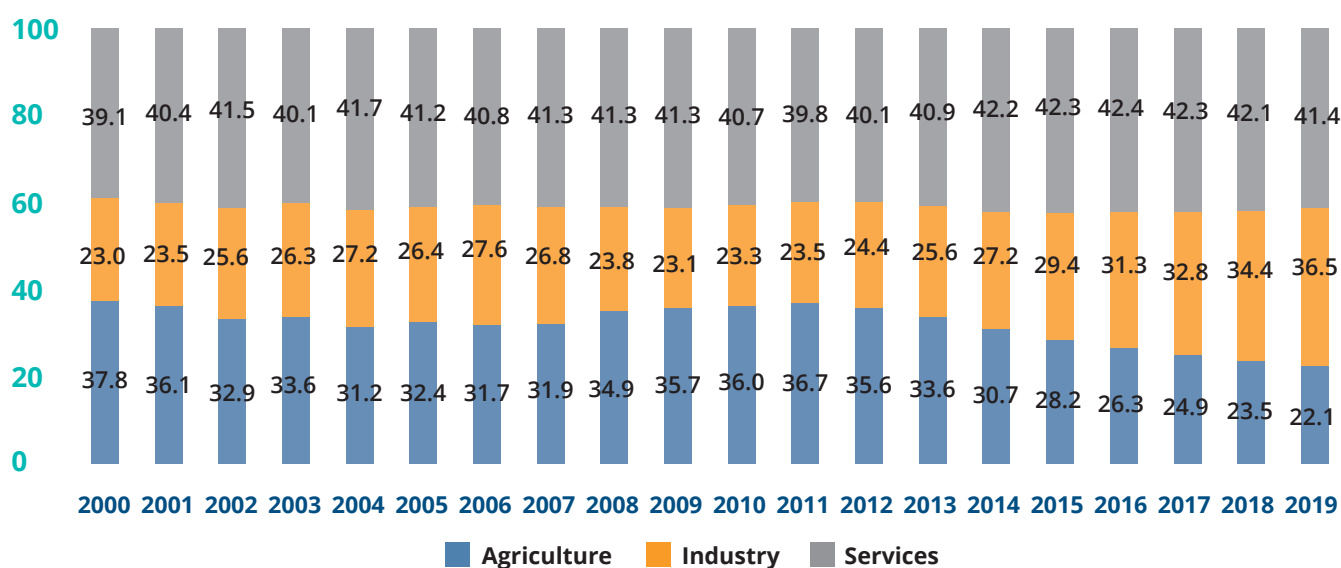
2 Khmer Times, July 2, 2020.

3 World Bank, December 2022.

4 ADB, September 21, 2022.

5 OECD. 2018. OECD Investment Policy Reviews: Cambodia 2018. Paris: OECD Publishing.

Fig. 1 Percentage of GDP by Sector between 2000 and 2019



Source: ADB's Key Indicator Database <https://kidb.adb.org/explore> Accessed on October 15, 2022

To harness its demographic dividend, Cambodia established its first Industry Development Plan (IDP) 2015-2025, outlining its vision to become an upper-middle-income country by 2030 and a high-income country by 2050. However, in 2020 when the global COVID-19 pandemic hit, unprecedented challenges befell the world at large and Cambodia in particular. 'Economic growth in most countries turned negative, hundreds of millions of people died either directly or indirectly as a result of the virus's rapid transmission and the education of more than 1.6 billion students was affected by widespread school closures.'⁶

Before the outbreak of the pandemic, Cambodia's economy, as shown in Figure 1, was slowly moving from being predominantly based on agriculture to the industry and service sectors. The share of GDP in agriculture declined from 37.8% in 2000 to 22.1% in 2019. In 2019, the industry and service sectors's shares of GDP were 36.5% and 41.4%, respectively.⁷ The stagnation of agriculture is partly due to the fact that most Cambodian farms are small-scale family-run operations with low levels of productivity, especially compared to neighbouring countries such as VietNam and Thailand, which rely heavily on flood patterns and

rainfall. The labour force in this sector has also declined, leading to a significant drop in its share of GDP. However, the diversification and better yield of crop production have helped the sector to grow in absolute terms as it continues to support the poor in rural areas.⁸

Manufacturing has grown steadily in the past 20 years, particularly in the garment and footwear industries. It provides a significant source of income to boost the livelihood of rural households and is a big driver of rural to urban migration, especially for young females. Such migration has in turn precipitated a decline in the agricultural sector and thus the share of agriculture in total GDP, from 44% in 1998 to 22% in 2019. Over the same period, the contribution of the garment industry has increased from 17% to 22% of GDP.

Since the late 2000s, Cambodia has expanded more from the garment and footwear industry to electronics and electricity, producing or assembling products such as power and communication wire cables, overhead electrical aluminium conductors, lighting equipment, and electronic parts.⁹ By 2018, 26 electronics and electricity companies were in operation in Cambodia.

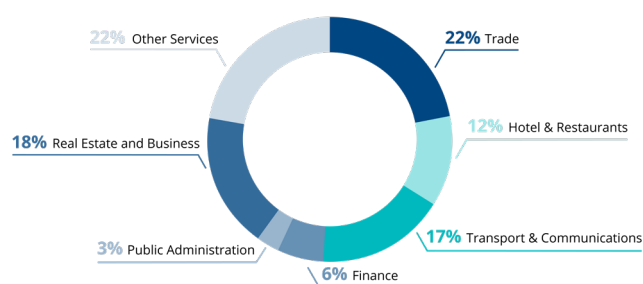
6 Dita Nugrohoi, Chiara Pasquini, Nicolas Reugeii, and Diogo Amaro. 2020. "COVID-19: How Are Countries Preparing to Mitigate the Learning Loss as Schools Reopen? Trends and Emerging Good Practices to Support the Most Vulnerable Children."
 7 ADB. 2022. "Key Indicators Database." October 15, 2022. <https://kidb.adb.org/economies/cambodia>.

8 World Bank. 2015. "Cambodian Agriculture in Transition: Opportunities and Risks." Washington, D.C. www.copyright.com.
 9 Ven, Seyhah, and Vutha Hing. 2019. "Cambodia in the Electronic and Electrical Global Value Chains - Cambodia Development Resource Institute." 119. Working Paper Series. Phnom Penh: CDRI. <https://cdri.org.kh/publication/cambodia-in-the-electronic-and-electrical-global-value-chains>.

Despite this expansion, Cambodia’s manufacturing sector is relatively narrow, concentrating only with global supply chains based on favourable access to the EU and US markets on preferential trade conditions. This concentration can be vulnerable to exogenous shocks, such as when Cambodia lost preferential access to the EU and US markets. In recent years, construction has grown rapidly, and by 2018, it accounted for more than 10% of total GDP. The rise in the construction sector is mainly driven by an influx of investment from China, through both Foreign Direct Investment and the Belt and Road Initiative (BRI).¹⁰

The service sector has been Cambodia’s largest sector for over a decade, accounting for more than 40% of total GDP in 2019. Based on the Cambodian national account, in 2018, key services in Cambodia included trade (22%), real estate and business (18%), transport and communication (17%), and hotels and restaurants (12%). The hotel and restaurant and transportation industries are strongly supported and linked by the tourism sector. Before the pandemic, the UNESCO World Heritage site Angkor Wat attracted millions of international visitors annually. In 2019, more than 2.2 million foreigners visited Angkor Archaeological Park, generating more than 100 million dollars in ticket sales alone¹¹.

Fig. 2 Breakdown of Service Sector Contribution to GDP in 2018



Source: NIS’s National Account
https://www.nis.gov.kh/nis/NA/NA2018_Tab_files/TAB1-2.htm accessed on October 15, 2022

Cambodian Responses and Recovery Strategies

Before discussing the impact of Covid-19 on the Cambodian economy and its performance after 2020, this section provides a brief overview of how Cambodia’s government responded to the pandemic, with a particular focus on vaccination and social protection programs.

Rapid Rollout of Vaccination Programs

Cambodia confirmed its first COVID-19 case in January 2020, and six weeks later, on March 16, 2020, the government officially announced it would shut down all educational institutions across the country. With the support of the World Health Organization (WHO), the government quickly prepared its strategy and course of action to respond to the pandemic. The Plan put forward four strategies: (1) reduce and delay transmission; (2) minimize serious disease and reduce associated deaths; (3) ensure ongoing essential health services, particularly during epidemic peak periods; and (4) minimize the social and economic impact through multi sectoral partnerships.¹²

Cambodia has been praised for its timely action in rolling out the vaccination program much earlier than other countries in the region, commencing as early as February 2021. As shown in Table 1, by June 2022, 100% of Cambodian adults had received at least two doses of the vaccination, and more than 65% of the adult population had got their third injection.¹³ Cambodia’s remarkable success in quickly expanding its vaccination distribution has been a surprise, as Cambodia rolled out the program faster than even developed countries in the region, such as Singapore, Malaysia, and Thailand.

This success is due to the strong support of the Chinese government, the leading supplier and donor of Sinovac and Sinopharm vaccines. By March 2020, Cambodia received over 50 million doses from China through bilateral donation and purchase agreements.¹⁴

10 Ngin, Chanrith. 2022. “The Undetermined Costs and Benefits of Cambodia’s Engagement with China’s Belt and Road Initiative.” Singapore: ISEAS Yusof Ishak Institute.

11 Xinhua, January 1, 2020.

12 Ministry of Health. 2020. “Cambodia COVID-19 Emergency Response.” Phnom Penh: Ministry of Health, p. 11.

13 WHO. 2022. “Cambodia: Coronavirus Disease 2019 (COVID-19) Situation Report #87.” Phnom Penh: WHO.

14 Khmer Times, March 30, 2022.



Table 1: Vaccination Rate by Age Group as of June 6, 2022

	Health Workers	Adults ≥ 60 years	18-59 years	Children 3-4 years	5 years	6 to 11 years	12-17 years
Population	43,646	1,378,688	10,000,000	610,730	304,317	1,897,382	1,827,348
Started Date	February 10, 2021	February 10, 2021	February 10, 2021	February 10, 2021	November 1, 2021	September 17, 2021	August 1, 2021
1st dose	100.00%	102.40%	103.00%	67.10%	128.80%	109.20%	100.60%
2nd dose	100.00%	101.20%	99.70%	36.60%	110.00%	106.50%	97.30%
3rd dose	100.00%	69.60%	65.10%	n.a	14.20%	66.30%	79.10%
4th dose	100.00%	14.00%	23.00%	n.a	n.a	n.a	15.2%

Source: WHO's Cambodia: Coronavirus Disease 2019 (COVID-19) Situation Report #87

As of April 2020, Cambodia had provided at least one dose of COVID-19 vaccines to 14.86 million people, or 92.9 percent of its total population and 88.2 percent of the population have been vaccinated twice or more.

Following this rapid distribution of the COVID-19 vaccination, there was no evidence of increased clusters and hospitalizations, even after large-scale domestic travels and mass gatherings during the Khmer New Year in April 2022. At the time of writing, Cambodia's door is open to international visitors. Since April 25, 2022, the government has also lifted mandatory mask-wearing in public and open spaces across the country, although mask-wearing remains mandatory for indoor environments and closed spaces.

Cash Transfer Program

Before the COVID-19 outbreak in 2020, Cambodia's social assistance system or safety net was somewhat underdeveloped. The government spent less than 0.05 percent of its GDP on supporting poor and vulnerable

0.5 percent of the population received cash transfers, mainly through social assistance programs. The poor are the most vulnerable group to the kind of economic shocks caused by events like COVID-19. Understanding this problem, the Royal Government of Cambodia launched the largest cash transfer program in its history to lessen the impact of the pandemic. As of October 2021, roughly 700,000 households, or about 3 million people, have benefitted from the COVID-19 Cash Transfer Programme for Poor and Vulnerable Households, and the government has disbursed US\$ 400 million through this program.¹⁶ A study conducted by UNDP suggests that the COVID-19 cash transfer program had a significant favourable impact. Not only did it help to support the basic consumption of the poor, such as food, but it also had a positive impact on children's learning outcomes, savings, healthcare, and gender empowerment¹⁷ (UNDP, 2022).

15 World Bank. 2021. "Cambodia Economic Update: Road to Recovery." Phnom Penh: World Bank.

16 Lay, Sopheavotey, and Vantha Phoung. 2021. "More than \$400 Million in Cash Transfers Given to 700,000 Families | Cambodianess." Cambodianess.

17 UNDP. 2022. "Socioeconomic Impacts of the COVID-19 Cash Transfer Programme in Cambodia: Micro and Macro-Level Evaluations." Phnom Penh.



Women Migrant Workers participate in the group session about awareness raising for Safe Migration and Gender- Responsive, COVID-19 Prevention and Response which lead by UN Women in Poipet Village. Photo: UN Women/Nicholas Axelrod

Adoption of the Financial Technology

During the pandemic, the country also observed increased demand for new services, such as food delivery and financial technology (fintech). To facilitate digital transactions and promote non-cash payment, the National Bank of Cambodia (NBC), in October 2020, officially introduced a new digital payment platform, Bakong.¹⁸ The adoption of fintech is also well aligned with government strategies to move towards a digital economy and society. Bakong was developed based on blockchain technology that is well-placed for the surveillance, recording and monitoring of transactions and, at the same time, is highly secured from anonymous attacks. According to NBC's annual report, fintech payment systems have offered substantial support for economic development by providing an efficient and secure financial infrastructure. As of November 2021, 37 financial institutions have adopted the standardized NBC's QR payment, KHQR, and nearly seven million transactions, valued at US \$2.9 billion, were made through KHQR (HKTDC Research, 2022).

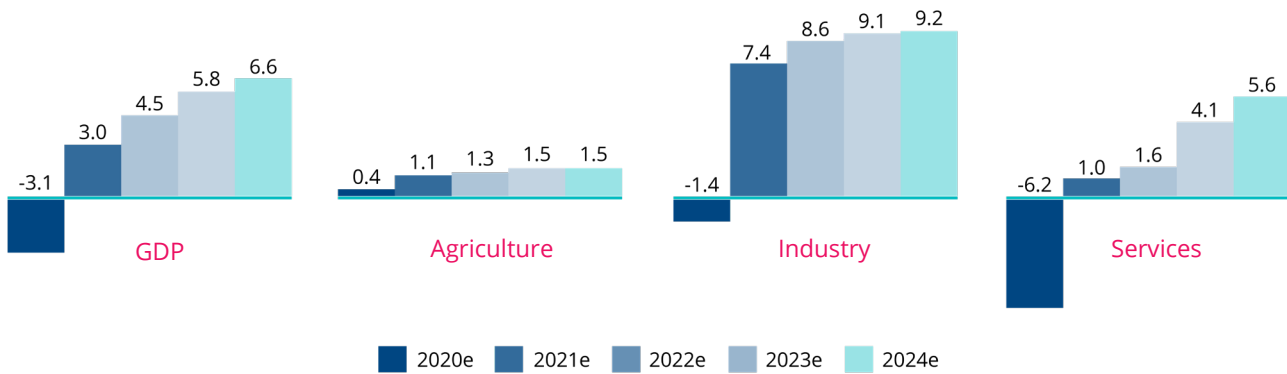
18 National Bank of Cambodia. 2021.

Cambodia's Economy During COVID-19 from 2020

In 2020, the COVID-19 outbreak severely impacted Cambodia's economy, causing the collapse of some sectors, such as tourism, manufacturing exports, and construction, and reversing the country's economic growth. Not only do these three sectors represent more than two-thirds of the national growth rate, but they are also key income sources for a large share of low-income households. Cambodian economic growth in 2019 was more than 7 percent, yet the impact of the pandemic brought down the annual growth rate to negative 3.1 percent in 2020. Manufacturing and industry were the hardest hit sectors in the first year of the outbreak in 2020. Both sectors' growth rate dropped more than 12 percent between 2019 and 2020, from 10.7 percent to -1.4 percent for industry and from 6.2 percent to -6.2 percent for services. The impact of COVID-19 on agricultural growth is relatively small compared to these sectors, and it was the only sector in 2020 that continued to sustain growth at 0.4 percent.



Fig. 3 Trends in Cambodia's Economic Growth 2020-2024



Source: World Bank's Cambodia Economy Update June 2021 and June 2022
 Note: e= estimates; p=projections

As seen in Figure 3, growth started to bounce back in 2021, thanks to the timely government intervention mentioned earlier. After suffering from negative growth in 2020, the Cambodian economy is estimated to increase by 5.2 percent in 2023.¹⁹ It is worth noting that there was a large-scale community outbreak in February 2021, leading to lockdowns in many urban areas and travel restrictions. Yet with timely and strict COVID-19 measures imposed by the Cambodian government, the country was able to lift the mobility restrictions and allow fully vaccinated travellers to enter Cambodia in October 2021. Growth is also projected to increase upward to 4.5 percent and 5.8 percent in 2022 and 2023, respectively.²⁰ The initial estimation of GDP growth in 2022 was higher, at around 5 percent, but the impact of the prolonged war in Ukraine caused this estimation to be revised to the current rate of 4.5 percent.²¹ Cambodia's graduate economic recovery can be largely attributed to the quick pace of its vaccine distribution and the less widespread transmission of COVID-19. People have started to travel domestically with fewer restrictions in late 2021 and overseas in 2022. Although international travellers have gradually returned to Cambodia, the number of visitors from China is still small compared to pre-pandemic levels.

Against this backdrop, inflation rates in 2020 and 2021 were relatively low by international standards, at 2.9 percent and 3.5 percent, respectively. At the beginning

of 2022, the world, including Cambodia, started to reopen and recover from the COVID-19 pandemic. Yet, at the same time, the Ukraine-Russia war broke out, causing rises in consumer prices, gasoline in particular, and the disruption of global value chains. For this reason, 2022 inflation was very high at 7.2 percent.

The Agricultural Sector

In comparison to the industry and service sectors, the pandemic's effect on agriculture was much less severe. It is the only sector in Cambodia whose growth did not turn negative in 2020. The pandemic disrupted global supply chains, making it difficult to import agricultural products from neighbouring countries, namely Thailand and Vietnam. With a much less dense population, the livelihood of Cambodian people in rural areas was also much less impacted by the pandemic. This provided an opportunity for Cambodia's agricultural sector to increase its production in response to increased local demand for agricultural products. Not only could Cambodia's agricultural products supply domestic needs, but Cambodian rice exports were also able to serve international markets. In 2020, with a total paddy production of 10.93 million tonnes, Cambodia exported a surplus of 690,829 tonnes of milled rice with a total value of \$538.8 million to 60 countries.²² The rice export to China accounted for more than 40 percent of total Cambodian rice exports in 2020, much higher than to the EU market (29.50 percent) and the ASEAN countries (12.58 percent). As seen in Figure 3, the agricultural sector continues to grow in 2021 at 1.1 percent and

19 World Bank. 2022.

20 World Bank. 2021, 2022.

21 Kanni, Wignaraja, and Chaker Alissar. 2022. "Opinion: Turning Uncertainty into Opportunity and Doubling Down on Cambodia's Human Development." Cambodia Investment Review. September 28, 2022.

22 Khmer Times, January 4, 2021.

Table 2: Cambodia Macroeconomic Outlook 2020-2024

	2020e	2021e	2022e	2023p	2024p
General Government (% of GDP)					
- Revenue and grants	24.1	20.9	21.4	22.6	24.6
- Expenditure and net lending	26.8	27.7	28	28.8	29.2
- Overall balance (including grants)	-2.7	-6.8	-6.6	-6.2	-4.6
- Foreign financing	4.8	3.6	5.6	4.7	4
- Net domestic financing (from current savings)	-1.0	4.4	2.2	2.8	1.9
- Amortization	-1.0	-1.2	-1.2	-1.3	-1.3
Money and Credit					
- Broad money (% change)	15.3	20	21.4	21	22.5
- Credit to the private sector (% change)	17.7	23.2	25.8	28.1	28.5
Debt Stock and Service					
- Total public debt (% of GDP)	34.6	35	35.9	35.6	35.3
Memorandum Items					
- Nominal GDP, US\$ million	25,484	26,909	29,790	32,874	36,015

Source: World Bank's Cambodia Economy Update June 2021 and June 2022
Note: e= estimates; p=projections

is expected to have a higher growth rate of between 1.3 percent and 1.5 percent in the following years. This growth is much lower compared to the industry and service sectors which started recovering in 2021. As of 2022, rice is still the major agricultural product in Cambodia, while rubber and cassava ranked second and third in terms of product value and exports. After the Cambodia-China Free Trade Agreement (CCFTA) went into effect on January 1, 2022, China has become an important export destination for Cambodia's agricultural products. In the first eight months of 2022, 40 percent of total agricultural exports (US \$281 million) were shipped to China.²³

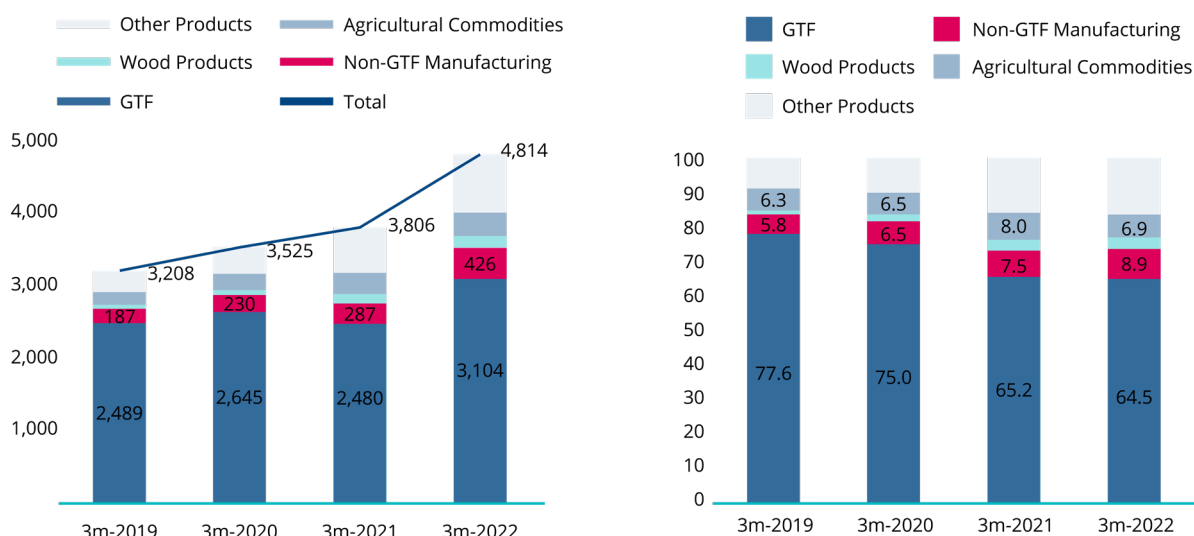
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²³ 2022. Cambodia Economic Update: Weathering the Oil Price Shock. Phnom Penh: World Bank.

²⁴ Khmer Times, January 4, 2021.

Fig. 4 Amount of Goods Exports (in USD million) and Share of Goods Exports



Source: World Bank (2022) 's Cambodian Economic Update June 2022

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The Industry Sector

Based on the National Institute of Statistics (NIS) 's national account, manufacturing and construction are the largest sub-sectors in the industry sector, representing 23 percent and 10 percent of total GDP in 2018. The global pandemic adversely impacted these two industries, although they are still not as hard hit as the tourism industry. In 2020, the annual growth of the industry sector turned negative by 1.4 percent, but it quickly recovered to 7.4 percent in 2021 (see Figure 3). The country's exports of manufactured products include garments, footwear, bicycles, electrical parts, and vehicle parts and accessories. The growth of manufacturing, especially construction, had been robust before the global COVID-19 outbreak. During the first nine months of 2020, manufacturing exports fell by 2.4 percent to US \$8.48 billion from US \$8.69 during the same period the previous year. Garments, travel goods, and footwear (GTF) represent more than two-thirds of total goods exports from Cambodia. Yet, its share in exports has gradually declined from 77.6 percent in 2020 to 64.5 percent in 2022.²⁶

25 2022. Cambodia Economic Update: Weathering the Oil Price Shock. Phnom Penh: World Bank.

26 Ibid.

As seen in Figure 4, despite the slowdown in global demand, disruption of global value chains, and the war in Ukraine, the volume of goods exports steadily increased from US \$3,208 million in 2019 to US \$4,814 million in 2022.

The Service Sector

Like the manufacturing sector, the service sector has been severely impacted by the COVID-19 outbreak. In 2020, growth in the service sector dropped more than 12 percent from 6.2 percent in 2019 to -6.2 percent in 2020. Cambodia's service sector, including businesses such as hotels, restaurants, transportation providers and other related services, heavily depends on the millions of international tourists that come to the Angkor Wat temples in Siem Reap. In 2020, the number of international tourist arrivals declined by 80%. It is estimated that nearly 3,500 tourism-related companies were forced to close their doors, and about half of the workers in the tourism sector lost 51,000 jobs in 2020.²⁷ While businesses and factories in the manufacturing industry partially resumed operations in 2021, tourism and related sectors remained shut due to the lack of international travellers. As seen in Table 3, the number of international travellers sharply declined from more than 6.6 million in 2019 to 1.3 million in 2020 and further

27 The Asia Foundation. 2021. "Revisiting the Pandemic: Rapid Survey on the Impact of Covid-19 on MSME in the Tourism Sector and Households in Cambodia." Phom Penh: The Asia Foundation.

Table 3: International Tourist Arrivals 2019-2021

	Inbound Tourism			Change (%)	
	2019	2020	2021	20/19	21*/20
Air	4,403,995	756,265	99,829	-82.8	-86.8
- Phnom Penh Int'l Airport	2,071,907	441,851	90,244	-78.7	-79.6
- Siem Reap Int'l Airport	1,665,365	240,917	1,085	-85.0	-99.5
- Kong Kong	666,723	73,497	8,500	-89.0	-88.4
Land and Waterways	2,206,597	549,878	96,666	-75.1	-82.4
- Land	2,049,748	498,384	96,478	-75.7	-80.6
- Waterways	156,849	51,494	188	-67.2	-99.6
Total	6,610,592	1,306,143	196,495	-80.2	-85

Source: Tourism Statistic Report December 2021

plummeted to merely 0.19 million in 2021.²⁸ In other words, it fell more than 97 percent in just two years.

Notwithstanding, after some travel restrictions were relaxed in late 2021, there was a rebound in domestic travel among local travellers. According to the Ministry of Tourism, more than 5 million domestic tourists visited tourist attractions across the country during the Khmer New Year in April 2022. Cambodia is now open for foreign visitors as of March 2022, while the requirement for a negative PCR test was removed²⁹.

While few visitors were visiting Angkor Wat, Cambodia prepared Siem Reap city for the return of international arrivals by making substantial public investments in road infrastructure, consisting of 38 roads with a total length of 108 kilometres. The service sector has begun to recover, but its pace is still slow compared to the industry sector. Its growth rate in 2021 is estimated to be at 1.0 percent, while its predicted to be as high as 4.1 percent and 5.6 percent in 2023 and 2024, respectively. The travel, tourism, and hospitality industries are slowly recovering, as there is increasing demand for domestic and international travel.

28 Ministry of Tourism. 2022. "Tourism Statistic Report December 2021." Phnom Penh: Ministry of Tourism.

29 World Bank. 2022. Cambodia Economic Update: Weathering the Oil Price Shock. Phnom Penh: World Bank.

International Trade

In 2020, it is estimated that Cambodia imported US \$19.11 billion worth of goods, but only exported US \$ 17.71 billion, meaning it had a trade deficit with the rest of the world of around US \$ 1.4 billion. As shown in Table 4, major export destinations include the United States (30.1%), Singapore (14.8), China (6.15%), Japan (6.0%), and Germany (5.5%). Around two-thirds of the imported goods were from China (37.1%), Thailand (15.0%), and Vietnam (13.9%). Cambodia is expected to attract more investment and boost its trade in the near future though. This is due to its new Law on Investment, the Cambodia-China Free Trade Agreement (CCFTA), the Regional Comprehensive Economic Partnership (RCEP)³⁰, both of which came into effect on January 1st, 2022, and the Cambodia-Korea Free Trade Agreement (CKFTA), which came into force on December 1st, 2022.

In addition, with reductions in tariffs, non-tariff measures, and trade costs, Cambodia is one of the countries poised to benefit the most from the RCEP.

30 Estrades, Carmen, Maliszewska Maryla, Osorio-Rodarte Israel, and Pereira Maria Seara. 2022. "Estimating the Economic and Distributional Impacts of the Regional Comprehensive Economic Partnership." 9939. Policy Research Working Paper. Washington D.C: World Bank. <http://www.worldbank.org/prwp>.

Table 4: Trade Balance in 2020 (in USD million)

Partner Countries	Trade Balance	Export	Import
United States	5,081	5,333	252
Singapore	1,638	2,623	984
China	-6,009	1,089	7,098
Japan	4,10	1,062	652
Germany	864	971	108
United Kingdom	779	831	52
Canada	695	751	56
Hong Kong, China	231	678	447
Thailand	-2,215	653	2,868
Belgium	453	482	29
Vietnam	-2,269	387	2,656
Netherlands	324	363	39
France	253	358	104
Spain	331	351	20
Italy	143	239	95
Republic of Korea	-364	185	549
World	-1,398	17,716	19,114

Source: World Integrated Trade Solution <https://wits.worldbank.org/CountryProfile/en/Country/KHM/Year/2020/TradeFlow/EXPIMP#>

In the first eight months of 2022, exports of key manufacturing products, such as garments, travel goods, and footwear, increased by 25.2 percent compared to the same period in 2021³¹, helping to somewhat improve the trade balance.

Based on the World Bank's estimate for Cambodia, the country's trade balance will continue to be negative in the years ahead. However, trade values are expected to be much larger, as export and import volumes will increase about twofold in three years between 2020 and 2023. The exchange rate will also remain stable at around 4,000 riels per US\$.

Foreign Direct Investment (FDI)

While FDI-inflows in Cambodia doubled in the five years between 2015 and 2020, from USD 1,822.80 million to USD 3,624.64 million, over the same period, FDI outflows also increased, but at a slower rate, at about 44

percent from USD 87.80 million to USD 126.80 million.³² Real estate, coal, oil and natural gas, and financial services are among the sectors that attract the greatest amount of investment.³³ Approved projects financed by FDI increased remarkably in the first quarter of 2022 compared with the same period in 2021. A large share of the investment is in the non-garment manufacturing sector.³⁴ Of the USD \$552 million in approved FDI, US\$397 million is in the energy sector, US\$89 million in the garment sector, and US\$28 million in the agricultural sector. FDI in research and development (R&D) remains very small in Cambodia. As statistics on FDI inflows in 2021 and 2022 are not available, it is unknown how much the pandemic has impacted the FDI following 2020. Nevertheless, the World Bank's economic update in December 2022 suggests that foreign investment in the tradable sectors has started to accelerate in 2022.

32 UNCTAD. 2022. "General Profile: Cambodia." 2022.

33 Iammarino, Simona. 2022. "FDI Trends and Policies in Cambodia: A Preliminary Note." 2022. <https://coc2022.cdri.org.kh/fdi-trends-and-policies-in-cambodia-a-preliminary-note/>.

34 World Bank. 2022a.

31 Ibid, p. 7.

Table 5: Trade and Foreign Investment 2020-2024

	2020e	2021e	2022p	2023p	2024p
External Sectors (US\$ million unless otherwise specified)					
- Exports (goods and services)	15,853	20,731	25,891	32,484	39,943
- Imports (goods and services)	16,221	28,747	31,203	36,407	42,881
- Foreign direct investment, net inflows	3,485	3,391	3,451	4,042	4,876
- Gross official reserves	21,228	19,918	20,810	22,050	23,532
Months of imports	10.4	9	8.1	7.5	7.1
- Current Account (percent of GDP)	-9.9	37.0	24.7	-18.6	-14.9
- Exchange rate (per US\$ average)	4,077	4,100	4,150	4,110	4,100

Source: World Bank's Cambodia Economy Update June 2021 and June 2022

Note: e= estimates; p=projections

Conclusion

Like many countries in the world and the region, the Cambodian economy has been adversely impacted by the COVID-19 pandemic due to mobility restrictions, the slowdown of business and the disruption of global value chains. However, after contracting by 3.1 percent in 2020, Cambodia's economy was able to gradually recover in 2021, with a GDP growth rate of 3.0 percent, and is expected to achieve higher growth in the coming years. Effective and timely COVID-19 measures, along with government relief intervention, strong support from bilateral and multilateral agencies, and stable FDI inflows are among the factors that have helped Cambodia to quickly recover from this global pandemic. The recovery has also been a testimony to the Cambodian government's commitment to support vulnerable groups at a time of crisis. Although Cambodia is on the road to recovery, there are also challenges ahead, including the high inflation rate caused by an oil price shock following the war in Ukraine, and the uncertainty of external demand for goods produced in Cambodia. With political stability, openness to trade, and stable FDI inflows, Cambodian economic growth will once again return to six or seven percent, similar to the growth rate before the pandemic, provided that the COVID-19 situation does not deteriorate amid unforeseen circumstances.



56TH ASEAN FOREIGN MINISTERS' MEETING
PLENARY SESSION

JAKARTA, INDONESIA, 11 JULY 2023



The 56th ASEAN Foreign Ministers' Meeting, Meeting of the Commission of the Southeast Asia Nuclear-Weapon-Free Zone and ASEAN Foreign Ministers' Interface Meeting with ASEAN Intergovernmental Commission on Human Rights Representatives in Jakarta, July 11, 2023.
Photo: Ministry of Foreign Affairs and International Cooperation

A POST-PANDEMIC OUTLOOK OF SOUTHEAST ASIA'S POLITICAL TRENDS

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Introduction

In addition to a tragic loss of life and unprecedented economic downturn, the Covid-19 pandemic was also a period of remarkable political upheaval in Southeast Asia. Since the start of the pandemic in early 2020, a change of government has taken place nine times in five Southeast Asian states.¹

The pandemic, however, was only the coup de grace. Many pre-existing crises were deeply-rooted in the domestic politics of regional countries even before the pandemic.

Transitioning out of the pandemic, regional countries are struggling with a volatile international environment involving fast-escalating Sino-American tensions and Russia's invasion of Ukraine. In this inward-looking article, I will highlight common domestic political trends across the region, using both empirical data, existing analyses, and available news sources. In doing so, this article will highlight the following trends:

- A Horizon of Dynastic Politics
- Maritime Democracy Vs Mainland Authoritarianism?
- Threats from Disinformation and Artificial Intelligence
- The continuity of Myanmar's Post-Coup Conflict

Fig. 1 Changes in Prime Minister, Head of State, and Governing Party in Southeast Asia – Either through Parliamentary, Electoral, Judicial, or Military Means – between March 2020 and March 2023.

March 2020	Malaysia: Muhyiddin Yassin replaced Mahathir Mohamad as the Prime Minister
February 2021	Myanmar: Military coup and the start of the junta rule under State Administrative Council of coup-leader Senior General Min Aung Hlaing
March 2021	Laos: Routine change of President, Prime Minister, Chairman of National Assembly, and Communist Party's General Secretary
April 2021	Vietnam: Routine change of President, Prime Minister, Chairman of National Assembly, and Communist Party's General Secretary
August 2021	Malaysia: Ismail Yaakob replaced Muhyiddin Yassin as the Prime Minister
June 2022	Philippines: Bongbong Marcos was elected as President
November 2022	Malaysia: Anwar Ibrahim was elected as the Prime Minister
December 2022	Laos: Sonexay Siphandone replaced Phankham Viphavanh as the Prime Minister
January 2023	Vietnam: Nguyen Xuan Phuc resigned as President alongside two Deputy Prime Ministers. Vo Van Thuong became the new President.

¹ That includes the change of Prime Minister, Head of State, and Party in Government – either through parliamentary, electoral, judicial, or military means.



A Horizon of Dynastic Politics

The first half of the 2020s saw the emergence of dynastic politics across the region. From the Philippines to Cambodia, Thailand, Laos and Indonesia, senior ageing politicians are grooming their offspring for a political career if not immediate succession.

The most noteworthy kind of dynastic politics currently in motion will be the once-in-a-lifetime imminent change of leadership in Cambodia. Senior leaders of the Cambodian People's Party – most of whom are in their 70s or late 60s – are preparing to leave executive positions for their children to take over.

With Gen Hun Manet, eldest son of Prime Minister Hun Sen, as the head of the young elite team, scions of current main power-brokers can be expected to assume the roles and influence currently enjoyed by their parents. The old guards, spearheaded by PM Hun Sen, will maintain their grip on the party's top decision-making body and pack themselves into the legislative houses as mentors to their offspring in the cabinet. From the CPP's Prampi-Makara Palace headquarters, the ageing elder elites of the CPP will continue to dominate Cambodia's political system as long as they physically can.

The handover of the premiership in Cambodia could take place anytime after the General Elections depending on two factors. Firstly, PM Hun Sen and his Cambodian People's Party will have to be satisfied with their electoral performance. In May 2023, the country's main opposition Candlelight Party (CLP), which earned the second biggest vote shares in 2022 local elections, was controversially disqualified from running for parliament in July 23 General Elections, citing the party lacked sufficient legal documents required for registration. The CLP's absence most certainly ensures another CPP's sweeping victory ahead of the imminent succession. Secondly, there must be an assurance that he and his party still command a dominant influence in the national political, judicial, military, and electoral system.

[In the conventional approach masterminded by PM Hun Sen, a chess player and a renowned realist who does not belong to any established ideology, Gen Hun

Manet suspends his infantry commandership in April 2023 to run for office in the National Assembly. First-ranking in CPP's Phnom Penh lawmakers candidate list, Gen Manet is almost certain to land himself in the parliament. PM Hun Sen made clear that Lt Gen Mao Sphan, a 68-year-old deputy army chief and long-time commander of the elite unit Army Brigade 70, will be the new army chief while also placing top intelligence chief Lt Gen Hun Manith as a deputy army chief.² The personnel changes will ensure that the allegiance of the army remains under the control of a veteran loyalist and a kin of the ruling family. Commanding consensus from party factions and the military, the transition will follow suit with the amended constitutional law last year that allowed a precise constitutional procedure for replacing a sitting prime minister in between elections in the event of death or resignation of the top office-holder.

Just next door, dynastic politics is no stranger to neighbouring Thailand. Entering the race for the premiership in this year's general elections, Paetongtarn Shinawatra was the fourth candidate from her father Thaksin Shinawatra's family to run for the top job. The previous three offspring include Mr Thaksin himself (2001-2006), his brother-in-law Somchai Wongsawat (2008), and his sister Yingluck Shinawatra (2011-2014). She led Pheu Thai to earn at least 141 seats in Thailand's 500-seat National Assembly – second only to fellow opposition Move Forward Party that won the election with 151 seats.

In the Philippines, both incumbent President Ferdinand “Bongbong” Marcos Jr and Vice President Sara Duterte are the children of previous authoritarian presidents. The duo, however, are just the tip of the iceberg of a Filipino dynastic politics in which eight-tenths of the congress and at least half of political office holders nationwide belong to families with political backgrounds.³

In Laos, the one-party state also saw the emergence of younger male descendents from previous senior party leaders in top office. Prime Minister Sonexay

2 Yalirozy, Teng. 2023. “Hun Manith Will Not Succeed Hun Manet in Army: PM.” *Cambodianess*, March 22, 2023. cambodianess.com/article/hun-manith-will-not-succeed-hun-manet-in-army-pm

3 Yalirozy, Teng. 2023. “Hun Manith Will Not Succeed Hun Manet in Army: PM.” *Cambodianess*, March 22, 2023. cambodianess.com/article/hun-manith-will-not-succeed-hun-manet-in-army-pm

Siphandone is the son of Khamtai Siphandone, a revolutionary hero who served as the ruling LPRP party chief between 1992 and 2006. The Prime Minister's sister Viengsavath Siphandone is now serving as the governor of the northern province of Luang Nampha.⁴ Finance Minister Santiphab Phomvihane is the offspring of Kaysone Phomvihane, the communist Laos' late founding father who served as LPRP founding party chief from 1955 to 1992. Mr Santiphab's brother Xaysomphone Phomvihane is the incumbent President of the National Assembly. Former Laos President Choummaly Sayasone's son, Phoxay Sayasone, is also the Energy Minister.⁵

In other parts of the region, although Indonesia is one of the region's leading democracies, it is also increasingly exposed to dynastic politics. President Joko Widodo (Jokowi) first came to office in 2014 as a beacon of the region's democratic hopes given that he was a rare candidate not belonging to any political families. Almost a decade later, however, Jokowi is building a political dynasty of his own. His son Gibran Rakabuming Raka, 33, launched his political career from his father's home city of Surakarta in central Java, winning a mayoral election in December 2022 by a landslide.⁶ Jokowi's son-in-law Bobby Nasution was also elected mayor at the same time in Sumatra's city of Medan.⁷ The building of dynasties is not limited to the first family, however. Political dynasty in the case of Indonesia involves three factors, including shield protections from political or judicial prosecution, networks of resources to garner political bases, and identity legitimacy.⁸

Determining the implications of dynastic politics on other variables, including the democratization process, the economy, and external policies, should be done on a country by country basis. In some places where dynastic politics has become the norm, the political and legal systems will be duly adjusted to safeguard

dynastic interests. However, dynastic politics will be an obstacle to the democratization of Southeast Asia.

Non-dynastic politicians who seek to lead top political offices across the region will struggle to outcompete princelings from political families. This trend will also pose threats to the existing check-and-balance system which then dilute the essence of the already-fragile good governance and rule of law in this very region. Southeast Asia is a geopolitically-important region that requires sustained stability guaranteed by good governance, rule of law, and a check-and-balance system of government. This trend of political dynasties, however, could be a risk in achieving that essence.

Maritime Democracy vs. Mainland Authoritarianism?

Evidently, one of the most interesting trends in the region is the continued gap in democratic performance between the mainland and maritime nations.

The maritime Southeast Asian states (Indonesia, Malaysia, the Philippines, Singapore, and Timor Leste) have all performed better between 2006 and 2002 on the Economist Intelligence Unit's Democracy Index.⁹ On a scale of ten each year from 2006 to 2022, the maritime nations achieved an average annual score of between 6.23 and 6.81, while their mainland peers (Cambodia, Laos, Myanmar, Thailand, and Vietnam) achieved only an average annual score of between 2.93 and 3.84.

The maritime nations also performed better in the V-Dem's liberal democracy index between 2006 and 2022.

There are pre-existing conditions which may be resulting in this on both sides. On the mainland side, Laos and Vietnam are constitutionally one-party communist states, Myanmar was under the shadow of the military even before the latter's February 2021 coup, Cambodia is ruled under the one-party dominance of the CPP with a declining tolerance for dissidence, and Thailand's democracy remains fragile in a post-junta electoral system with ongoing influence from both the palace and military. It is evident in the recent Thai elections in May 2023. The Move Forward Party along with other

4 Khotpanya, Sidney, Nawar Neme, and Malcolm Foster. 2023. "Laos National Assembly approves Cabinet reshuffle — Radio Free Asia." Radio Free Asia, January 31, 2023. www.rfa.org/english/news/laos/laoscabinetreshuffle-01312023173142.html

5 KPL Laos News Agency. 2023. "NA appoints three new ministers." January 30, 2023. kpl.gov.la/En/detail.aspx?id=71175

6 McBeth, John. 2020. "Indonesia's politics morphing into a family affair." Asia Times, December 16, 2020. asiatimes.com/2020/12/indonesias-politics-morphing-into-a-family-affair

7 Ibid

8 Simandjuntak, Deasy. 2021. Direct Elections, Patronage and the Failure of Party Cadre-ship: Dynastic Politics in Indonesia. Bangkok: Heinrich Böll Stiftung Southeast Asia Regional Office. th.boell.org/en/2021/07/21/dynastic-politics-indonesia-pdf

9 See Figure 3 and Figure 4.



Fig. 2 Average Scores Earned Annually by the Mainland and Maritime States of Southeast Asia in the EIU Democracy Index between 2006 and 2022 (EIU Democracy Index 2022; Author's Compilations).

Years	Mainland	Maritime	Average
2022	3.018	6.804	4.911
2021	2.934	6.772	4.853
2020	3.378	6.628	5.003
2019	3.724	6.698	5.211
2018	3.50	6.71	5.105
2017	3.508	6.63	5.069
2016	3.828	6.814	5.321
2015	3.848	6.736	5.292
2014	3.768	6.696	5.232
2013	3.822	6.576	5.199
2012	3.814	6.502	5.158
2011	3.65	6.39	5.02
2010	3.646	6.39	5.018
2008	3.616	6.386	5.001
2006	3.412	6.234	4.823

non-conservative, reformist parties won over 300 out of 500 parliamentary seats but struggled throughout the summer to form a coalition government as a result of junta-scripted electoral system that it needs to convince the junta-handpicked, unelected 250 senators to anoint them.

Yet despite better apparent performance on democratic principles, the maritime nations are not without problems of their own in this regard.

Anwar Ibrahim's achievement of his lifelong political goal to become Malaysian Prime Minister was not a foregone conclusion of a democratic Malaysia. Many challenges remain. Of course, Anwar's coalition will be more stable than the previous administration given that it is now constitutionally protected against the Sheraton Move political scandal that led to the collapse of the administrations of Mahathir Mahamad in 2020

and Muhyidin Yasin in 2021. But he will have to manage political differences with his coalition partners while facing a more religiously radical opposition.

Indonesia is still struggling to prepare for a political environment after the Jokowi Presidency, which is scheduled to end in 2024.

The rising popularity of Duterte and Marcos in the Philippines shows a "growing trend amongst Filipinos to vote for a leader with a populist, illiberal style".¹⁰

The distinction between a more authoritarian group of mainland nations and a more democratic group of maritime nations will likely continue until the end of this decade.

¹⁰ Blackwood, Kate. 2023. "Philippine study analyzes Marcos family return to power | Cornell Chronicle." Cornell Chronicle, March 9, 2023. <https://news.cornell.edu/stories/2023/03/philippine-study-analyzes-marcos-family-return-power>.



Newly appointed Prime Minister Anwar Ibrahim leaves after meeting Malaysia's king at the National Palace on November 22, 2022. Photo: Anwar Ibrahim Official Facebook

Fig. 3 Average Annual Scores of the Mainland and Maritime States of Southeast Asia in the EIU Democracy Index between 2006 and 2022 (EIU Democracy Index 2022; Author's Compilations).

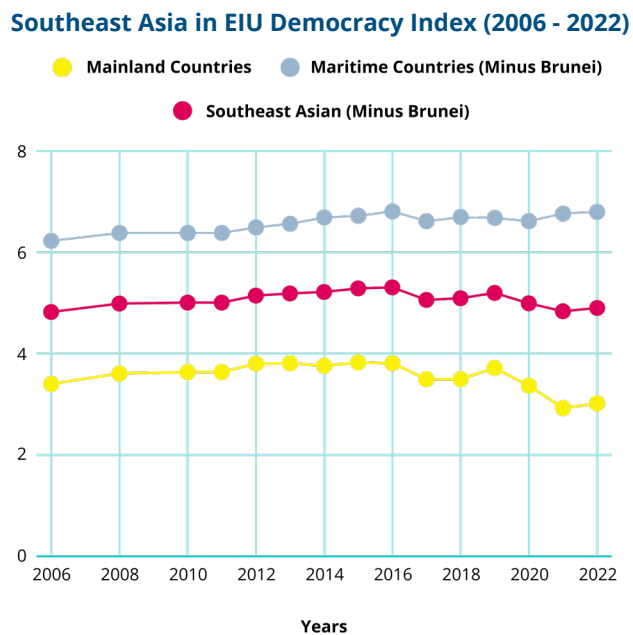
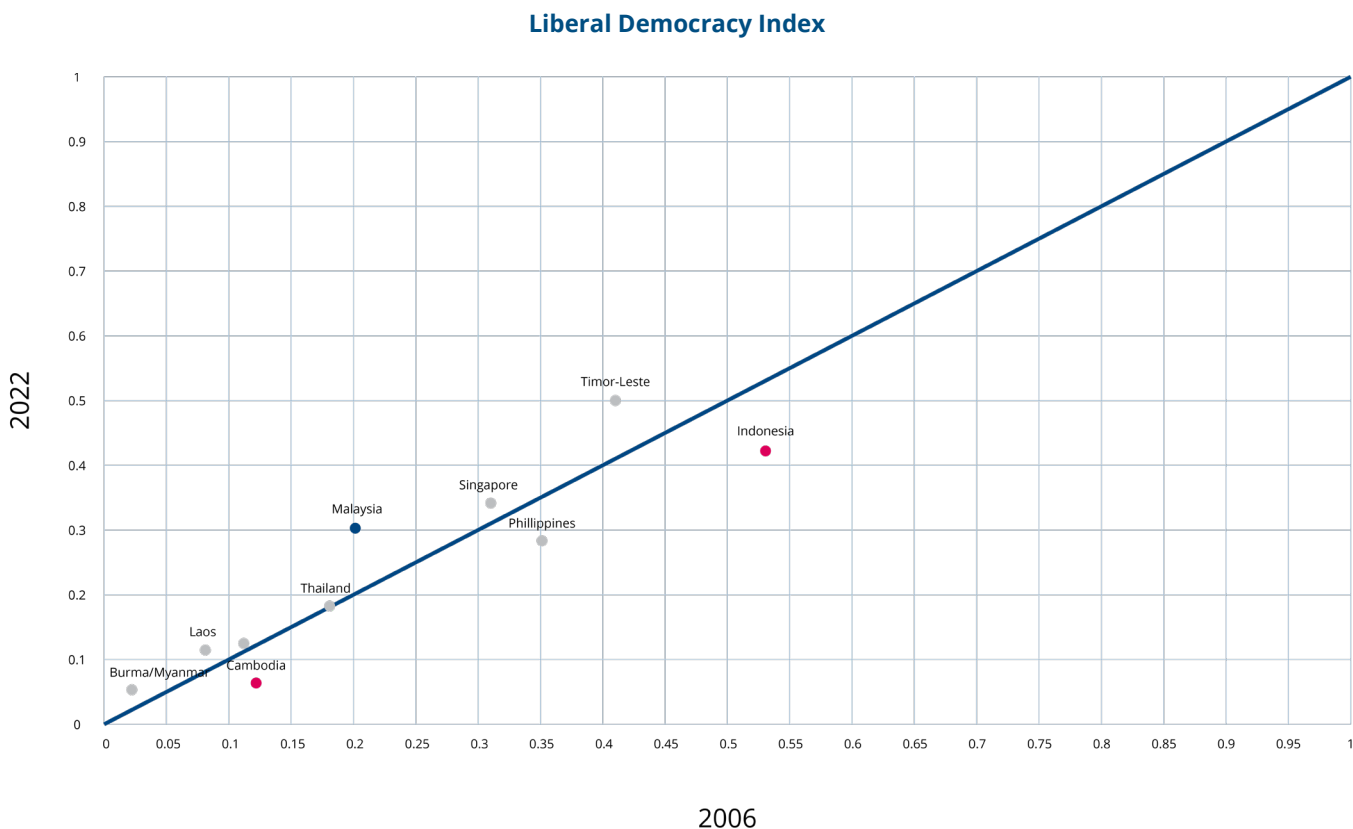


Fig. 4 A Comparison of Southeast Asian Countries' Scores between 2006 and 2022 in V-Dem's Liberal Democracy Index (Variety of Democracy).



2022
 2006
 2022
 2006

Threats from Disinformation and Artificial Intelligence

Like elsewhere, disinformation is a serious threat to Southeast Asia. During the pandemic, there was a rise in disinformation across the region due to a trust deficit in regional government institutions and their lack of transparency and openness regarding public participation in the pandemic's handling.¹¹ Even before the pandemic, however, there were both national and regional efforts to curb disinformation, emerging in response to the ever-expanding access to internet and social media in the region.

In 2018, ASEAN adopted the Framework and Joint Declaration to Minimise the Harmful Effects of Fake News, providing the region's first intergovernmental collaboration mechanism to deal with disinformation.¹² The document focuses on four areas: education & awareness, detect & response, community & ground-up participation, and norms & guidelines.¹³ In 2021 and 2022 (in the middle of the pandemic), the regional grouping came up with two other documents, including 1) the Framework for Developing Digital Readiness Among ASEAN Citizens and 2) Core Values on Digital Literacy for ASEAN. In 2022, Vietnam initiated and managed to convince the bloc to agree on the formation of the ASEAN Task Force on Fake News, which would be a platform for ASEAN member states to put their skills and experience on the table for exchange with other member states.¹⁴

But, according to critics, this is the main problem. As Jonathan Corpus Ong put it, the "region has been a leading example of "legislative opportunism" through which moral panics about disinformation have been exaggerated and hijacked by state leaders to gain

control over the digital environment".¹⁵ This includes challenges that the source of disinformation has sometimes come from state actors themselves.¹⁶

Citizens' digital unreadiness in an age of growing artificial intelligence capabilities is also a problem. One's inability to distinguish between fictitious and real content as a result of AI will likely have increasingly consequential implications for the world moving forward – including Southeast Asia.¹⁷ The question for the coming decade is: what are AI's implications for the state of politics, journalism, and social cohesion in a region where trust in public agencies is demonstrably low given the experiences of the pandemic? As long as the baseline status quo continues to hold – strong states and weak press freedoms – societies in the region will surely find the age of AI increasingly challenging to cope with.

The Continuity of Myanmar's Post-Coup Conflict

Myanmar's military establishment staged a coup to topple the National League for Democracy's civilian government led by Aung San Suu Kyi in February 2021, triggering a military resistance movement. Myanmar's post-coup situation is Southeast Asia's greatest political tragedy and most consequential crisis of our time. The junta rules under the name of the State Administrative Council, while anti-junta movements have armed themselves alongside other ethnic armed groups and established a parallel administration known as the National Unity Government.

According to figures recorded by the exiled Assistance Association for Political Prisoners (AAPP), between February 01, 2021 (when the coup took place), to the end of April 2023, more than 3,447 people were killed and more than 21,632 people were arrested by the junta.¹⁸

11 Gomez, James, and Robin Ramcharan. 2022. "COVID-19 and Infodemic in Southeast Asia." *Thai Media Fund Journal* 1 (1): 81-103. <https://asiacentre.org/wp-content/uploads/COVID-19-and-Infodemic-in-Southeast-Asia-%E2%80%93-James-Gomez-and-Robin-Ramcharan.pdf>.

12 Association of Southeast Asian Nations. 2018. *FRAMEWORK AND JOINT DECLARATION TO MINIMISE THE HARMFUL EFFECTS OF FAKE NEWS*. Singapore: n.p. <https://asean.org/wp-content/uploads/2021/01/Framework-and-Joint-Declaration-to-Minimise-the-Harmful-Effects-of-Fake-News.pdf>.

13 Ibid

14 Nhan Dan Online. 2022. "ASEAN Task Force on Fake News launched at the initiative of Vietnam." October 12, 2022. en.nhandan.vn/asean-task-force-on-fake-news-launched-at-the-initiative-of-vietnam-post118774.html.

15 Ong, Jonathan C. 2021. "Southeast Asia's Disinformation Crisis: Where the State is the Biggest Bad Actor and Regulation is a Bad Word." *Items* (Social Science Research Council), January 12, 2021. [items.ssrc.org/disinformation-democracy-and-conflict-prevention/southeast-asias-disinformation-crisis-where-the-state-is-the-biggest-bad-actor-and-regulation-is-a-bad-word/](https://www.ssrc.org/disinformation-democracy-and-conflict-prevention/southeast-asias-disinformation-crisis-where-the-state-is-the-biggest-bad-actor-and-regulation-is-a-bad-word/)

16 Ibid

17 Bennett, Drake. 2023. "Pope Francis' White Puffer Coat AI Image Sparks Deep Fake Concerns." *Bloomberg.com*, April 6, 2023. www.bloomberg.com/news/newsletters/2023-04-06/pope-francis-white-puffer-coat-ai-image-sparks-deep-fake-concerns.

18 Please consult AAPP's online database for the most recent figures. <https://coup.aappb.org/>

The junta and armed resistance movement have not thus far shown any realistic intention to negotiate a way out of the conflict.

It is likely that the conflict in Myanmar will become prolonged for a longer period of time, with no end to the hostilities currently in sight. SAC's attempt to white-wash its lack of legitimacy with an exclusive election this year will just be a bandage for a larger bullet wound. A lack of full participation from all parties at a time when SAC only administers some parts of the country will only provide a facade of democracy as the conflict persists.

The Tatmadaw likely aims to shore up its legitimacy through sham elections this year by:

- Draining resources and creating fatigue on the side of the armed resistance.
- Changing the electoral system in favour of pro-military parties, making sure that the pro-democracy camp cannot be as politically strong as its pre-coup electoral performance.
- Convincing immediate neighbours – including India, Bangladesh, China, and Thailand (in case the ruling government in Bangkok remains military-aligned) – by offering the pretence of a legitimate administration to expand cooperation and diplomatic relations. This in effect could gradually reduce its international isolation.

If at least two of the aforementioned junta's aims are completed successfully, we will likely see Myanmar return to the somewhat isolated state it held internationally before the 2008 constitutional reform. However, the determination of young citizens against the military will remain a threat to the junta's rule, offering a slim hope of the armed resistance defeating the Tatmadaw as its ultimate goal. On a regional level, Myanmar conflict will be a persistent threat to the community building and integration of ASEAN and its very credibility. The Naypyidaw regime will continue on its pre-reform, isolationist mode, relying on backing from both Russia and China to stay on.



THE ASEAN 2022 SUMMITS: UNPRECEDENTED CHALLENGES AND MANEUVERABILITY ASPECT

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Cambodia's chairmanship of ASEAN in 2022 was perhaps one of the most critical junctures in this regional grouping's history thus far. Never have major global conflicts, including the unfinished Covid-19 pandemic, the Myanmar political crisis, Russia's invasion of Ukraine, heightened tension in the Taiwan Strait, increasing strain in terms of the Korean Peninsula issue, unceasing South China Sea disputes, and unprecedented US-China competition in Southeast Asia, on top of other non-traditional security concerns, all collided at once. The Kingdom had, however, spearheaded and successfully concluded the 40th and 41st ASEAN Summits and Related Meetings, alongside the 2nd ASEAN Global Dialogue, in Phnom Penh from the 8th to 13th of November last year.

In the political dimension, one of the key priorities for Cambodia, as in every Chairmanship, has been to strengthen ASEAN Centrality in the ASEAN-led mechanism in order to maintain and uphold peace, security, and prosperity in the region. The quest for ASEAN Centrality is becoming increasingly intense amidst unceasing tensions across the globe and in the context of greater geostrategic competition. ASEAN is

perceived as being pressured to take sides, an outcome which it would want to avoid at all costs. The ASEAN Outlook on the Indo-Pacific (herein referred to as the Outlook or AOIP) rolled out in 2019 was a significant development. The Outlook remains a key living document that sets forth a continued dialogue in forging further cooperation and reducing confrontation in the evolving and dynamic regional security architecture. Most of all, it shields ASEAN from having to subscribe to any of the existing Indo-Pacific frameworks out there. But before the onset of AOIP, ASEAN established the Treaty of Amity and Cooperation in Southeast Asia (TAC) in 1976. The TAC, as a legally binding instrument, "is a prerequisite for any formal partnerships between extra-regional nation-states (dialogue partners, sectoral dialogue partners, or development partners) and ASEAN, embodies universal principles such as mutual respect for the independence of all states, the settlement of disputes by peaceful means, and the renunciation of the use of force."¹ In 2022, ASEAN acceded eight new members to said mechanism:

1 Lin, J. (August 3, 2022). Ukraine's Accession to TAC: A Critical Decision for ASEAN. Fulcrum: Analysis on Southeast Asia. Available at: <https://fulcrum.sg/ukraines-accession-to-tac-a-critical-decision-forasean/>



Denmark, Greece, the Netherlands, Oman, Qatar, the United Arab Emirates, Spain, and on the 10th of November 2022, Ukraine became the 50th TAC signatory.² How the TAC was used here demonstrates ASEAN’s tactical approach in maneuvering global tensions and putting the grouping ahead of the curve. ASEAN’s approval of Ukraine as a High Contracting Party to the TAC was an indirect signal to Moscow that its invasion of Ukraine violated international law. And ASEAN was able to do this, despite member states not having a unified position on the Russia-Ukraine issue.

Last year also marked the 20th anniversary of the signing of the Declaration on the Code of Conduct (DOC). The South China Sea issue remains a key cornerstone of every ASEAN Chairmanship. As opposed to what some observers have reflected, Cambodia did not “defang any real public discussion of the topic against China’s growing maritime assertiveness.”³

In fact, Cambodia hosted the 36th Meeting of the ASEAN-China Joint Working Group on the Implementation of the Declaration on the Conduct of Parties in the South China Sea (JWG-DOC) from 25-27 May in Siem Reap.⁴ Had Cambodia shied away from public discourse or any sort of interaction on the South China Sea issue, said facilitation would not have been possible.

The 2022 ASEAN Summits also witnessed an emphasis on several practical priorities – economic and regional integration and humanitarian assistance. On regional integration, the Leaders have agreed in principle to admit Timor-Leste as the 11th member of the group after a decade of it holding an observer status. There are high hopes that full membership will be formalized this year during the Indonesian chairmanship.

On the promotion of further economic integration in the region, the ASEAN, Australia, and New Zealand free trade agreement was upgraded. The relationship statuses of ASEAN-US and ASEAN-India have also been

elevated to “comprehensive strategic partnerships.”⁵ These were significant steps as the region sought to strengthen regional economic integration through the Regional Comprehensive Economic Partnership (RCEP). After eight years of negotiation, RCEP came into force in January 2022. Even without the presence of India, this is the world’s largest free trade agreement, covering 2.3 billion people (or 30% of the world’s population) and encompassing \$26.2 trillion in trade volume (or 30% of global GDP). It focuses on a variety of economic areas, including digital trade and e-commerce, SMEs, intellectual property rights, trade facilitation, government procurement, and competition policy.⁶ It is certainly elevating ASEAN to become a more attractive and competitive area in terms of intra and inter regional trade and beyond.

One of the major priorities when it comes to social policy is combating disinformation. 68% of the total population in the region is between 16 and 24, who engage with social media more than 10 hours per day on average.⁷ According to the ASEAN Post, there are six top concerns when consuming such content: “1) 60% that it could be fake, 2) 50% that it is dishonest, 3) 39% that it is inappropriate, 4) 39% that it is just trying to sell me something, 5) 36% that it is biased, and 6) 28% that it makes me feel bad.”⁸ Specifically in Singapore, scam victims lost S\$ 660.7 million in 2022 through various activities such as phishing scams, job scams, e-commerce scams, investment scams, and fake friend call scams.⁹ In response, the ASEAN bloc reaffirms the regional commitment to creating the ASEAN Task Force

2 Ben, S. (November 11, 2022). New Partner: Ukraine signs TAC with ASEAN and is part of a bigger family. *Khmer Times*. Available at: <https://www.khmertimeskh.com/501182103/new-partner-ukraine-signs-tac-with-asean-and-is-part-of-a-bigger-family/>

3 Kurlantzick, J. (November 15, 2022). Reflections on the ASEAN Summit and the ASEAN-U.S. Summit in Cambodia. Council on Foreign Relations. Available at: <https://www.cfr.org/article/reflections-asean-summit-and-asean-us-summit-cambodia>

4 ASEAN Cambodia 2022 News. Available at: <https://asean2022.mfaic.gov.kh/posts/2022-05-27-News-The-36th-Meeting-of-the-ASEAN-China-Joint-Working-Group-on-the-Implementation-of-the-Declaration-on-09-52-00>

5 Saha, P. (November 22, 2022). Could the ASEAN Summit achieve anything substantial? Observer Research Foundation (ORF). Available at: <https://www.orfonline.org/expert-speak/could-the-asean-summit-achieve-anything-substantial/>

6 Cambodian ASEAN Secretariat. (2022, February 6). Regional Comprehensive Economic Partnership (RCEP) and the business prospects for Cambodia. News. Phnom Penh: Ministry of Foreign Affairs and International Cooperation. Retrieved April 15, 2023, from <https://asean2022.mfaic.gov.kh/posts/2022-02-06-News-The-Regional-Comprehensive-Economic-Partnership--RCEP--and-the-business-prospects-for-Cambodia-00-33-44>

7 Melinda Martinus. (2023, February 15). Can ASEAN Mitigate Fake News in Southeast Asia? ASEAN Focus. Retrieved April 15, 2023, from <https://fulcrum.sg/aseanfocus/af-can-asean-mitigate-fake-news-in-southeast-asia/>

8 The ASEAN Post Team. (2023, April 16). Fake News A Big Worry For ASEAN Millennials. Retrieved April 16, 2023, from <https://theaseanpost.com/article/fake-news-big-worry-asean-millennials?amp>

9 Daving Tham. (2023, February 8). S\$661 million lost to scams in 2022, with young adults most likely to fall victim: SPF. Channel News Asia. Retrieved April 16, 2023, from <https://www.channelnewsasia.com/singapore/police-scam-cybercrime-statistics-young-adults-2022-3262141>

on Fake News¹⁰ to eliminate all forms of harmful online content.

With the remarkably growing digital community in the region, cyber threats are waiting at the door of each ASEAN member state. By 2025, cyber-attacks will cost \$10.5 trillion annually¹¹, and with that, ASEAN leaders have emphasized the importance of cyber security by doubling their efforts to ensure a free, open, inclusive, trustful, and resilient cyberspace, underpinning and updating the Cybersecurity Cooperation Strategy (2021-2025).¹²

There is no question that setbacks remained at the 2022 ASEAN Summits – for instance, the Leaders assessed the implementation of the Five-Points Consensus on Myanmar and noted that little progress had been achieved, if not backtracked. Cambodian Foreign Minister Prak Sokhonn, in his capacity as the Special Envoy of the ASEAN Chair to Myanmar, visited Myanmar twice through his year-long tenure. Cambodia's leadership did place a greater priority on the delivery of humanitarian assistance to the people of Myanmar by remaining engaged with the UN specialized agencies, the AHA Center, ASEAN's External Partners, and the Myanmar Task Force.¹³ Myanmar's ongoing political crisis stem from decades-long protracted conflicts, signifying that the issue cannot be resolved within a short time span. Given the complexity of the issue, the idea that the political situation on the ground will return to normalcy, or that the issue will be completely resolved, would be a highly unrealistic expectation. Pundits and regional observers look forward to and speak highly of the current ASEAN Chair – Indonesia –

in setting a tougher stance on Myanmar in 2023¹⁴, yet, disregard the efforts made by Cambodia throughout the whole year in which practical measures and realistic priorities were set forth.

While the growing major power rivalry and U.S.-China tussle show no sign of improvement, despite increasing attention globally, Cambodia's chairmanship of ASEAN witnessed strong maneuverability toward addressing all major hardline issues, namely Russia's invasion of Ukraine, the Myanmar political crisis, the South China Sea dispute, the Taiwan strait issue, and Korean Peninsula tensions. While a few setbacks still prevailed, Cambodia did not repeat the 2012 incident in which the Kingdom was blamed for not having issued a Joint Communiqué. Cambodia continues to adhere to the principle of non-interference and abides by international rules and norms and the UN Charter.

10 Cambodian ASEAN Secretariat. (2022, November 11). Chairman Statement of the 40th and 41st ASEAN Summits. Phnom Penh. Retrieved April 15, 2023, from <https://asean.org/wp-content/uploads/2022/11/01-Chairmans-Statement-of-the-40th-and-41st-ASEAN-Summits-rev.pdf>

11 Bharath Aiyer, Jeffrey Caso, Peter Russell, and Marc Sorel. (2022, October 27). New survey reveals \$2 trillion market opportunity for cybersecurity technology and service providers. Retrieved April 15, 2023, from <https://www.mckinsey.com/capabilities/risk-and-resilience/our-insights/cybersecurity/new-survey-reveals-2-trillion-dollar-market-opportunity-for-cybersecurity-technology-and-service-providers#/>

12 Cambodian ASEAN Secretariat. (2022, November 11). Chairman Statement of the 40th and 41st ASEAN Summits. Phnom Penh. Retrieved April 15, 2023, from <https://asean.org/wp-content/uploads/2022/11/01-Chairmans-Statement-of-the-40th-and-41st-ASEAN-Summits-rev.pdf>

13 Press Release on the Outcomes of the Consultative Meeting on ASEAN Humanitarian Assistance to Myanmar. (May 6, 2022). Available at: <https://asean.org/wp-content/uploads/2022/05/ENG-Post-Event-PR-for-CM-Final.pdf>

14 McCarthy, S. (November 11, 2022). As major powers meet in Asia, the rest of the world is pressed to pick a side. CNN. Available at: <https://edition.cnn.com/2022/11/11/asia/asia-summits-asean-us-china-myanmar-intl-hnk-mic/index.html>





4th SUMMIT

Vientiane, Lao PDR, 2–5 April 2023
Innovation and Cooperation for a Water Secure and Sustainable Mekong



*The Southeast Asian members of the Mekong River Commission at the 4th MRC Summit in Laos.
Photo: mrcsummit.org*

MEKONG SUB-REGIONAL COOPERATION AND ITS GEOPOLITICAL COMPETITION

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The Mekong sub-region, including five developing countries (Cambodia, Lao PDR, Myanmar, Thailand and Vietnam), is a populous and resource-rich sub-region with significant development potential. Along with the intra-regional cooperative activities and mechanisms, the sub-region has also attracted the attention of numerous partners. After Cambodia, Laos, Myanmar, and VietNam joined ASEAN, regional and global powers began to show increased interest in the region and actively promoted the development of cooperation mechanisms with Mekong countries. These include the Mekong-US Partnership (MUSP) (the then Lower Mekong Initiative (LMI) with the United States, the Mekong – Lancang Cooperation (MLC) with China, the Mekong – Republic of Korea Cooperation, the Mekong – Japan Cooperation, the Mekong – Ganga Cooperation with India and other programs like the Mekong – Australia Partnership. Most of these mechanisms and programs are proactively proposed by major global and regional powers, who have indeed played a leading role in providing support and resources.

The increasing engagement of various external partners has brought about new opportunities such as more financial resources, technical assistance for sustainable development of the entire sub-region. On the other hand, however, the broader context of geopolitical competition at the global and regional levels has impacted cooperation trends in the Mekong sub-region.

Firstly, the securitization of sub-regional cooperation is intensifying. In particular, cross-border water

governance has become a severe challenge to the security and development of the Mekong countries in the short and medium-term. The critical challenge is how to balance the nexus of food-energy-water security, as all these non-traditional security issues are intertwined and, sometimes, mutually exclusive.

Secondly, the internationalization of sub-regional cooperation is becoming more prominent. Currently, the Mekong sub-region has about 11 different cooperation mechanisms, including those within the bloc and with external partners. Geopolitical competition in the sub-region among influential countries, especially between the US and China, is growing steadily. In particular, China's influence in the sub-region is becoming increasingly comparable to other powers. In addition, the EU and the UK have recently shown interest in forming a more integrated and cohesive approach to cooperation with the Mekong sub-region. Besides, non-governmental organizations such as the Stimson Center (based in the US) and development NGOs are also becoming ever more visible in implementing various projects at the community level and sub-regional level. Given this context, the Mekong countries risk becoming more dependent on external powers for resources and agenda-setting of relevant cooperation mechanisms. In addition, the coordination of overlapping cooperation projects introduced by various mechanisms could become more complex. Facing different common challenges, the sub-regional countries' views on water security in particular, as well as the sub-region's sustainable development in general, are still not well-coordinated. Sub-regional cooperation has not been



closely linked to the regional cooperation process, especially ASEAN's frameworks. The development gap between the Mekong sub-region and other regions of ASEAN is still relatively large.

As a result, the Mekong countries need to strengthen their intra-group cooperation to advance their common interests and reap the benefits. First, the Mekong countries should consider promoting a Mekong-centric governance, in which the priorities of all 5 Mekong countries are aligned to form a common voice and position. Second, the development issues of the Mekong sub-region should be consistently promoted within the ASEAN agenda. To this end, consensus among the 5 Mekong countries is vital to the broader consensus of ASEAN. Third, frequent and candid dialogue channels among the Mekong countries and between them and other ASEAN member states should be used to raise awareness of the link between Mekong development issues and the ASEAN Community building process at the community, provincial, national, and regional levels.



*Sunset at the Mekong River in Pak Beng, Laos
Photo: freepik.com*





*The Prime Minister Rishi Sunak is formally welcomed to the G20 meeting by the President of Republic of Indonesia, President Jokowi.
Picture by Simon Walker / No 10 Downing Street*

PROJECTING INDONESIA'S G20 PRESIDENCY SUCCESS ONTO ITS DOMESTIC POLITICS

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Indonesia's G20 Presidency has been a great success against all odds, including its handling of the ongoing pandemic and the war in Ukraine, as well as its ability to overcome previous failures to release any consensus document at the ministerial level, working group, World Bank and International Monetary Fund meetings. The attendance of all G20 leaders, except President Putin, and the issuance of a Joint Communiqué clearly exceeded everyone's expectations.

Indonesia's G20 Presidency was not only successful because it was a full house which issued a Communiqué, but also because of what was inside the Communiqué. Using the word "war", for example, was not even being considered at an earlier stage because some G20 members would not agree to its use in the context of the Russia-Ukraine conflict. This was a significant issue that could have impeded the G20 from issuing a consensus document this year.

In short, the Indonesia G20 Presidency was significant because it recognized: 1) the war in Ukraine and any other such conflict must be prevented due to the potential for a catastrophic impact on the global economy, 2) multilateralism is indispensable to a functioning global economy, and 3) the G20 could provide a working platform for global economic cooperation amid tense global economic competition and geopolitical confrontation. Indonesia's G20 Presidency has set a high bar for the next three G20 Presidencies – India, Brazil and South Africa - all of whom are middle powers and Global South countries, much like Indonesia.

The most important question now is whether the success of the G20 Summit last year was simply a blip or a turning point in global economic governance?¹

As for Indonesia, with a new President coming in 2024, it is possible that domestic politics and other factors could push the country's next President to undo the nation's achievements in the Bali G20 Summit. According to Dr. Collin Bradford of the Brookings Institution, Indonesia's success should therefore not only be tagged as a win for President Jokowi, but also as a national achievement for the whole country.²

He contends that Canada made a mistake when former Prime Minister Stephen Harper held the G7 Summit (June 25-26, 2010) shortly before the G20 Summit (June 26-27, 2010), thereby essentially trying to cook the food before all the chefs have arrived. Prime Minister Harper alluded that the G20 was the creation of his predecessor, Prime Minister Paul Martin, a prominent co-founder of the group. Indonesia must thus avoid making the same mistake, especially if the next President comes from the opposition party.

Instead, Indonesian domestic constituents should recognize that the success of the Summit belongs to them. In return, they should own and abide by the commitments and agreements stated in the Communiqué, and resist annulling or withering the

1 Also see: 'Indonesia's Successful G20 Summit: A Turning Point?' by Colin I Bradford; and Statement by China-West Dialogue of G20 Summit in Indonesia.

2 'Decoding G20 Indonesia Summit', a webinar hosted by University of British Columbia. Link: <https://youtu.be/cc4R51vUFmY>



Photo: laurencesoulez / Adobe Stock

hard-fought global agreements reached in Bali, especially with regard to preserving the multilateral, open and rules-based international order.

Such potential challenges to the current rules-based order are already clear to see from a variety of G20 countries. For example, Indonesia recently lost a World Trade Organization (WTO) dispute against the European Union over a ban on nickel ore exports. Although the government claimed that banning exports of raw minerals and processing them at home – or so-called downstreaming – has brought mining investment, increased the domestic value added to the economy, and enlarged export values, such accomplishments must be achieved in a manner consistent with international trade rules. Similarly, the WTO recently ruled that Trump’s steel and aluminium tariffs imposed on national-security grounds violated basic WTO rules. But, Washington rejected these findings. Brushing off WTO rulings could weaken the multilateral trade order, something to be avoided if the wider rules-based order is to be upheld.

Indonesia and the other G20 countries should instead continue to abide by the commitment in the Communiqué to “uphold international law and the multilateral system that safeguards peace and stability.” Indonesia, like all other emerging markets and developing economies (EMDE) and beyond, has benefited from the peace dividend and multilateral, open and rules-based system that has been in place since the end of the cold war in 1992 (albeit now much weakened). The multiple challenges faced by the world in this moment and in the future, such as climate change, will depend on a well-functioning multilateral system.

A road to reversal is possible given the nature of the G20. Unlike the United Nations system, which is the ‘ultimate’ formal global multilateral system, the G20 is a non-binding, size-based, and informal process, where both developed economies and EMDEs are involved. There is neither a constitution nor a secretariat. There are no voting rules and decisions are adopted by consensus. It is not a value-based grouping, like the G7,



in a way that countries with different political regimes and democratic principles could join the G20, nor is it a representative decision-making body.

Hence, other than agreements that have been made legally binding, including funding commitments that must be approved by national Parliaments, statements in the Communiqué could be reversed following their translation into domestic politics, especially if there is a change in national leadership. Notwithstanding possible changes in the political winds of Indonesia's foreign and domestic policies, there were concrete outcomes and global agreements emanating from the Summit that Indonesia and other G20 countries could continue to contribute towards and directly and indirectly benefit from. These include the Black Sea Grain Initiative renewal and the call to keep the food supply chain functioning, the USD 1.4 billion financial intermediary fund for pandemic preparedness, prevention and response (also known as the Pandemic Fund), the USD 81.6 billion Resilience and Sustainability Trust to help developing countries manage long-term

challenges, and the USD 20 billion Just Energy Transition Partnership, funded by several developed countries to help Indonesia accelerate its transition towards renewable energy and achieve its net zero target.

This year, Indonesia's ASEAN Chairmanship will continue the main agenda of last year's G20 Summit. This year's ASEAN Summit will focus on three main areas namely: 1) economic recovery and rebuilding from the COVID-19 pandemic, 2) the fostering of a digital economy, and 3) sustainability. This could help to maintain the momentum of Indonesia's G20 Presidency success and ensure that it becomes a real turning point in global economic governance, not just a blip.





Philippine President Ferdinand R. Marcos Jr. participates in a wreath-laying ceremony at the Tomb of the Unknown Soldier at Arlington National Cemetery, Arlington, Virginia, May 4, 2023. (U.S. Army photo by Elizabeth Fraser / Arlington National Cemetery / released)

TORN BETWEEN TWO POWERS: THE US-CHINA SUPERPOWER RIVALRY AND THE PHILIPPINES UNDER MARCOS

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Among the states in Southeast Asia, one may surmise that the Philippines does not face a stark and difficult alignment choice between the United States (US) and China. Throughout the past four decades, its foreign policy has been consistently skewed toward supporting the US-led international order. This is mainly due to a confluence of factors such as its colonial history with the US, a values-based approach to foreign policy, a Western-oriented political elite, and a lack of external trade diversification. There is ample reason to believe that in general, the Philippines has not veered away from this alignment with the US given its membership in the San Francisco hub-and-spokes alliance system that also involves Japan and South Korea (Misalucha-Willoughby 2020). This is, of course, heavily supported by the fact that the Philippines is the only country in Southeast Asia that has a bilateral mutual defense treaty with the US given its previous colonial relationship. This makes it challenging for the Philippines to strike an equidistant relationship with the two superpowers.

Several changes in the regional strategic environment of this small state, however, have caused a re-examination of this default alignment choice. The Philippines has been in the middle of the US-China superpower rivalry in the Indo-Pacific and is considered as an important component of the geopolitical strategy of both powers.

Filipino political leaders have identified regional power shifts and lingering conflict flashpoints in Asia as lying at the core of the country's national security interests. Since 2016, the Philippines, under populist leader Rodrigo Duterte, has seriously explored expanding its network of security partnerships beyond like-minded status quo states as part of its strategic policy. Some scholars have labeled this strategy as “hedging”, which is commonly pursued by the country's neighbors in Southeast Asia. While the Philippines maintains its sole military alliance with the US, the Duterte administration (2016-2022) explored security cooperation primarily with China but also with, Russia, Israel, Japan, and India, albeit with minimal concrete outcomes.

With less than a year into his presidency, Ferdinand Marcos, Jr. has put the Philippines-United States alliance at the centre of his foreign policy. The speed and scope of changes surprised many observers, both at home and abroad, especially given the prevailing negative view of the US. Since 2016, relations with the United States' oldest strategic ally in Asia had deteriorated to the point that Duterte even initiated the abrogation of the US Visiting Forces Agreement. Meanwhile, despite the fact that Marcos Jr. ran on a campaign platform of continuing Duterte's policies, his apparent embrace of the US has further complicated the country's position



in addressing its most important strategic challenge: the intensified superpower rivalry between the US and China. Thus far, this seems to be driven by Marcos Jr.'s appreciation of the importance of balancing its relations between the two superpowers, the more uncertain strategic regional environment, and his more external security orientation compared from his predecessor.

The 2022 elections offered the new government a chance to recalibrate the country's foreign policy. As president, Marcos assumes the role of chief architect in the Philippine's foreign policy, since he is able to set the direction of the country's strategy and relations with major powers. But as the new president seeks to implement his own personal style, he cannot ignore the fact that the country's regional strategic backyard has drastically worsened in recent years and has put national security in a more weakened and vulnerable position. As Marcos stated, "we are now confronted with a different and complex security environment, it brings with it new challenges that require us to adapt". Finally, there are also vested interests of the Marcos dynasty who could be protected and have their status enhanced if the country maintains more cordial relations with the US.

It remains to be seen whether President Marcos Jr. can sustain a difficult balancing act between the country's relations with the US and China. Marcos also has fostered deep ties with the country's neighbor and it expects that the Philippines will not embark on a negative campaign against China like former president Aquino (2010-2016). In the coming years, the Philippines under Marcos must sustain the primacy of the national interest above all, as well as its independent foreign policy. Failure to do so will compromise the country's strategic interests both at home and abroad.



Secretary of Defense Lloyd J. Austin III meets with Philippine President Ferdinand Marcos Jr.
Photo: Chad J. McNeeley



"Bongbong" Marcos in Manila, Feb. 2, 2023.



*General Prayuth Chan-ocha, Prime Minister of Thailand, addresses the general debate of the General Assembly's seventieth session.
Photo: UN Photo/Cia Pak*

PRAYUTH'S 9-YEAR PREMIERSHIP: NATIONAL POLITICS AND THAILAND'S ROLE IN THE REGION

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Prayuth Chan-o-cha (hereafter Prayuth) became Thailand's longest-serving prime minister since 1973, combining his interim term under the National Council for Peace and Order (NCPO) (August 2014 - July 2019), which he claimed through a military coup that toppled Yingluck's government based on the justification of peace restoration and public order in the face of street demonstrations and months of relentless political turmoil, and the new civilian coalition government (July 2019 - May 2023), formed after the 2019 General Election.

Unlike the 2006 Coup, in which coup-makers quickly handed over power to a transitional government and allowed for elections, the 2014 coup-makers tried to maintain their power and restructure the political system through a completely redesigned constitution. The 2014 Coup was seen as part of a power rebalancing plan to strengthen the military elites' and the monarchy's grip on power through efforts such as the adoption of the 2017 Constitution¹, absolute control over the senate, and the appointment of former and active military leaders and officers at the apex of the political system, including legislative, executive, and judicial bodies. It was to extend the junta's power and guarantee that they have a say in who leads the future government. Far beyond the surface, the NCPO's mission was also about ensuring a smooth and stable enthronement of the new monarch, King Vajiralongkorn.² Although the military's dominance has undermined majoritarian democracy, party politics still remain forceful in Thailand's semi-democracy.

1 Kotanki, H. & Ono, Y. (2019, August 20). Thailand's new constitution favors the monarchy and military. *Nikkei Asia Politics*. <https://asia.nikkei.com/Politics/Thailand-s-new-constitution-favors-the-monarchy-and-military>

2 Chachavalpongpun, P. (Ed.). (2020). *Coup, King, Crisis: A critical interregnum in Thailand*. Yale Southeast Asia Studies.

This article aims to assess the development of Thai politics over the course of Prayuth's premiership and reflect on the role of Thailand in the region.

National Politics

After the military-drafted 2017 Constitution was promulgated by King Vajiralongkorn, people hoped to restore the country to parliamentary democracy through a new election in March 2019. However, the 2019 election was criticized for lacking transparency and being subject to widespread fraud as the Election Commission of Thailand (ECT) failed to release official election results. The ECT took over a month to announce the official results. The pro-military Phalang Pracharat Party (PPRP) won the second-highest number of parliamentary seats but managed to form a coalition government with numerous smaller parties and elect General Prayuth as prime minister. The victory is also part of a new institutional engineering and mechanism, including a new electoral system and voting rules introduced by the junta before the election. Also, the 2017 Constitution was drafted in favor of the military to control the government regardless of the election results. Under this new constitution, the prime minister is elected from a joint vote of 250 senators and 500 members of the Parliament (MPs), making 376 votes a threshold to win the premiership in Thailand's parliament. With 250 senators appointed by the military, Prayuth could easily reach the 376-vote threshold and continue his premiership with the endorsement of King Vajiralongkorn. It has forced many Thais to accept that the junta will continue to rule the country, prolonging military dominance in Thai politics.



Although Prayuth was able to form a coalition government after the 2019 election, his government encountered political challenges. First, Prayuth's government was challenged by the rising popularity of the then Future Forward Party (FFP), a new political party formed by tycoon-turned-politician Thanathorn Juangroongruangkit and Thammasat University's Law associate professor Piyabutr Saengkanokkul in March 2018. The FFP was formed just one year before the 2019 election, yet managed to come in third with total parliamentary seats of 81. Unlike other parties, FFP's main policy priorities include amending the 2017 Constitution, slashing the military budget, bringing civilian control over the military, and reviewing the King's role in the constitutional monarchy.³ These policies seek to diminish the power of the junta and monarchy from Thai politics, depicting the FFP as an enemy of the military and monarchy. As a result, the FFP was dissolved by the Constitutional Court in February 2020 on the basis of violating election law financing rules by accepting illegal loans from Thanathorn Juangroongruangkit. The dissolution of the FFP was viewed as politically motivated to defend the institutions of the military and monarchy.

The dissolution of the FFP also led to widespread anti-government protests and a sharp rise in demand for reform of the monarchy in 2020 and the following years. The first round of protests was mainly led by students and young people, especially the FFP supporters, and was held at different university campuses before being abruptly forced to a halt due to the COVID-19 pandemic. Thailand was subsequently criticized for using the pandemic as a pretext to restrict people's freedom of expression.⁴ In late July 2020, groups of students staged another series of protests with three demands. The demands included an amendment of the constitution, the dissolution of parliament, and reform of the monarchy. Although the monarchy made no response to the demands, those criticizing the institution have faced arrest, prosecution, and harsh suppression under draconian *lèse majesté*, commonly known as

"Article 112".⁵

It fueled the anger of protesters as they continued the movement, calling for the reform of the monarchy until late 2021. The youth-led protests and rise of open anti-monarchists, which has gradually been incorporated into contemporary Thai youth movements and transformed the Thai political landscape, has deeply alarmed the monarchy. This trend also indicates that, sooner or later, reform is inevitable for the monarchy if it is not to be abolished.

Second, Prayuth's government not only faced a call for the resignation of Prayuth and the dissolution of parliament by youth protesters, but also four no-confidence motions and votes between 2020 and 2022. Prayuth and many ministers of the coalition government were the target of opposition parties during parliamentary debates and votes of no-confidence. The issues included national budget mismanagement, a crippled economy, corruption scandals, cronyism, human rights violations, COVID-19 pandemic mishandling, and backsliding democracy. Although the opposition parties did not manage to bring down Prayuth's government through parliamentary debates and votes of no-confidence, they continued targeting the prime minister and his cabinet.

The opposition parties filed a petition to parliament, which was eventually forwarded to the Constitutional Court, arguing that Prayuth, who assumed power in the 2014 coup, had reached his eight-year term limit. Prayuth was suspended by the Constitutional Court from his duty as prime minister on 24 August 2022, yet managed to return to office on the 30th September 2022 by a court rule concluding that his tenure started in 2017, after the promulgation of a new constitution, and could serve until 2025 if re-elected. The opposition parties sought to discredit the coalition government and weaken the prime minister's popularity ahead of the election in 2023.

Thailand's Role in the Region

The Thai elites and public have always regarded their country as a key regional actor since the mid-14th

3 Chachavalpongpun, P. (Ed.). (2020). *Coup, King, Crisis: A critical interregnum in Thailand*. Yale Southeast Asia Studies.

4 Amnesty International. (2020, April 23). Thailand: authorities use repressive laws to intensify crackdown on online critics. <https://www.amnesty.org/en/latest/news/2020/04/thailand-authorities-using-repressive-laws-to-intensify-crackdown-on-online-critics/>

5 Unno, A. (2022). "Reform, not abolition": the Thai youth movement and its demands for reform of the monarchy. ISEAS- Yusof Ishak Institute. https://www.iseas.edu.sg/wp-content/uploads/2021/12/ISEAS_Perspective_2022_3.pdf



H.E. Mr. Don Pramudwinai, Deputy Prime Minister and Minister of Foreign Affairs, along with Foreign Ministers of ASEAN member States and other countries attending the 56th AMM PMC paid a courtesy call on H.E. Mr. Joko Widodo, President of Indonesia, at the Shangri-la hotel, Jakarta. July 14, 2023. Photo: Ministry of Foreign Affairs of the Kingdom of Thailand

century because of its historical supremacy over neighboring countries. Siam, or Thailand as it is now known internationally, with its strategic geographic location at the heart of mainland Southeast Asia, has had further leverage for greater prestige as being “equal” during the rise of modern international order since the late 19th century and early 20th century. Since the establishment of her modern foreign ministry, Siam has adopted some of the most successful foreign policies that have navigated the country through various critical global phenomena, such as the World Wars and the Cold War. Her classic foreign policy has also brought the country a good reputation and elevated its position on the international stage, which was seen through her early membership in the United Nations and other international organizations, as well as her co-foundership of various regional organizations such as SEATO and ASEAN. However, the country’s prestige has also been damaged because of her “one step forward and two steps backward democracy”, involving controversial military interference through 22 coups, of which 13 were successful.⁶

Between the late 1990s and early 2000s, Thailand was seen as proactive in regionalism and striving for the role of hegemon, both under Prime Minister Chavalit Yongchaiyudh’s term and Thaksin Shinawatra’s tenure. Thaksin’s foreign policy was carried out under an ambitious vision of transforming Thailand into a potential regional hegemon, a claim evidenced by a number of Thai-led regional and sub-regional initiatives such as ACMEC. Comparatively, Thailand under Prime Minister Prayuth seems to be less proactive when it comes to regional affairs. Thereby, it is safe to say that the Kingdom’s foreign policy under Prayuth has led Thailand onto a path of “forgotten ambition” and lacking vision. But why has this been the case?

First, Prayuth’s premiership began under fierce criticism from both the domestic and international community, crippling his government’s legitimacy even following the 2019 general election in which his party came in second. The Kingdom lacked a strategic position on the regional and international stage due to her unpopular government and doubtful reputation in recent years. The lack of both political will from the administration and a good strategic position has undermined Thailand’s ability to take the lead in various regional issues, leaving the country in a less visible role.

⁶ Chitty, T. (2019, August 20). Why does Thailand has so many coups? <https://www.cnbcc.com/2019/08/20/why-does-thailand-have-so-many-coups.html>

The Myanmar political crisis in particular demonstrated an unconventional approach on behalf of Thailand. If there were a country in the region that shared the largest stake in Myanmar's complex situation, it would be Thailand. This is primarily due to their 2,401km shared border, plus the over 2.3 million registered Myanmar immigrants currently residing in Thailand, not to mention the continuously incoming refugees. Despite this however, Prayuth's approach toward the political crisis in Myanmar has been regarded by regional observers and scholars as a so-called "Quiet Diplomacy" approach, contradicting the stance of other regional bloc players like Indonesia, Singapore, and Malaysia, which projected a stronger and more assertive approach.⁷

Beyond Thailand's approach toward such critical issues, the government of Prayuth was also unable to gain high regard from the country's long-standing traditional allies, such as the United States. For instance, look at the absence of President Donald Trump from the ASEAN Summit 2019 under Thailand's Chairmanship and the absence of President Joe Biden from the recent APEC Summit in Bangkok in late 2022. This absenteeism has arguably discredited the prestige of Thailand's foreign policy to a certain extent.

Second, the domestic political situation during Prayuth's whole tenure as prime minister has been dominated by a constant series of controversial issues, active protests, and deep divisions among powerful forces. Domestic politics has limited the government's willingness and ability to engage in regional affairs. For instance, Prayuth's administration has been in one political battle after another and become trapped due to the demands for his resignation from the opposition in the parliament. Since 2019, Prayut has faced four votes of no confidence; translating into one every year. Thailand's less proactive approach can also be seen at the sub-regional level mechanisms of the Mekong River.

Conclusion

The key assessments of Thai politics and its role in the region as Prayuth's executive term comes to an end are threefold. First, the political dilemmas arising from the power struggle among the monarchy, the conservative/military faction, and the pro-democracy bloc impede the country's progress toward successful democratization. The deep political division since the 1932 revolution and the exacerbation arising from Thaksin's strong popularity from the early 2000s remains unresolved. This dilemma is very likely to remain a problem for another decade to come.

Second, within the past nine years, the conservative military and pro-monarchy bloc has strengthened their grip on power remarkably through the successful adoption of the 2017 constitution, control over key institutions such as the Senate, and legislative influence on the formulation of future government; despite facing strong resistance from pro-democracy protests both in the parliament and on the street.

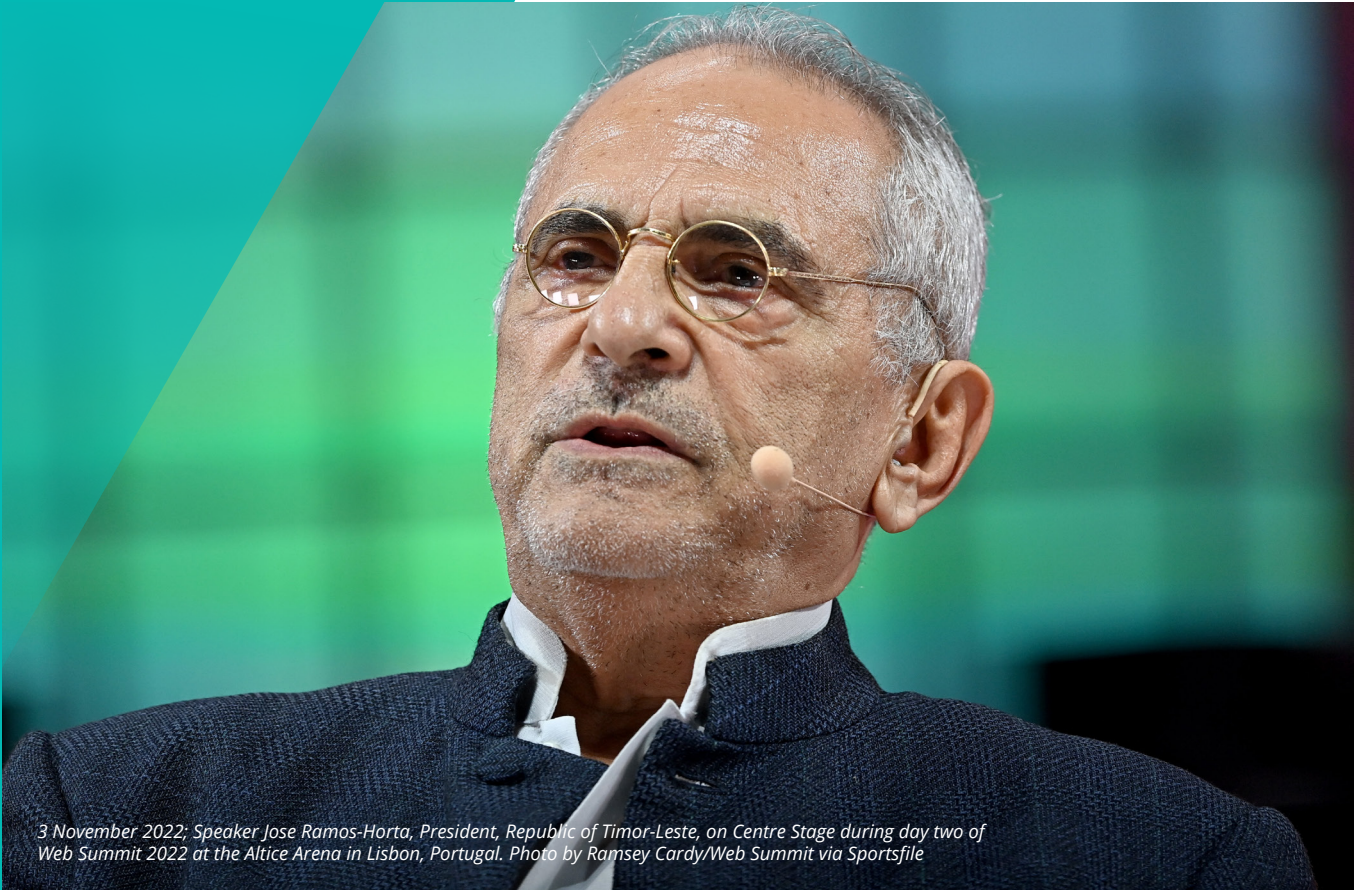
Third, on the foreign policy front, Thailand's position in the region is lacking in credibility due to the inconsistent approach between different administrations over the past two decades. At first, there were too many changes of government and foreign ministers in the post-Thaksin administration. Then, even with Prayuth's full term in power, his foreign policy was neither effective nor strategic. This has had profound effects on the role of Thailand on the regional stage. Nevertheless, Thailand is still an important actor in Southeast Asia that cannot be disregarded.

7 Sanglee, T. (2021, December 22). Explaining Thailand's quiet diplomacy in Myanmar. <https://thediplomat.com/2021/12/explaining-thailands-quiet-diplomacy-in-myanmar/>

กองทัพอากาศ



On 10 November 2022, His Excellency General Prayut Chan-o-cha, Prime Minister of the Kingdom of Thailand, safely landed at the Phnom Penh International Airport to attend the 40th and 41st ASEAN Summits and Related Summits in Phnom Penh, the Kingdom of Cambodia.
Photo: Ministry of Foreign Affairs & International Cooperation



3 November 2022; Speaker Jose Ramos-Horta, President, Republic of Timor-Leste, on Centre Stage during day two of Web Summit 2022 at the Altice Arena in Lisbon, Portugal. Photo by Ramsey Cardy/Web Summit via Sportsfile

TIMOR-LESTE'S ROAD TO ASEAN ACCESSION

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Almost twelve years into Timor-Leste's formal application for ASEAN membership, the young country has finally inched a step closer to its goal of being part of ASEAN. Leaders of ASEAN have agreed in-principle¹ to admit Timor-Leste as the 11th member of ASEAN and to grant it an observer status to attend all ASEAN meetings, including at the Summit level.

Though short of a full membership, the observer status will allow Timor-Leste to be familiar with the workings and bureaucracy of ASEAN. It will allow the country to understand the gamut of cooperation within ASEAN and to better translate regional commitments into national priorities.

This is a big leap forward for the small country (that gained Independence from Indonesia in 2002) since its application in 2011. Despite Timor-Leste's willingness to commit to the obligations of the membership by rigorously mapping out its laws, regulations and policies against the requirements of ASEAN treaties and agreements, there are still some reservations within the bloc resulting in a delay of more than a decade.² These concerns mainly pertain to Timor-Leste's economic limitations and overreliance on foreign aid.

In the State of Southeast Asia 2023 Survey Report³, 61.5% of the respondents support the accession of Timor-Leste to ASEAN. 15.8% disagree while 22.7% are unsure. Of those who approve, almost close to half of

the respondents believe that it will enhance ASEAN's unity and centrality. Around one-third of those who disapprove feel that it will slow down ASEAN's economic integration.

Timor-Leste's economic limitations have meant that further effort is necessary to bridge existing gaps between its regulatory, trade and investment regimes with over 200 ASEAN economic agreements. Timor-Leste will need to work towards the elimination of tariffs on all products traded with ASEAN, setting up information systems to exchange trade data, putting in place policies and measures for paperless trade, electronic transactions and services, among others.

Considering the onerous task ahead for Timor-Leste to prove its worth in ASEAN, Cambodia, under its Chairmanship of ASEAN in 2022, has facilitated a breakthrough in granting an observer status to the country. This could be one of the defining achievements of Cambodia in bringing an extent of closure to Timor-Leste's quest for membership, particularly given the lack of consensus within ASEAN even days before the ASEAN Summit (in which the statement was adopted).

However, the quest is not over. In moving the process forward, the Guidelines for the Implementation of the Observer Status was adopted by the ASEAN Coordinating Council (represented by ASEAN foreign ministers)⁴ in January this year. It allows for Timor-Leste's participation in ASEAN meetings but not in the decision-making or consensus-building process of any particular issue. Timor Leste's participation in retreat format meetings will also not be a given but rather subject to the approval of all ASEAN member states.

1 ASEAN, ASEAN Leaders' Statement on the Application of Timor-Leste for ASEAN Membership, 11 November 2022, <https://asean.org/asean-leaders-statement-on-the-application-of-timor-leste-for-asean-membership/>

2 Joanne Lin, "Long way to go for Timor-Leste's full membership in ASEAN", Channel News Asia, 18 January 2023, <https://www.channelnewsasia.com/commentary/timor-leste-asean-observer-11th-member-3209091>

3 Seah, S. et al, The State of Southeast Asia:2023 Survey Report, Singapore: ISEAS-Yusof Ishak Institute, 2023, <https://www.iseas.edu.sg/wp-content/uploads/2025/07/The-State-of-SEA-2023-Final-Digital-V4-09-Feb-2023.pdf>

4 ASEAN, Press Statement by the Chair of the 32nd ASEAN Coordinating Council (ACC) Meeting and ASEAN Foreign Ministers' Retreat, Jakarta, 3-4 February 2023, <https://asean.org/wp-content/uploads/2023/02/CHAIRS-PRESS-STATEMENT-32nd-ACC-AMM-RETREAT.pdf>

ASEAN POST MINISTERIAL CONFERENCE

JAKARTA, INDONESIA



13/07/2023, Jakarta, Indonesia. The Foreign Secretary, James Cleverly attends the Association of Southeast Asian Nations (ASEAN) Foreign Ministers Summit in Jakarta, Indonesia. Picture by Rory Arnold / No 10 Downing Street

While a road is paved for Timor-Leste's accession to ASEAN, it needs to satisfy an "objective criteria-based roadmap" (a list of short and medium-term commitments) including based on the milestones identified in the reports of the fact-finding missions conducted by the three ASEAN Community pillars (political-security, economics and socio-cultural)⁵ between 2019-2022. The roadmap is expected to be adopted by ASEAN leaders during the first summit of 2023. Even though Timor-Leste's full membership is a priority under Indonesia's chairmanship of ASEAN this year, the consensus of all ten members will be necessary.

5 ASEAN, ASEAN Leaders' Statement on the Application of Timor-Leste for ASEAN Membership, 11 November 2022, <https://asean.org/asean-leaders-statement-on-the-application-of-timor-leste-for-asean-membership/>

The roadmap is likely to contain a set of milestones in the immediate and medium-term to measure Timor-Leste's readiness to accede to ASEAN, as well as ways in which ASEAN can assist the country towards this end. The milestones could include Timor-Leste's institutional capacity in abiding to the ASEAN Charter and the ability to host high-level ASEAN meetings, including Summits which require large-scale infrastructure facilities and experienced security. It needs to prove its ability to implement ASEAN agreements and instruments, especially the legally binding ones, and to meet all the financial obligations of the membership. In addition, Timor-Leste will also need to set up a Permanent Mission in Jakarta and appoint a Permanent Representative (Ambassador) to ASEAN, along with competent diplomats and officials who are well-

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equipped to handle a whole spectrum of meetings at the ASEAN Secretariat.

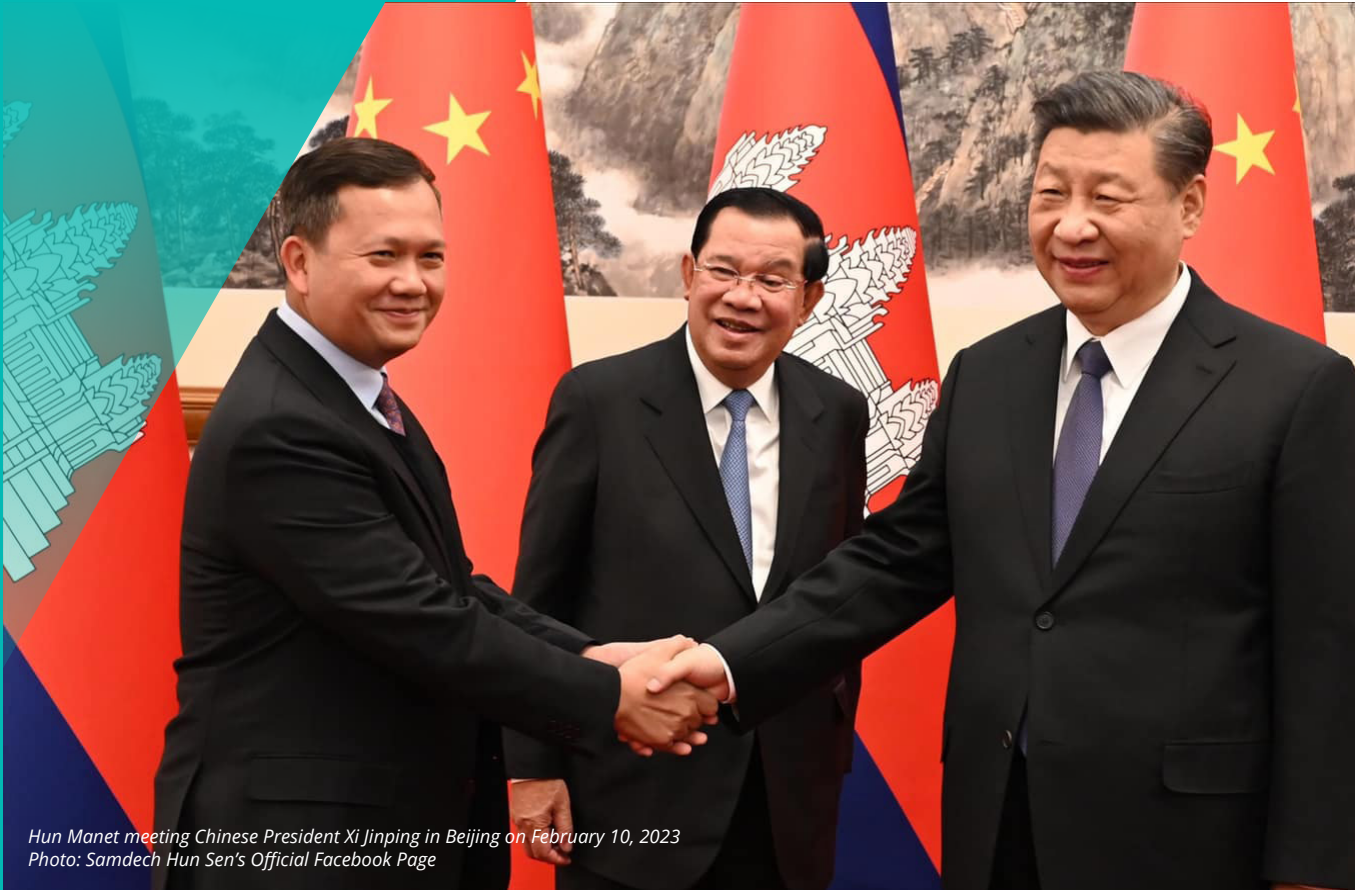
While Timor-Leste is almost at the finish line, the last leg of the race is the most critical part. ASEAN knows that as much as there are concerns over Timor-Leste's ability to accede to all ASEAN economic agreements and that China's strong influence on the country could potentially compromise ASEAN interests, the need to embrace Timor-Leste is important. A strong regional identity will certainly help to anchor the young nation and prevent it from banding together with other major powers, which could undermine ASEAN centrality. Despite Timor-Leste being a small economy, major powers are increasingly interested in engaging with the country that is seen as having strategic value at the

heart of the Indo-Pacific. A failure to include Timor-Leste in the ASEAN architecture could drive the young nation into the sphere of influence of major powers, resulting in greater security threats in the ASEAN region.⁶

ASEAN will need to weigh its concerns against the potential of Timor-Leste's admission and consensus will not be easy to achieve. The road ahead may be paved but how long a journey it will be remains to be seen.

⁶ Anthony Toh Han Yang, "Can ASEAN Afford to Establish a Highly Demanding or Deliberately Loose Criteria-based Roadmap for Timor-Leste's Ascension?" CESCUBE, 31 January 2023, <https://www.cescube.com/vp-can-asean-afford-to-establish-a-highly-demanding-or-deliberately-loose-criteria-based-roadmap-for-timor-leste-s-accension>





*Hun Manet meeting Chinese President Xi Jinping in Beijing on February 10, 2023
Photo: Samdech Hun Sen's Official Facebook Page*

CHINA'S RISE: IS IT AN OPPORTUNITY FOR CAMBODIA?

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Is China an Expansionist?

Greek Historian Thucydides once stated that “the strong do what they can and the weak suffer what they must”.¹ The powerful states can manoeuvre the weaker states for their own interests. The ongoing Russia-Ukraine war gives credence to this realist view. Likewise, China has also done the same in the past; for instance, China invaded Myanmar four times between 1765 and 1769, subjected Vietnam to more than a thousand years of occupation² and fought a war against it as recent as 1979³, engaged in military intervention and regime change in Sri Lanka and Aceh (Indonesia) during Zheng He’s voyage in the 15th century, and more. ⁴In the present day, China has been involved in border disputes in the South China Sea, the East China Sea and along the Himalayan border. Deng Xiaoping once said “tao guang yang hui” which means only “keep a low profile” but it has been misinterpreted by foreigners as “keep a low profile, bide one’s time or hide one’s capabilities”.⁵ China seems not to walk the talk of “keep a low profile”. Ex-Singaporean leader Lee Kuan Yew once said “They [Chinese leaders] tell us that countries big or small are equal; we are not a hegemon. But when we do something they do not like, they say you have made 1.3 billion people unhappy...So please know your place”.⁶

However, in the ancient Sinocentric tributary

system, China sought solely to maintain peaceful relations, promote trade exchange, and foster mutual understanding with neighbouring states for the sake of common interests.⁷ Also, Admiral Zheng He’s expeditions were arguably the implementation of China’s foreign policy to further promote harmony, cooperation, and free trade throughout the world and beyond. This stands in stark contrast to the Western powers, who brought with them colonization and war; for instance, the Portuguese seizure of Malacca and Timore, Dutch occupation of Indonesia, French colonies of Indochina, Spanish control of the Philippines, British subjugation of Myanmar and Malaysia and American military interventions in Vietnam, Iraq and Afghanistan, China is trying to shape the Chinese narrative that peaceful development comes wherever China goes through the promotion of trade, investment, and cooperation with other countries for the common good. Kishore Mahbubani has stated that China’s value is collective harmony rather than individual empowerment. That is why, nowadays, China prioritizes the promotion of peaceful development, international cooperation, and mutual understanding with other nations, without intending to become a global hegemon.⁸ China has for example launched the Belt and Road Initiative and other multilateral mechanisms to enhance global development.

China’s rise is a global phenomenon that has featured heavily in scholarly debate over the last decade. Unquestionably, China is assuming an important role in current world affairs, which simultaneously raises concerns and presents opportunities, especially for small states like Cambodia.

1 Andrew F Cooper and Jorge Heine, *The Oxford Handbook of Modern Diplomacy: The Challenges of 21st-Century Diplomacy* (Oxford: Oxford University Press, 2015), 9.
 2 Kishore Mahbubani and Jeffery Sng, *The ASEAN Miracle: A Catalyst for Peace* (Singapore: NUS Press, 2017), 108.
 3 Sebastian Strangio, *In the Dragon’s Shadow: Southeast Asia in the Chinese Century* (United Kingdom: Yale University Press, 2020), 64.
 4 Kishore Mahbubani, *Has China Won? The Chinese Challenge to American Primacy* (New York: Hachette Book Group, 2020).
 5 Huang Youyi, Context, not history, matters for Deng’s famous phrase, Last modified June 15, 2011, <https://www.globaltimes.cn/content/661734.shtml>.
 6 Graham Allison and Robert D. Blackwill, *Lee Kuan Yew: The Grand Master’s Insights on China, the United States, and the World* (Cambridge: MIT Press, 2013), 27.

7 Daryl Guppy, CGTN, last modified August 30, 2020, <https://news.cgtn.com/news/2020-08-30/How-China-s-ancient-tributary-system-has-been-misunderstood-TntznvZDNu/index.html>.
 8 Xi Jinping, *Xi Jinping the Governance of China* (Beijing: Foreign Language Press Co.Ltd, 2018), 271-273.



Nonetheless, Sino-Cambodian relations long pre-exist our modern global system. The first exchange of diplomats and trade between the two nations was recorded as early as 231 A.D during the early stage of the Funan Kingdom.⁹ Not only is it people-to-people ties that have existed since ancient times, but also diplomatic and commercial ties, as demonstrated by the fact that Yuan court envoy Zhou Da-guan’s visit to the Angkor Empire in 1296–1297 recorded the Chinese residents there. It is also interesting to note that the Cambodian royal court permitted Mac Coo, a Chinese man from Hainan, to establish a trade principality at Hatein in 1715.¹⁰

In modern history, Cambodia and China officially established diplomatic relations in 1958. China was viewed as an enemy of the Phnom Penh government during the 1980s because of its support for the Khmer Rouge regime.¹¹ Later, relations were gradually upgraded to a Comprehensive Partnership of Cooperation and a Comprehensive Strategic Partnership in 2006 and 2010, respectively. The Action Plan on Building Cambodia-China Community of Shared Future in 2010-2023 was adopted by both nations in 2019.¹² Regular exchange visits on the behalf of both countries’ top leaders, as well as reciprocal support through tough times, has illustrated the impregnable and ironclad bilateral ties these countries have forged. In fact, during the Covid-19 pandemic, Cambodian Prime Minister Hun Sen paid a visit to China while other world leaders did not dare to. The Prime Minister’s official visit earlier this year also resulted in a fruitful outcome and solidified all fields of cooperation between the two countries.¹³

Is the Rise of China an Opportunity for Cambodia?

Economically, heavy reliance on China has caused concern about China’s debt trap¹⁴, imbalance of trade¹⁵, and lack of inclusiveness in its development model. The Sihanoukville case has demonstrated that Cambodia is not yet fully prepared to reap the benefits of Chinese investment.¹⁶ China is, however, an important contributor to Cambodia’s socio-economic development. The emergence of China’s economy has led to an influx of Chinese investments, ODA, aid, and tourism, which has positively contributed to Cambodia’s development. China is not only Cambodia’s export market, but also a trusted partner in human capital empowerment, technological advancement, infrastructure development, and socio-cultural exchange. As mentioned in the Press Release of a Joint Statement between the Kingdom of Cambodia and the People’s Republic of China on Building a Cambodia-China Community with a Shared Future in the New Era dated on 11 February 2023, the governments of China and Cambodia are working on synergizing the BRI and Rectangular Strategies for realizing their common interests. Being a trusted partner with China is an opportunity for Cambodia to diversify her economy and foster greater economic growth. Prime Minister Hun Sen once said, “If I do not rely on China, who should I rely on?”¹⁷

From diplomatic and political standpoints, the rise of China has pulled Cambodia into the orbit of a Sino-centric order. In the eyes of some pundits, Cambodia is seen as China’s client state, a relationship in which Cambodia’s sovereignty and neutrality are being violated;¹⁸ for

9 មីសែល ត្រាណេ, ប្រវត្តិសាស្ត្រកម្ពុជា អាណាចក្រភ្នំ ស.វ.ទី១ ដល់ ទី៦ (ភ្នំពេញ: វិទ្យាស្ថានពុទ្ធសាសនបណ្ឌិត, ២០០២), ៩
10 William E Willmott, *The Chinese In Cambodia* (Hong Kong: University of British Columbia, 1967), 4-6.
11 Sebastian Strangio, *In the Dragon’s Shadow: Southeast Asia in the Chinese Century*, 89-90.
12 Phea Kin, “Cambodia-China Relations in the New Decade,” *Diplomatic Briefing*, no.1 (May 2020):21.
13 Ministry of Foreign Affairs and International Cooperation of Cambodia, Press Release: Joint Statement between the Kingdom of Cambodia and the People’s Republic of China on Building a Cambodia-China Community with a Shared Future in the New Era, Accessed February 22, 2023. <https://www.mfaic.gov.kh/posts/2023-02-11-Press-Release-Joint-Statement-between-the-Kingdom-of-Cambodia-and-the-People-s-Republic-of-China-on-Building-a-Cam-09-16-11>.

14 Chanrith Ngin, “The Undetermined Costs and Benefits of Cambodia’s Engagement with China’s Belt and Road Initiative” *ISEAS Perspective* 84, No.2022 (2022):3, https://www.iseas.edu.sg/wp-content/uploads/2022/07/ISEAS_Perspective_2022_84.pdf.
15 In 2022, bilateral trade between Cambodia and China reached 11,686 million USD which Cambodia exported to China only 1,240 million USD according to the data from Ministry of Commerce. Ministry of Commerce of Cambodia, *Cambodia’s Export and Import by Selected Country (USD) in 2022*, 2022, 2.
16 Chhay Lim, “Chinese Economic Diplomacy: The Recent Development of the Kingdom’s Sihanoukville.” *Diplomatic Briefing*, no.4 (February 2022):51.
17 Office of the Council of Ministers of Cambodia, Selected Speech Samdech Techo Hun Sen at the Handover Ceremony of “Morodok Techo National Sports Complex/Stadium” – a Grant Aid from the People’s Republic of China to the Kingdom of Cambodia, September 12, 2021, <https://pressocm.gov.kh/en/archives/71914>.
18 David Hutt, “How China Came to Dominate Cambodia,” *the Diplomat*, September 01, 2016, <https://thediplomat.com/2016/09/how-china-came-to-dominate-cambodia/>.

instance in the case of the Phnom Penh fiasco in 2012 and the allegation of the potential establishment of a Chinese military base in Cambodia's coastal areas.¹⁹ Yet, the aforementioned allegations are baseless and arguably lack an objective understanding of Article 53 of the Cambodian Constitution. This prejudice could in turn be a result of a wider lack of comprehension concerning Asian values which prioritize collective harmony rather than individualism. Relations between Cambodia and China could be described as respectful, equal, and supportive, as China still values the concept of peaceful development, collective harmonious growth, and not interfering in other countries' internal affairs. Meanwhile, the US adheres to unilateralism, seeing China as a threat²⁰, and has less respect for the sovereignty of other countries.

The U.S. decided to withdraw from the Trans-Pacific Partnership, UN Human Rights Council and Paris Agreement. Historically, the U.S. had violated Cambodia's sovereignty during the Vietnam War. Henry Kissinger said "It was not bombing of Cambodia, but it was a bombing of North Vietnam in Cambodia," after the US's bombing on Cambodia's soil.²¹

Strategically, China's rise has heightened the rivalry between China and the US. One of the consequences of great power competition for small states is having to take sides, a harsh reality that will put Cambodia in a difficult place once again. In fact, Cambodia is already taking bold action to diversify her diplomatic relations within bilateral, minilateral, and multilateral frameworks. Optimistically, having a powerful trusted friend nearby is better than an enemy. As one Khmer proverb puts it, "Have neighbours as friends, they will be our fences." In the past, Cambodia was invaded by neighbouring states that fought to control these lands, and ultimately, according to Roger M. Smith, a once vulnerable country, decided to ask France for help.²²

To recap, China's rise is an opportunity for Cambodia economically, diplomatically, and strategically, only if the country comprehensively and timely prepares to maximize her national interest in a constructive manner while adhering to neutral principles. In the short and medium terms, Cambodia could reap the benefit from China's peaceful rise. But this is uncertain. China could become a global hegemon with the new generation of leaders who abandon a low profile and peaceful rise instead to follow Thucydides' concept of might makes right.

19 Chansambath Bong, "Cambodia's Disastrous Dependence on China: A History Lesson," *the Diplomat*, December 04, 2019, <https://thediplomat.com/2019/12/cambodias-disastrous-dependence-on-china-a-history-lesson/>.

20 Peter Frankopan, *The New Silk Roads: The Present and Future of the World* (New York: Alfred A. Knopf, 2019), 110-111.

21 William Shawcross, *Sideshow: Kissinger, Nixon and the Destruction of Cambodia* (London: The Hogarth Press, 1991), 28.

22 Roger M. Smith, *Cambodia's Foreign Policy* (New York: Cornell University Press, 1965), 16.





CHINA'S GLOBAL SECURITY INITIATIVE (GSI): A NEW MODEL FOR GLOBAL SECURITY ARCHITECTURE?

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NOTE: The views expressed are the authors' own and do not reflect the views of their affiliations.

On April 21, 2022, President Xi Jinping proposed a new “Global Security Initiative (GSI)” at the Boao Forum for Asia’s Annual Conference, also known as the “Asian Davos” because of its resemblance to the World Economic Forum’s high-profile meeting. “It has been proven time and again that the Cold War mentality would only wreck the global peace framework, that hegemonism and power politics would only endanger world peace, and that bloc confrontation would only exacerbate security challenges in the 21st century,” said President Xi.

The world is currently witnessing an increasingly grave set of security challenges. While countries across the planet are still recovering from the aftermath of the global pandemic and the prolonged Ukraine-Russia war rages on, the global community must navigate fluid geopolitical and economic developments cautiously. This is even more pertinent as conflict and rivalry between East and West becomes more entrenched along the lines of great power competition, namely between the US and China. Under President Biden, the US has recommitted itself towards playing a more constructive role in the Indo-Pacific security architecture, while China implicitly maintains that the region falls under its sphere of influence.

In this context, China is seizing the opportunity to launch several new global initiatives, putting itself at the forefront of both the global economic and security realm by introducing the Global Development Initiative (GDI) and the Global Security Initiative (GSI). These initiatives

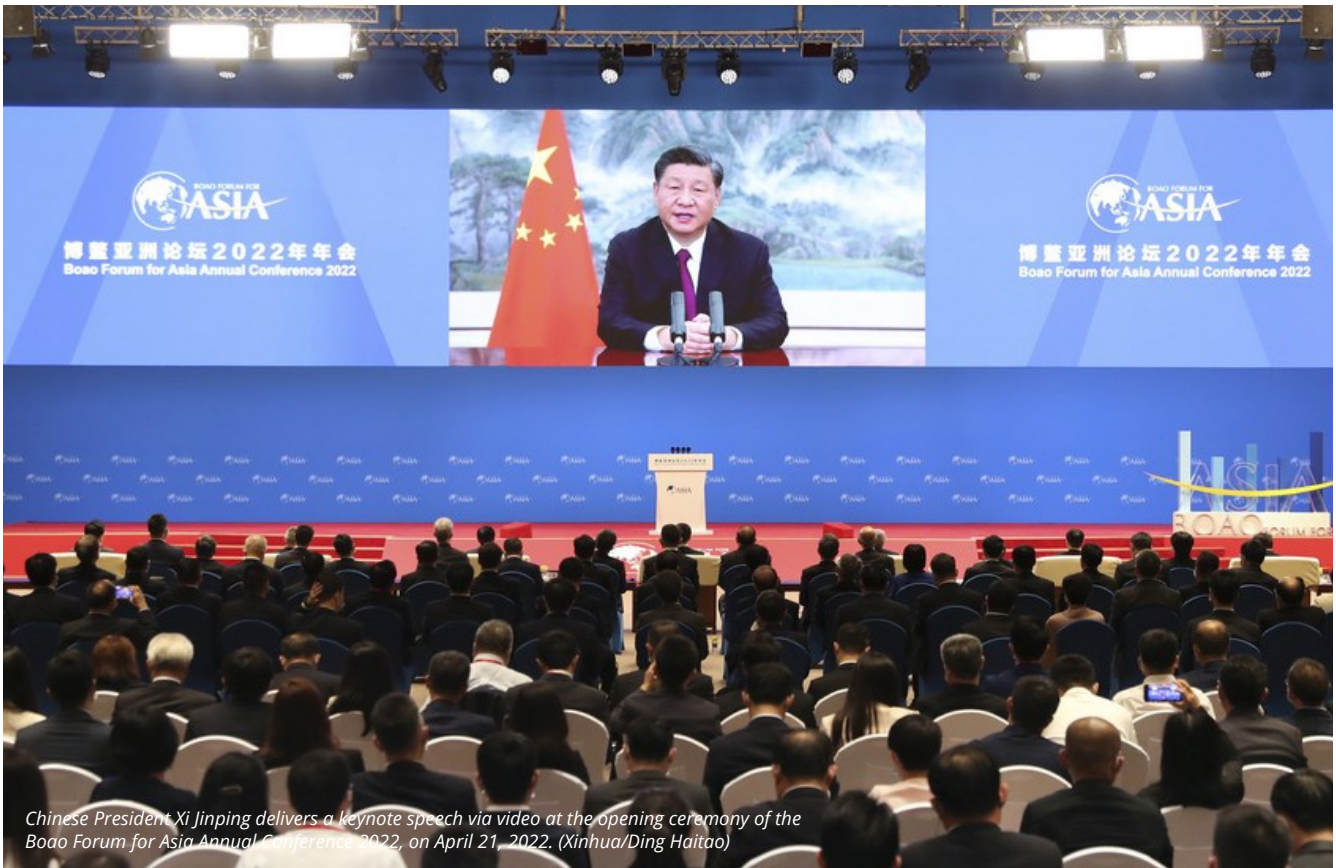
are widely recognized as being on par with what China has always reiterated: “the community of shared future for mankind.” Meanwhile, it is also believed that those initiatives will serve Chinese interests at home, with some even labelling it as “China’s artifice.”¹ (Xia 2022)

The “Six Commitments” of the GSI that Xi has proposed involve “staying committed to sovereignty and territorial integrity, respecting the UN Charter and principles, upholding indivisible security, pursuing a peaceful settlement of the conflict, and jointly maintaining world peace and security.”²

Indeed, the GSI has come in a timely manner. First, Xi Jinping has successfully secured an unprecedented third term as the longest-serving Chinese President after Mao Zedong. Part of his power-consolidation has been to bring China into a new stage where it must be strong enough to deal with immense security challenges in the 21st century, including fierce competition with the US. In addition to his signature project the Belt and Road Initiative (BRI), the GDI and GSI will complement Chinese strategic interests both at home and abroad, giving more recognition to a global governance and security system with Chinese characteristics. Second, China must earn more ‘strategic credibility’ if it is to achieve its “national great rejuvenation”. According to eminent Chinese scholar Yan Xuetong: “high strategic

1 Singh, Teshu. 2022. “China’s New Artifice: Global Security Initiative.” Indian Council of World Affairs, 08 June.

2 Xia, Hua. 2022. Xi Focus: Xi proposes Global Security Initiative. Beijing: Xinhua News. From <https://english.news.cn/20220421/2c0c40da15af4d8a9911be/c.html>.



Chinese President Xi Jinping delivers a keynote speech via video at the opening ceremony of the Boao Forum for Asia Annual Conference 2022, on April 21, 2022. (Xinhua/Ding Haitao)

credibility becomes a precondition for a leading state to establish international authority. A strong power without basic strategic credit cannot hope to establish its authority in an international community". Thus, it is the right time for China to play a more active role in providing good leadership in both the economic and security realm in order to gain more strategic credit.³

Global Security Initiative: A Revision of the Existing International Order?

It is debatable as to whether China is seeking to revise the rules and norms of the existing international order. China's foreign policy has evolved from the core priority of Mao Zedong's "China stands up" (站起来) and Deng Xiaoping's "China gets rich" (富起来), to Xi Jinping's "China gets strong" (强起来) stances. It is expected that China's foreign policy will be even more assertive in the future, be it economically or militarily, as the country seeks to further project itself as a global superpower during Xi's third term.

While the world enters a fierce phase of major power competition, China's support for the existing

international order is unlikely to benefit its path to "national great rejuvenation" and its "second 100-year-target". Like it or not, the current geopolitical landscape is causing a once-sleepy dragon to wake up.

First, Beijing views the US Indo-Pacific Strategy as an attempt to create an Asia-Pacific version of NATO. China's Vice Foreign Minister Le Yucheng pointed this out during his keynote speech at an online Dialogue of the Global Think-Tank of 20 Countries when he said, "If this is not an Asia-Pacific version of NATO's eastward expansion, then what is? Such a strategy, if left unchecked, would bring horrible consequences and push the Asia-Pacific over the edge of an abyss."⁴ Furthermore, President Xi has emphasized that national reunification between the Mainland and Taiwan will continue to be a top priority for China in the coming years. Xi emphasised such "national peaceful reunification" several times in his report speech to the 20th Congress of the Communist Party of China.⁵ In short, Beijing is attempting to differentiate itself

3 Xuetong, Yan. 2019. Leadership and Rise of Great Powers. Beijing: Princeton University Press.

4 Ministry of Foreign Affairs of China. 2022. Acting on the Global Security Initiative To Safeguard World Peace and Tranquility. Keynote Speech, Beijing: Ministry of Foreign Affairs of China.

5 Embassy of People's Republic of China in Malaysia. 2022. Full text of the report to the 20th National Congress of the Communist Party of China. Report Speech, Malaysia: Embassy of People's Republic of China in Malaysia.

from and to de-legitimize what it sees as Washington's approach to expanding its security influence in the region.⁶

Second, China is projecting a stronger tone on the international stage. In recent years, the mannerism of Chinese diplomacy has shifted to being more assertive and combative; this approach has become known as "wolf-warrior diplomacy." Reinforced by President Xi at the 20th Party Congress, China's assertive foreign policy will be reflected in its "commitment to increasing China's international standing and influence, as well as enabling China to play a greater role in global governance".⁷ China will continue to harden the tone, and therefore advance rules and norms with Chinese characteristics. Such a revision, if eventually successful, would create a new global governance system reflecting not only Chinese characteristics, but also the advancement of Chinese interests.

China's Global Security Initiative: A Long Way to Go

It is still too early to declare that the GSI will propel China to the forefront of global security. Between the US and China, the former is still seen as a security protector, whereas the latter is seen as a source of economic refuge. With its socio-economic development objectives, the GDI is more easily accepted among Southeast Asian states, while the GSI is cautiously observed.⁸ The GSI still has a way to go, as China has two major deficiencies in this area: a lack of trust and credibility.

Indeed, China is struggling to gain significant trust from all those who benefit from the current US-led international order. Moreover, many are weary of a Chinese-led global security order and unsure of what it entails. According to ISEAS's Survey on the "State of Southeast Asia" in 2023, when asked "which country/regional organization is the most influential economic

power, and which country/regional organization has the most political and strategic influence in Southeast Asia", 59.9% of Southeast Asian respondents agreed that China is the most influential economic power, while 41.5% said China has the most influence politically and strategically in the region. However, China is less trusted compared to the United States. 68.5% of those who believe China is the most influential power also express deep concerns about such an expanding influence. This implies that Chinese influence has not yet been fully accepted and welcomed in the region, despite Brunei and Cambodia showing the greatest support for such influence at 94.4% and 47.4% respectively.⁹ Most notably, China is having difficulty persuading Southeast Asian states with which it has had territorial disputes in the South China Sea. These states remain sceptical about China's ability and commitment to putting the GSI's principle of "sovereignty and territorial integrity" into practice while, at the same time, they are currently dealing with regional territorial conflicts. Overall, despite growing Chinese influence in the region, China has not yet earned widespread acceptance in Southeast Asia.¹⁰

In terms of the ongoing Russia-Ukraine war, China has yet to present a concrete plan on how to solve the conflict. China reiterated its GSI in March 2023 by introducing a twelve-point peace plan titled "China's Position on the Political Settlement of the Ukraine Crisis", making no mention of Russia's invasion.¹¹ It is also worth noting that China's Foreign Ministry continues to characterise Russia's actions as "Special Military Operations."¹² Following a three-day state visit to Moscow, Xi returned home without a proper peace plan, as many had predicted he would.¹³ Disappointment occurred as a result of Xi's inability to persuade Putin to end the violence in Ukraine. Many scholars have pointed out flaws in China's position paper, such as how China maintains its commitment to "sovereignty and

6 Kwek, Ivy and Hsiao, Amanda. 2022. The Foreign Policy Implications of China's Twentieth Party Congress. International Crisis Group. From <https://www.crisisgroup.org/asia/north-east-asia/china/foreign-policy-implications-chinas-twentieth-party-congress>

7 Embassy of People's Republic of China in Malaysia. 2022. Full text of the report to the 20th National Congress of the Communist Party of China. Report Speech, Malaysia: Embassy of People's Republic of China in Malaysia.

8 Thi Ha, Hoang. 2023. Why China's Global Development Initiative Well Received in Southeast Asia. Fulcrum-ISEAS. From <https://fulcrum.sg/why-is-chinas-global-development-initiative-well-received-in-southeast-asia/>

9 ISEAS-Ishak Yusof Institute. 2023. State of Southeast Asia 2023. Survey Report, Singapore: ISEAS-Ishak Yusof Institute

10 Shambaugh, David. 2020. Where Great Powers Meet: America & China in Southeast Asia. New York: Oxford University Press.

11 Ministry of Foreign Affairs of China. 2023. China's Position on the Political Settlement of the Ukraine Crisis. From https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/202302/t20230224_11030713.html

12 Ministry of Foreign Affairs of China. 2022. Spokesperson of the Ministry of Foreign Affairs Hosted Press Conference. From https://www.fmprc.gov.cn/web/fyrbt_673021/jzhsl_673025/202202/t20220224_10645295.shtml

13 Ha, Hoang Thi. 2023. Xi Jinping's Moscow visit: Key takeaways for South-east Asia. The Strait Times. <https://www.straitstimes.com/opinion/xi-jinping-s-moscow-visit-key-takeaways-for-south-east-asia>



territorial integrity, as well as the UN Charter,” while Russia’s invasion of Ukraine clearly violates Ukrainian sovereignty and the UN Charter. Moreover, China has become an increasingly important trading partner for Russia following the economic sanctions imposed by certain countries in response to its invasion. In 2022, China’s overall trade with Russia hit a record high of \$190 billion, representing a 30% increase on the previous year. A state visit further solidified this economic relationship when Xi and Putin agreed to cooperate on a range of economic and business areas. Of critical importance to Russia’s oil and gas revenues, China and Russia are expanding a natural gas pipeline. According to Russian officials, Russia increased gas supplies by 50% through the main “Power of Siberia” pipeline that transports natural gas from Siberia to Shanghai. Despite China’s call for peace, many in the West view China’s increased economic partnership with Russia as a form of subsidisation of the ongoing war. The West regards a closer relationship between Moscow and Beijing in the current context as “the most consequential undeclared alliance in the world.”¹⁴

What Does It Mean for Southeast Asia?

There are an increasing number of major power-led unilateral and multilateral initiatives in the world today. This raises concerns that ASEAN will probably no longer be in a position to steer the regional security architecture agenda with initiatives that are directly engaged in or have significant spillover effects on the region, such as QUAD and AUKUS. This should sound the alarm, as Rizal Sukma, a senior Indonesian diplomat pointed out that “ASEAN can no longer sit and watch extra-regional powers actively shape the future of the region.”¹⁵ Similarly, the recent GDI and GSI developments raise another concern about how ASEAN can come up with a collective response to Chinese initiatives. While Cambodia and Lao have expressed favour towards a China-led approach in global security and economic governance¹⁶, the maritime Southeast Asian states, especially claimant states in the South China Sea such

as Vietnam and the Philippines, are cautious about such security developments.

Since the start of the Russian invasion of Ukraine, Southeast Asian states have responded differently from each other due to their differing respective foreign policy directions when it comes to Russia and the West. Unlike many had expected before Xi’s trip to Moscow, the GSI has yet to offer a concrete path or to act as an ideal framework to resolve the situation in Ukraine. What makes matters more complicated for Southeast Asia now is the solidification of major power camps. This could not have been more apparent given the recent development of the “Beijing-Moscow tighter partnership”, especially at a time in which Japan’s Prime Minister Kishida visited Kyiv to emphasise the G7’s strong support for Ukraine. Many believe that after Xi’s trip to Moscow, the closer Xi-Putin relationship, in response to Biden’s attempt to reinvigorate US alliances and partnerships, will come to signify the most consequential undeclared alliance in the world. The next step remains questionable for ASEAN: how will the grouping navigate this division of major power camps. ASEAN will once again find it difficult to engage major powers from each camp in constructive dialogue. Its task moving forward will be to put forward a collective view in response to these seismic changes in the regional security landscape.

Conclusion

At this stage, it is difficult to assess whether the Global Security Initiative will challenge or serve as an alternative to the current Western-led security order. It remains clear that China has global leadership ambitions, seeking to challenge and influence the liberal international order. President Xi’s vision of a new global security architecture should be closely-monitored given the emerging global security challenges across the world, from the Russia-Ukraine War to the South China Sea.

For many countries, China will continue to be an economic shelter; however, a significant portion of them are weary of what the GSI might look like and what implications it could have on their own security interests in the future. For now, it is expected that China will not become a dominant security player, like the US, simply by introducing the GSI. Despite the

14 Graham, Allison. 2023. Xi and Putin Have the Most Consequential Undeclared Alliance. Foreign Policy. <https://foreignpolicy.com/2023/03/23/xi-putin-meeting-china-russia-undeclared-alliance/>

15 Rizal, Sukma. 2019. Indonesia, ASEAN and Shaping the Indo-Pacific Idea. East Asia Forum. <https://www.eastasiaforum.org/2019/11/19/indonesia-asean-and-shaping-the-indo-pacific-idea/>

16 Ministry of Foreign Affairs of China. 2022. Foreign Ministry Spokesperson Mao Ning’s Regular Press Conference on November 14, 2022. http://belfast.china-consulate.gov.cn/eng/wjbfyrth_3/202211/t20221114_10974542.htm

country's efforts to launch the GSI globally, it remains an ambiguous concept with various misperceptions and degrees of mistrust held by different states around the world. Furthermore, Chinese assertiveness in the country's territorial claims, as well as a lack of practical plans to address significant global security issues, has resulted in a lack of conviction concerning China's role in the security realm.

These developments, coupled with tough responses from the Biden administration, mean Southeast Asia and other regions must be well prepared for a more intense geopolitical rivalry in the future. For ASEAN, maintaining multilateralism with a pragmatic approach is now more critical than ever, since it leaves some room on behalf of small states to collectively manoeuvre during such a difficult time. Most importantly, when it comes to either economics or security, it's critical that the agenda-setting power does not necessarily fall exclusively into the hands of major powers.



*A ministry building on Kim Il Sun Square as seen from the Grand People's Study House in Pyongyang, Democratic People's Republic of Korea.
Photo: Flickr*

NORTH KOREAN NUCLEAR AND MISSILE THREATS AND THE GEOPOLITICAL IMPLICATIONS FOR ASEAN

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It is reported that North Korea has recently ramped up its missile launch activities, firing over 80 missiles in 2022 alone. The country is actively developing its long-range missile technology, launching a new type of intercontinental missile using solid fuel. There are also concerns that Pyongyang may conduct a nuclear test soon. It may appear that these military activities have little relevance to Southeast Asia and ASEAN. But, the ramifications of North Korea's ongoing missile campaign go beyond their immediate impact on the Korean Peninsula.

First, as the balance of power and geopolitical landscape shifts in the Indo-Pacific region, major regional players pay more attention to security concerns, which tend to dominate the discussion in ASEAN-led multilateral forums. It appears that ASEAN's key dialogue partners have not shown significant interest in the issues that ASEAN considers important. The State of Southeast Asia 2023 Survey Report by ISEAS of Singapore reveals that ASEAN's top priorities are centered around non-security challenges such as climate change, unemployment, economic recession, and socio-economic disparities. Instead, major countries in the region give more attention to matters such as the Taiwan Strait, the Ukraine War and North Korea's missile launches. The international community does not seem to take ASEAN's concerns with Myanmar seriously. Consequently, ASEAN's central role in regional affairs is to some degree reduced.

As a flagship multilateral platform in Asia, ASEAN has made efforts to play a significant leadership role in addressing the North Korean nuclear threat and work towards peace on the Korean Peninsula. While these efforts have not always been successful, some Southeast Asian states, such as Singapore and Vietnam, played an important role in facilitating historic summits between the leaders of the US and DPRK in June 2018 and February 2019, respectively. Moreover, Indonesian

President Joko Widodo suggested inviting North Korean leader Kim Jong-un to the ASEAN-ROK Special Summit in 2019.

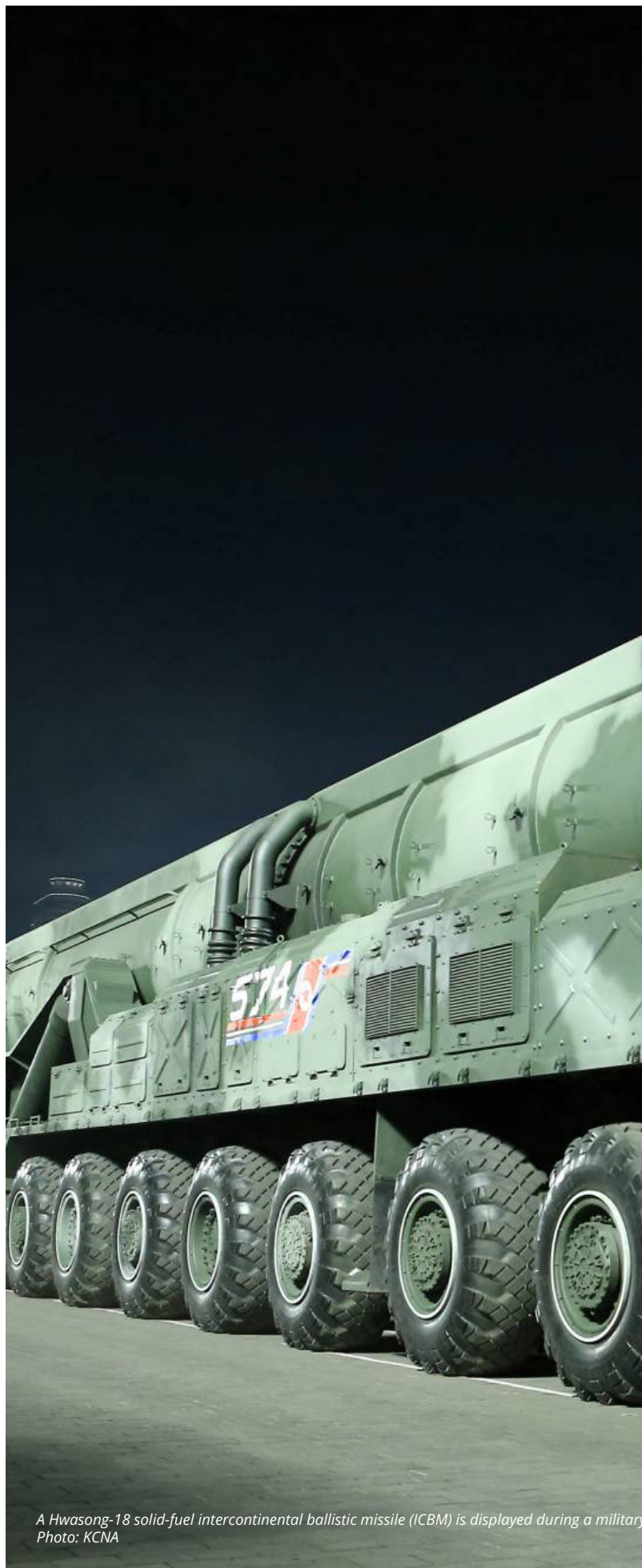
Second, with the rising potential for military tension and confrontation among major powers, North Korea's increased military provocation seriously threatens the peace and security of the Korean Peninsula and the Northeast Asia region. It also has an adverse effect on the peace and stability of Southeast Asia and the larger Indo-Pacific region. In the past few years, international circumstances have noticeably changed, and ASEAN's role in promoting regional stability has been increasingly challenged. In particular, the international community has witnessed rising uncertainty and greater complexity in international relations, primarily driven by several factors such as the COVID-19 pandemic, intensifying US-China competition, Russia's invasion of Ukraine, and the increasing fragmentation of the international order into two broad blocs – a US-led western bloc and a China-backed one.

Despite North Korea's provocative actions, Beijing tends to have little desire to curb Pyongyang and contribute to promoting stability on the Korean Peninsula. Amid the strengthening of trilateral security cooperation among South Korea, the US, and Japan, due to North Korea's nuclear development and missile launch issues, China seems to consider North Korea's nuclear issue as a useful point of leverage that can be utilized against the US. North Korea also relies on China's support and assistance to block additional international sanctions against itself by taking advantage of its close ties with China. Thus, the confrontation between ROK-US-Japan on the one side and China-Russia-DPRK on the other is becoming increasingly apparent, indirectly impacting ASEAN as well.

Essentially, ASEAN aims to maintain good relations with both the US and China. The regional bloc is determined



to navigate the complex geopolitical landscape and maintain a delicate balance in its relationships with these major global powers. In that sense, ASEAN does not want to be caught up in geopolitical competition between the US and China. However, the increasing military provocations posed by North Korea will escalate the US-China competition to another level, which will not create a friendly regional environment for ASEAN. Moreover, the pressure on ASEAN to choose between the US and China will not decrease but rather intensify.



A Hwasong-18 solid-fuel intercontinental ballistic missile (ICBM) is displayed during a military parade. Photo: KCNA



...parade, July 27, 2023



PERSPECTIVES



*President Volodymyr Zelenskyy on a working trip to the east of Ukraine.
Photo: President of Ukraine via Flickr*

ONE YEAR OF RUSSIAN INVASION: RESILIENT UKRAINE AND LESSONS FOR GLOBAL SOUTH

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The Russian invasion of Ukraine on February 24, 2022 signaled the first full scale inter-state war in Europe since World War II. In the UN General Assembly, 141 countries voted for the 2 March Resolution “Aggression against Ukraine”. Only four countries supported Russia: Belarus, North Korea, Syria, and Eritrea. Vietnam and Laos abstained; other Southeast Asian nations voted in favor.

Putin’s Bluff about NATO: The Real Reason for Invasion

Putin stresses that “Ukrainians and Russians are one people, one ethnos”, denying Ukrainian’s existence as a separate nation. Thus, the Kremlin has returned to the official ideology of the Russian Empire. While Kyiv is at least 600 years older than Moscow and the Kyiv state was one of the largest in early medieval Europe, the Russian empire called Ukrainians “Little Russians” and denied public use of the Ukrainian language. Thus, the present war is about the very survival of Ukrainian identity and constitutes a stand against the resurgence of a former colonial empire.

Before 2014, Ukrainians were positive both about the prospect of membership in the EU and a union with Russia. Only 13% of Ukrainians in 2012 supported NATO membership.

According to the 1994 Budapest memorandum, Kyiv gave up its nuclear arsenal, the third largest in the world

(more than the British, French, and Chinese combined) in exchange for guarantees concerning its territorial integrity from the US, the UK and... Russia. But in 2014, Russia occupied Crimea and attacked non-bloc, non-nuclear Ukraine in the Donbas region.

As a result, support for a union with Russia collapsed while support for NATO membership became dominant. Talking about the “threat of NATO”, Putin, by his own hands, has transformed Ukraine, Finland, and Sweden from neutral into staunch NATO supporters.

The Ukrainian Political Nation and Russia-Conducted Genocide

Since the formation of the 1991 inclusive “Ukrainian political nation”, it does not matter what your ethnicity, language, or religion is. It is more an understanding of Ukraine as your motherland that you are ready to defend that characterizes this nation. More than 90% of Ukrainian respondents, a majority in all the regions, are optimistic about the restoration of territorial integrity as a means to end the war.¹

Instead, Russia is using genocidal tactics. Europe faces a huge humanitarian catastrophe, as one in every three Ukrainians have had to leave their home. The Russian occupiers have engaged in forced mobilization, deportation to Russia (including children), the setting

¹ <https://dif.org.ua/en/article/results-2022-under-the-blue-yellow-flag-of-freedom>





Protective structure on Independence Square in Kyiv

up of filtration camps, the killing of civilians, torture, and bombardment: the Ukrainian city of Mariupol (ironically mostly Russian-speaking) followed the fate of Aleppo and Chechen's capital Grozny.² This is not surprising given the history of the Russian Empire's and/or Soviet Union's deportation of Muslim Crimean Tatars and North Caucasians, and Buddhist Kalmyks, as well as the 1933 famine against the Ukrainians, artificially created by the colonial Soviet empire which killed from 3 to 6 million people. It is also not surprising that the rate of mobilization to the Russian army is much higher in the underdeveloped Muslim North Caucasus or Buddhist Tuva and Buryatia regions than in the European part of Russia, and hence, the death toll. The Russian army contracts convicted criminals in exchange for amnesty. There is an ideological background for this genocide: on the official kremlin.ru website one can find calls for the "de-Ukrainization of Ukraine".³

Lessons for the Global South

Never have nuclear power plants been seized by a foreign military. But the Russians occupied the Zaporizhzhia nuclear power plant, the largest one in Europe. Thus, Moscow employs nuclear blackmail as a tactic. Any nuclear accident will lead to radioactive contamination of the region and further aggravate the global food crisis, as Ukraine is one of the largest grain suppliers to the Global South. Therefore, it is in the vital interest of the Global South to demand Russian troops to withdraw from nuclear plants and to secure 'grain corridors'. Cambodia, in particular, may help with the demining of Ukrainian agricultural fields. Cambodia and all other civilized nations should raise their voice to prevent the genocide of Ukrainians and Crimean Tatars, to demand Moscow to stick to human rights treaties and to comply with Geneva conventions on the rules of the war.

The war has demonstrated how manipulation through energy resources and food supplies can constrain international cooperation and how the spread of false narratives can help aggressor states to disguise their

motives of expanding their sphere of influence. The world cannot be ruled by the law of the jungle when a nuclear aggressor can annex the whole country or part of its territory. If the country voluntarily declines acquisition of nuclear weapons, it should be confident about its security guarantees. Despite some attempts in the Global South to stay neutral between the aggressor and its victim, or even to benefit from the war, the withdrawal of Russian troops from Ukraine would be beneficial for all.

Moreover, the course of war has demonstrated how the improvement of civil society, diversification of economic ties, careful implementation of modern security and defense standards, and openness to diverse foreign partnerships have made Ukraine capable of repulsing so-called 'superpower' invasion forces.

2 Independent International Commission of Inquiry on Ukraine, UN Human Rights Council, <https://www.ohchr.org/en/hr-bodies/hrc/iicir-ukraine/index>; Omar Ashur, "How Putin's army fights like Islamic State in Ukraine", *The Middle East Eye*, May 9, 2022, <https://www.middleeasteye.net/opinion/how-putins-army-fights-islamic-state-group-ukraine>

3 CBC news, Apr. 5, 2022, <https://www.cbc.ca/news/world/kremlin-editorial-ukraine-identity-1.6407921>





INDIA'S INCREASING ENGAGEMENT WITH ASEAN FOR SHARED DESTINY IN THE ASIA-PACIFIC REGION

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The last couple of years have constituted a transformative period in the affairs of international politics both in format and substance. This change comes amidst changing equations across the globe and the rise of multiple poles, which leave no geography untouched from potential consequences, including the Asia-Pacific region, in areas such as politics and security. The Asia-Pacific region, which was replaced by a strategic concept like the Indo-Pacific region in recent years, has been a domain of strategic contestation and cooperation among countries. This region covers two oceans, the Indian and the Pacific, which are considered the backbone of the global economy as the international community remains dependent on these sea routes for trade, energy, resources, among others.

Moreover, the US's withdrawal from Afghanistan, the impacts of COVID-19 pandemic on the global economy, the Russia-Ukraine Crisis, and the Taiwan and South China Sea tensions have presented significant security challenges for peace and stability in the Asia-Pacific region as a whole. These have ripple effects on entities' perception, economic and security of the Asia-Pacific region. In the midst of these challenges, among others, India has played a significant role to bring together the global south and others to shape an international order in order to achieve a shared prosperity based on cooperation, progress, rules-based norms and principles, not confrontation and war. As Prime Minister

Modi states, "This is not an era of war".¹ Potential conflict and challenges in the political and security realms need to be replaced by mutual understanding and compromise in the region. This may appear unnecessary in today's world, but the World Wars and other civil wars demonstrate the need to promote peace, stability and prosperity for development and welfare in the world as underscored in the United Nations Charter and the ASEAN-China Joint Statements including the November 2022.

In this journey, natural friends like the Association of Southeast Asian Nations (ASEAN), will have a shared roles to play. India at the onset of its independence has raised the independent voice and provided leadership to the newly independent states in Asia, Africa and Latin America. From the Asian relations conference to the Bandung meeting, India, among others, has kept these countries united and raised their concerns at the global forums. To reinforce this, under its G-20 Chairmanship for the year 2023, along with the Shanghai Cooperation Organizations (SCO), India organized a summit on the "Voice of the Global South" in January 2023. In addition, India-ASEAN shares common norms and interests in the region largely shaped by their shared culture and close geography. They have likewise moved towards comprehensive strategic partnership² on 12 November

1 Times of India, "This is not an era of war", 17 Sept 2022, URL: This is not an era of war, let's talk peace: PM Modi tells Russian president Vladimir Putin on sidelines of SCO summit | India News - Times of India (indiatimes.com).

2 ASEAN-India Comprehensive Strategic Partnership, Cambodia, 12 Nov 2022, URL: Joint-Statement-on-ASEAN-India-CSP-final.pdf.

2022 to deal with common security challenges. While celebrating their 30 years of strong relations based on deep civilizational linkages, maritime connectivity and cross cultural exchanges, they reaffirmed, in the November 2022 Joint Statement on ASEAN-India Comprehensive Strategic Partnership, to maintain and promote peace, stability, maritime safety and security, to enhance cooperation against terrorism, transnational crime, cyber security, and to promote the digital economy.³

Their interests also converge in the Asia-Pacific region. It was noted during the 7th East Asia Summit in 2012 that “India’s security and prosperity are vitally linked to the region and its vision is based on cooperation and integration...together we can create an open, balance, inclusive and rule-based architecture for our collective security, stability and prosperity.”⁴

The Asia-Pacific region faces multiple security issues, including several sensitive ones, ranging from balance of power rivalry, unsettled land and maritime conflicts, terrorism, including maritime terrorism, cyber crimes, piracy, and smuggling. Maritime security has become a major area of focus, which India has raised under its August 2021 UNSC presidency.⁵ The South China Sea is a subject of strategic importance for all Southeast Asian countries as their security and economy largely depend on this zone. Although not all members of ASEAN are the claimant states of the South China Sea conflict, they do share common concerns on regional stability, and therefore, in 2002 under the Cambodian Chairmanship, ASEAN and China signed the Declaration on the Conduct of Parties in South China Sea to restrain countries from using force and military power to settle their differences. This DOC was a historic effort welcomed by regional and other countries to maintain peace in the region. India and the ASEAN leaders during the 18th India-ASEAN Summit held on 28 October 2021 reiterated “the importance of maintaining and promoting peace, stability, safety and security in the

South China Sea, and ensuring freedom of navigation and overflight”.⁶

Apart from these security issues, transnational crimes and growing threats from non-state actors to regional peace and stability have become significant areas of focus for further cooperation. Under the Plan of Action (2016-2020) that deals with the ASEAN-India Partnership for Peace, Progress and Shared Prosperity, the ASEAN-India has expanded their cooperation in the prevention and combating of transnational crimes such as “terrorism and financing of terrorism, money laundering, sea piracy, cyber crimes, international economic crimes etc.”⁷

The Indo-Pacific region has emerged as a region of both opportunities and challenges. Before it becomes another confrontational hotspot, countries shall bring certain norms to make it the region of peace and stability; otherwise, it could become another trouble spot and perennial conflict zone. Given the shift in geopolitics from the North-Atlantic to the Asia (Indo) Pacific Region and the rise of the People’s Republic of China, it is inevitable that the US is behaving in a more cautious manner following the rapprochements of the 1970s when it comes to their national interests. ASEAN, established during the Cold War to prevent the further expansion of communism in the region, has evolved to be a major stakeholder after the 1990s that has balanced its interests and priorities in order to create an EU-like community building in Security, Economic and Socio-Culture. The success and productive engagement of ASEAN in security, political, economic and other spheres proves it’s more than just a ‘talk shop’.

India’s Indo-Pacific vision is based on its PM’s famous Shangri-La-Dialogue (SLD) keynote address that stated the grouping was built “not as a strategy or as a club of limited members”, but, “Oneness of all, unity in diversity, pluralism, co-existence, Inclusiveness, Openness and ASEAN centrality and unity”.⁸ The Asian century will not

3 Ibid

4 Dr. Manmohan Singh (2012), “PM’s statement at Plenary Session of 7th East Asia Summit”, 20 Nov 2012, URL: PM’s statement at Plenary Session of 7th East Asia Summit : Speeches : Prime Minister of India - Dr. Manmohan Singh (May 22, 2004 - 26th May 2014) (archivepmo.nic.in).

5 PIB (2021), “PM’s UNSC open debate on “Enhancing maritime security: a case for international cooperation”, URL: Press Information Bureau (pib.gov.in).

6 Prime Minister co-chairs 18th India-ASEAN Summit, 28 October 2021, URL: This is not an era of war, let’s talk peace: PM Modi tells Russian president Vladimir Putin on sidelines of SCO summit | India News - Times of India (indiatimes.com).

7 Govt. of India, Ministry of External Affairs, Department of Science and Technology, “Plan of Action to implement the ASEAN-India Partnership for Peace, Progress and Shared Prosperity (2016-2020)”, URL: ASEAN India S&T Cooperation (aistic.gov.in).

8 Indian PM’s Keynote Address at Shangri La Dialogue, 01 June 2018, URL: PM’s Keynote Address at Shangri La Dialogue | Prime Minister of India (pmindia.gov.in).

be bipolar as seen between the USSR and the US during the Cold War, but a multipolar century with changing power poles from one to another. Likewise, this evolving region has witnessed several trilateral, quadrilateral, plurilateral and multilateral groupings, giving it a contested character of rivalries between countries. It was forecasted years before that “Destinies of those of us who live in the region are linked, so called to rise above divisions and competition to work together”.⁹

Moreover, the ASEAN Outlook on the Indo-Pacific (AOIP), adopted in 2019, shares its vision with that of India outlined in the 2018 Shangri-La-Dialogue. The AOIP is aimed at encouraging progress and promoting an environment of peace, stability and prosperity to address common challenges and enhance ASEAN's community building process, etc.¹⁰ Among others, respectively, the United States expressed support for the ASEAN Outlook on the Indo-Pacific and a willingness to work with the organization to advance peace, prosperity, and security in the region.¹¹ Maintaining ASEAN centrality is the locomotive to achieving shared objectives that are embraced by India and others too.

Prima facie, experts have analyzed the West's betting on India and some other countries as they have long believed the region to be their 'internal lake', given its potential roles in all domains, in the Indo-Pacific region. However, whether it would be “America's Best Bet”¹² or “Bad Bet”¹³ on India, the country thinks beyond these binary assumptions and goes on its own way to achieve the global common good along with the international community towards achieving shared common prosperity and reinforcing ASEAN centrality.

Thus, India's increasing engagement with ASEAN in last decade has been transformative and cemented ties in the Asia-Pacific region, now the Indo-Pacific, which some countries still suspect, thereby, avoid using in policy doctrines as a strategic effort, ASEAN-India's

shared Indo-Pacific vision embraced by international community, moving from blame games or trapped in strategic game. This region presented challenges to regional peace as underlined above which need to be dealt with as per international law. In this period, they revitalize their culture relations, collaborate on connectivity projects, including digital, people to people connections, terrorism prevention, dealing transnational crimes and others. India carries a responsibility for the global south to guide their future course of development and prosperity.

9 Indian PM's Keynote Address at Shangri La Dialogue, 01 June 2018, URL: PM's Keynote Address at Shangri La Dialogue | Prime Minister of India (pmindia.gov.in).

10 ASEAN Outlook on the Indo-Pacific, 2019, URL: ASEAN-Outlook-on-the-Indo-Pacific_FINAL_22062019.pdf.

11 U.S Department of State (2021), “US support for the AOIP”, URL: U.S. Support for the ASEAN Outlook on the Indo-Pacific - United States Department of State.

12 Tarapore, Arzan (2023), “America's Best Bet in the Indo-Pacific”, 29 May 2023, URL: America's Best Bet in the Indo-Pacific | Foreign Affairs.

13 Tellis, Ashley J. (2023), “America's Bad Bet on India”, 01 May 2023, URL: America's Bad Bet on India | Foreign Affairs.





HAS CAMBODIA'S SPORTS DIPLOMACY BROUGHT HOME GOLD WITH 32ND SEA GAMES?

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Although Cambodia was a co-founding member of the SEAP/SEA Games in 1959, its full participation, performance, and assumption of the role as host of the biennial regional sports event have been held back by conflict, political instability, and underdevelopment. In such a context, hosting the game presents itself as a major hurdle the country has waited to jump over for 64 years until 2023, turning the milestone into a historic legacy-making moment for Phnom Penh as well as an indicator of Cambodia's reconstruction progress as a post-conflict state.

Similar to China's first-time hosting of the Summer Olympics in 2008 and Laos' hosting of the 25th SEA Games in 2009, the 32nd SEA Games by Cambodia is a highly anticipated 'coming-out party'¹ to be commended for its socio-economic and political development. At an estimated cost of 200 million USD, equivalent to 0.74% of the country's GDP, Cambodia emerged as the second-highest spending host in the SEA Games' history;² yet, the spotlight attracted its fair share of scrutiny. Doubts in hosting capacity and security, controversies over the economic tradeoff of making it a 'free game,' and issues of fairness and cultural rivalry sparked discussions over Cambodia's hostmanship, prompting questions of whether and what Cambodia has gained out of the costly engagement with sports diplomacy.

The main gain lauded is that Cambodia will enjoy a large economic return from its bid as host; nevertheless, this projection may not be met. Indeed, contrary to the belief that mega-sports events are economically

profitable for the host, economists studying the hosting of mega-events by developed and developing countries generally agree that the projected financial gain is inflated and the gains themselves are small rather than large and, in some cases, costly to the public interest.³ Although hopeful, the Royal Government acknowledges this shortcoming.⁴ Instead of making the most of the opportunity to commercialize the games, they switched to pursuing a good reputation with the 'free game' policies and the campaigning of the 'small country, big heart' hospitality.⁵ This unconventional publicity helps to dispel negative images and security doubts the international community may have about the country.

Rather than overemphasizing the economic impacts, it should also be realized that Cambodia, via its use of the regional platform for diplomacy, has gained priceless assets in terms of nation branding and the projection of its soft power to strengthen and advance national, regional, and, to some extent, global interests.

Against the backdrop of a daunting realist worldview dominating Myanmar, China-Taiwan, the South China Sea, and Russia-Ukraine, the SEA Games is a beacon of the liberal spirit of cooperation, peace, and unity. Symbolically, with the right political messaging, it becomes a powerful platform for solidarity, unity,

1 Simon Creak, "Sport as Politics and History: The 25th SEA Games in Laos," *Anthropology Today* 27, no. 1 (February 2011), New Mandala, (Accessed May 28, 2023), <https://www.newmandala.org/wp-content/uploads/2012/04/Creak-2011-SEA-Games.pdf>

2 Xuan Binh, "Why Cambodia is making the SEA Games free," *VN Express*, April 24, 2023, (Accessed May 28, 2023), <https://e.vnexpress.net/news/sports/why-cambodia-is-making-the-sea-games-free-4597677.html>

3 Douglas Barrios, Stuart Russell, and Matt Andrews, "Bringing Home the Gold? A Review of the Economic Impact of Hosting Mega-Events," (working paper no. 320, Center for International Development at Harvard University, July 2016), (Accessed May 29, 2023), <https://www.hks.harvard.edu/centers/cid/publications/faculty-working-papers/bringing-home-gold>

4 "PM Hun Sen: Collecting Money from SEA Games Delegation Won't Make Cambodia Rich," *Fresh News*, April 6, 2023, (Accessed May 29, 2023), <https://en.freshnewsasia.com/index.php/en/localnews/35953-2023-04-25-07-24-06.html>

5 Manghout Ki, "Cambodian Generosity: Reputation over Revenue in the 2023 Southeast Asian Games," *Cambodianess*, May 7, 2023, (Accessed May 29, 2023), <https://cambodianess.com/article/cambodian-generosity-reputation-over-revenue-in-the-2023-southeast-asian-games>

reconciliation, and dialogue to counterbalance division and aggression, which no other platform may be able to provide.⁶ A case in point to highlight the role of sports diplomacy is the participation of the Myanmar delegation, which was present at the SEA Games but not at the ASEAN Summit. On this note, Cambodia's role as host and its practical choice of the message, "Sports Live in Peace," is timely and speaks volumes to current world issues as it pays homage to the country's destructive past, present development, and aspired future as a peaceful member of multilateral and international rules-based world order. Moreover, it complements the trajectory of Cambodia's developing foreign policy outlook as a rational advocate for peaceful conflict resolution and multilateralism, reflected in its recent hosting of ASEAN and its stance on the Russia-Ukraine conflict.

Further scoring foreign policy goals, in its authority as the host, Cambodia has showcased its nascent ability to project soft power and create the 'feel-good' effect⁷ domestically. This can be observed in the public's pride, praise, and approval of the game's opening ceremony, which showcased the country's rich history, cultural attractions, and ability to produce the show to an 'Olympic level' standard. Moreover, it should be pointed out that despite the cultural row and boycott between Cambodia and Thailand over kickboxing and the 'rigged' criticisms by media over the host's privilege in including local sports to increase chances of the medal tally⁸, Cambodia still successfully influenced the rules of the games, upped its medal tally to 4th place, and most importantly, garnered the support for Kun Khmer to be recognized by the International Olympic Committee

(IOC)⁹, a goal it has been pursuing since the 1990s.¹⁰ Rather than simply calling it rigged, scholars studying the SEA Games view this monopolizing practice as norms of tolerance, reciprocity, and cooperative exchange between the member states, which is part of the 'ASEAN way' of running the distinctive regional sports event.¹¹ ¹² Hence, it would be irrational if Cambodia were spending millions as a host and not using the chance to the fullest to maximize its objectives.

Overall, Cambodia's first-time hosting of the 32nd SEA Games has come out to be a major gain on many fronts. Although economic benefits may not be guaranteed, Cambodia has been able to use the platform to improve its reputation, strengthen its foreign policy outlook, advance national and regional interests, and keep the population happy with its achievements. Thus, this social legacy should be proudly celebrated and should serve as a motivation for the government and the people to continue to work towards the envisioned peaceful, prosperous, and developed Cambodia that everyone is waiting for.

6 Craig Esherick, Robert, E., Baker, Steven Jackson, and Michael Sam, "Case Studies in Sports Diplomacy," (West Virginia: FIT Publishing, 2017), 6, (Accessed May 30, 2023), <https://www.eusportdiplomacy.info/files/2-sport-diplomacy-in-international-relatio.pdf>

7 Michiel de Nooij, and Marcel van den Berg, "The Bidding Paradox: Why Rational Politicians Still Want to Bid for Mega Sports Events" (Tjalling C. Koopmans Research Institute Discussion Paper Series nr: 13-09, August 2013), (Accessed May 30, 2023), <https://ssrn.com/abstract=2314350> or <http://dx.doi.org/10.2139/ssrn.2314350>

8 Sha Hua, "Want to Dominate an International Sports Competition? Rig It in Your Favor," the Wall Street Journal, May 16, 2023, (Accessed May 30, 2023), https://www.wsj.com/articles/southeast-asian-games-cambodia-c610c69b?mod=Searchresults_pos1&page=1

9 Mike Rowbottom, "Cambodian combat sport Kun Khmer working for IOC recognition," Inside the Games, February 19, 2023, (Accessed June 1, 2023), <https://www.insidethegames.biz/articles/1133904/kun-khmer-cambodia-ioc-recognition-plan#:~:text=more%20than%2020%20new%20nations%20had%20formed%20Kun%20Khmer%20federations>

10 "Boxing Boycott," the Phnom Penh Post, October 15, 1999, (Accessed June 1, 2023), <https://www.phnompenhpost.com/national/boxing-boycott>

11 Simon Creak, "Eternal friends and erstwhile enemies: The regional sporting community of the Southeast Asian Games," *TRaNS: Trans-Regional and -National Studies of Southeast Asia*, 5(1), (Cambridge University Press, 2017), 147-172, (Accessed June 1, 2023), https://www.google.com/url?q=https://www.cambridge.org/core/journals/trans-trans-regional-and-national-studies-of-southeast-asia/article/eternal-friends-and-erstwhile-enemies-the-regional-sporting-community-of-the-southeast-asian-games/3455D9F70A541397668964B4323CCDD4&sa=D&source=docs&ust=1685898699051108&usg=AOvVaw2UXOQBQjU48LPWN_lwgE

12 Shinzo Hayase, "Sports and Nationalism in Southeast Asia: SEAP Games/SEA Games, 1959-2019," *Journal of Asia-Pacific Studies*, No.40, (Waseda University, 2020), 1-25, (Accessed June 1, 2023), https://www.jstage.jst.go.jp/article/wiapstokyu/40/0/40_1/_pdf/char/en



Cambodian football players in the football match against Timor-Leste on the night of April 29, 2023.
Photo: Samdech Hun Sen's Official Facebook Page



*His Excellency Deputy Prime Minister PRAK Sokhonn, Minister of Foreign Affairs and International Cooperation in a meeting with His Excellency Qian Hongshan, Vice Minister of the International Department of CPC Central Committee (IDCPC) on 24 July 2023.
Photo: Ministry of Foreign Affairs and International Cooperation*

CAMBODIA'S BALANCING ACT: NAVIGATING RELATIONS BETWEEN CHINA AND OTHER POWERS

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Introduction

Throughout history, Cambodia's foreign policy has been influenced by various factors, including its geographical location, historical ties, economic interests, and regional power dynamics. The country's unique position between larger and more influential neighbors has necessitated a careful balancing act to safeguard its sovereignty and autonomy while maximizing economic opportunities and security cooperation.

Cambodia's relationship with China holds significant importance in shaping its foreign policy. China has been a longstanding ally and a supporter of Cambodia, providing aid, investment, and diplomatic support. Not to mention the fact that, in recent years, China has emerged as Cambodia's largest foreign investor. These close ties with China have presented both opportunities and challenges for Cambodia, as it seeks to leverage Chinese investment while maintaining its independence and strategic autonomy.¹ At the same time, Cambodia has actively engaged with other major powers, including the United States, Japan, and the European Union. These countries provide alternative avenues for economic cooperation, development assistance, and security partnerships. Cambodia's engagement with these powers adds complexity to its foreign policy, as it seeks to balance its relationships with multiple actors in the international arena.² Thus, this paper aims to explore the motivations, challenges, and opportunities for Cambodia in maintaining a delicate balance between its relationships with China and other powers, as well as how this shapes Cambodia's diplomatic directions.

1 Po, S., & West, L. (2021). Cambodian Foreign Policy in 2020: Chinese Friends and American Foes? *Southeast Asian Affairs*, 92–104. <https://www.jstor.org/stable/27075077>

2 Ibid.

Cambodia's Motivations in Balancing Relations with China and Other Countries

Cambodia's motivations in balancing relations with China and other major powers are influenced by a combination of political, economic, and strategic factors. One key motivation is to pursue economic interests by diversifying partnerships and attracting foreign investment. China's role as Cambodia's largest foreign investor and development partner has played a significant role in Cambodia's economic growth. For example, China has invested heavily in Cambodia's infrastructure projects, such as the Sihanoukville Special Economic Zone and the Phnom Penh-Sihanoukville Expressway, contributing to job creation and economic development.³ However, Cambodia also recognizes the importance of engaging with other major powers to access diverse markets, technology transfer, and development assistance. For instance, its economic cooperation with Japan, as demonstrated by the Japan-Cambodia Investment Agreement, aims to boost investment flows and promote economic development in various sectors like infrastructure and manufacturing.⁴ By diversifying economic partnerships, Cambodia aims to reduce its dependency on any single power and foster sustainable economic growth.

Furthermore, Cambodia's motivation in balancing its relations with China and other powers is driven by the pursuit of strategic autonomy. While Cambodia values its strong ties with China, it also aims to maintain

3 Bo, M. (2022, July 9). Overlapping Agendas on the Belt and Road: The Case of the Sihanoukville Special Economic Zone - Global China Pulse. *Global China Pulse*. Retrieved from <https://thepeoplesmap.net/globalchinapulse/overlapping-agendas-on-the-belt-and-road-the-case-of-the-sihanoukville-special-economic-zone/>

4 Thearith, L. (2015, July 3). Cambodia's unsteady foreign policy balance. *East Asia Forum*. Retrieved from <https://www.eastasiaforum.org/2015/07/03/cambodias-unsteady-foreign-policy-balance/>

independence in decision-making. Active engagement with other powers through regional mechanisms like ASEAN allows Cambodia to shape regional security and economic cooperation. The country's objective is to assert its autonomy and maintain a strategic position that aligns with its national interests.⁵ As China's influence in the region grows, Cambodia seeks to leverage its relationship with China to enhance its regional standing. However, it also acknowledges the significance of engaging with other powers to safeguard its regional autonomy from potential challenges. Cambodia's participation in the East Asia Summit, ASEAN Regional Forum exemplifies its commitment to engaging with other powers to influence regional dynamics.⁶ These prominent forums gather leaders from ASEAN member states and major powers like the United States, Japan, India, and Australia to discuss political, security, and economic issues impacting the region. For Cambodia, being part of these multilateral platforms allows it to assert autonomy in regional affairs while voicing its concerns and interests without relying heavily on any single power.

Challenges Faced by Cambodia in Managing Its Relationships with Various Powers

Cambodia faces numerous challenges in managing its relationships with various powers while maintaining a delicate balancing act between China and other major players. A significant challenge is the increasing geopolitical rivalry between China and the United States, placing Cambodia in a challenging position.⁷ As tensions rise between these two global players, Cambodia finds itself caught in the middle and must carefully navigate its relationships to avoid being drawn into conflicts and preserve its neutrality. The deepening ties with China have led to strained relations with the United States, resulting in conditional aid policies that

pose a challenge for Cambodia in balancing its relations without compromising its national interests.⁸

Another emerging challenge is the impact of geopolitical competition on regional integration efforts. Cambodia, as a member of ASEAN, strives to promote unity and cooperation among Southeast Asian nations. However, the intensifying competition between major powers can create divisions and hinder regional consensus. For example, differing stances on issues such as the South China Sea disputes and regional security arrangements can strain relationships within ASEAN and pose challenges for Cambodia in maintaining a united front.⁹ Furthermore, the country faces the challenge of diversifying its economic partnerships while managing potential trade-offs. While China is a crucial economic partner, there is a growing understanding of the need to engage with other powers for economic diversification and to reduce reliance on a single market. However, expanding economic ties with other powers will likely require careful navigation to avoid unintended consequences. For instance, Cambodia's decision to impose tariffs on imported rice from the European Union in response to trade-related concerns could strain its relations with EU member states.¹⁰ Domestic concerns and public opinion also present a challenge for Cambodia in managing its relationships with various powers.¹¹ The government must consider public sentiment, which can shape policy preferences and reactions. There are instances where public protests and demonstrations have occurred in response to concerns about the influence of foreign powers, including China.¹² Balancing public opinion with wider strategic considerations is crucial for maintaining domestic stability and legitimacy.

5 EMMERS, R. (2018). Unpacking ASEAN Neutrality: The Quest for Autonomy and Impartiality in Southeast Asia. *Contemporary Southeast Asia*, 40(3), 349–370. Retrieved from <https://www.jstor.org/stable/26545299>

6 ASEAN Regional Forum annual security outlook. (2018). Retrieved from <https://aseanregionalforum.asean.org/wp-content/uploads/2019/01/ARF-Annual-Security-Outlook-2018-00000002.pdf>

7 Seah, S. et al., *The State of Southeast Asia: 2022* (Singapore: ISEAS-Yusof Ishak Institute, 2022) retrieved from https://www.iseas.edu.sg/wp-content/uploads/2022/02/The-State-of-SEA-2022_FA_Digital_FINAL.pdf

8 Chhengpor, A., & Khmer, V. (2022, May 9). In US-Cambodia Relationship, Bad Blood Rises Along with China's Influence, as US-ASEAN Summit Nears. VOA. <https://www.voacambodia.com/a/in-us-cambodia-relationship-bad-blood-rises-along-with-china-s-influence-as-us-asean-summit-nears/6563709.html>

9 <https://thediplomat.com/2015/05/cambodia-between-china-and-the-united-states/>

10 EU imposes tariffs on rice imports from Cambodia. (n.d.). <https://www.aa.com.tr/en/asia-pacific/eu-imposes-tariffs-on-rice-imports-from-cambodia/1368213>

11 Vannarith Chheang and Heng Pheakdey (nd), *Cambodian Perspective on the Belt and Road Initiative*. In NIDS ASEAN Workshop 2019 "China's BRI and ASEAN". http://www.nids.mod.go.jp/english/publication/joint_research/series17/pdf/chapter01.pdf

12 Staff, R. (2020, October 23). Cambodia breaks up protest over alleged China military base. U.S. <https://www.reuters.com/article/us-cambodia-protests-idUSKBN2780RP>



Cambodian Riel vs Euro Currency Comparison
Photo: flickr

Opportunities and Benefits Derived from a Balanced Approach

Yet, the Cambodia balancing act also offers significant opportunities and benefits for the country. China's economic cooperation has resulted in substantial investment in Cambodia's infrastructure, leading to enhanced transportation networks, trade connectivity, and economic growth.¹³ The cooperation has also extended to sectors like agriculture, tourism, and manufacturing, providing employment opportunities and driving economic diversification. Moreover, diversifying economic partnerships with other powers like Japan has brought financial assistance and expertise in various sectors. Japanese investments have contributed to the expansion of industrial parks, the improvement of irrigation systems, and

the enhancement of human resource development.¹⁴ This diversification of economic partnerships helps Cambodia reduce reliance on any single country, mitigating potential risks and promoting sustainable economic growth. On top of that this balanced approach allows Cambodia to maintain diplomatic autonomy and contribute to regional stability, leveraging its strategic position as a neutral player. Cambodia's active participation in regional forums like ASEAN allows it to contribute to the shaping of regional policies and promote dialogue among major powers. This engagement fosters a peaceful and stable regional environment, benefiting not only Cambodia but the entire Southeast Asian region. Cambodia's balanced approach also facilitates cultural exchange and soft power influence.¹⁵ This cultural exchange strengthens bilateral ties, promotes mutual understanding, and enhances Cambodia's cultural diversity. Similarly,

13 Kimkong, H & Sovinda, P. (2019). Assessing the Impacts of Chinese Investments in Cambodia: The Case of Preah Sihanouville Province. CICP. <https://cicp.org.kh/publications/assessing-the-impacts-of-chinese-investments-in-cambodia-the-case-of-preah-sihanouville-province/>

14 Japan and Cambodia: A long and prosperous strategic partnership. (2018). Phnom Penh Post. <https://www.phnompenhpost.com/supplements-special-reports/japan-and-cambodia-long-and-prosperous-strategic-partnership>

15 Po, Sovinda. (2017). The limits of China's influence in Cambodia: A soft power perspective. 1, 61-75. https://www.researchgate.net/publication/333027547_The_limits_of_Chinas_influence_in_Cambodia_A_soft_power_perspective



ASEAN-RUSSIA MINISTERIAL MEETING

04 August 2022 | Phnom Penh, Cambodia



The ASEAN-Russia Ministerial Meeting (04 August 2022)
Photo: Ministry of Foreign Affairs and International Cooperation

engagement with other powers like Japan and European countries enables educational collaboration, artistic exchanges, and the sharing of scientific knowledge, fostering cultural appreciation and soft power projection.

The Influences of Cambodia's Balancing Act on Its Foreign Policy Decisions

Cambodia's balancing act exerts a significant influence on the country's diplomatic decision. This approach shapes its foreign policy choices, priorities, and engagements with various countries and international organizations. By actively navigating relations between China and other powers, Cambodia's diplomatic decision-making is guided by several key factors. Firstly, This approach prioritizes maintaining a delicate equilibrium between relations with China and other major powers, aiming to maximize economic benefits while avoiding overreliance on any single country. Consequently, Cambodia's diplomatic decisions are driven by the need to diversify its partnerships, minimize risks, and safeguard its sovereignty and independence.¹⁶ Secondly, the balancing act promotes multilateral engagement as a crucial aspect of

Cambodia's diplomatic decision-making. Cambodia actively engages in multilateral mechanisms like ASEAN and global forums to shape policies, advocate for its interests, and contribute to regional stability. This commitment to multilateralism guides Cambodia's decisions regarding regional issues, collective decision-making, and cooperative approaches to addressing challenges.¹⁷ Thirdly, the balancing act emphasizes the importance of maintaining a neutral and non-aligned position in international affairs. Cambodia strives to avoid taking sides in geopolitical rivalries and maintains a neutral stance to preserve its diplomatic autonomy. This factor significantly influences Cambodia's diplomatic decisions, particularly when dealing with sensitive issues, regional conflicts, or situations where major powers have divergent interests.¹⁸ Furthermore, the balancing act underscores the significance of economic diplomacy in Cambodia's decision-making. The country's diplomatic decisions prioritize the enhancing of economic cooperation, attracting investments, and promoting sustainable development. This approach aims to maximize economic benefits,

16 Bong, C. (2023, February 13). Cambodia edges towards an independent foreign policy | East Asia Forum. East Asia Forum. <https://www.eastasiaforum.org/2023/02/14/cambodia-working-towards-independent-foreign-policy/>

17 Cambodia's Foreign Policy Direction - Ministry of Foreign Affairs and International Cooperation. (n.d.). Cambodia's Foreign Policy Direction - Ministry of Foreign Affairs and International Cooperation. <https://www.mfaic.gov.kh/Page/2021-02-08-Cambodia-s-Foreign-Policy-Direction>

18 Cambodia's Challenge of Non-Alignment. (n.d.). Cambodia's Challenge of Non-Alignment | Cambodianess. <https://cambodianess.com/article/cambodias-challenge-of-non-alignment>

foster job creation, and improve the overall well-being of its people.¹⁹ Lastly, the balancing act also recognizes the value of cultural exchange and soft power in diplomacy. Engaging with different countries allows Cambodia to showcase its rich cultural diversity and enhance its soft power influence on the global stage.²⁰

Conclusion

Cambodia's balancing act in managing its relations with China and other major powers is a complex and nuanced endeavor. The country's foreign policy approach seeks to leverage its strategic position, maximize economic benefits, and maintain diplomatic autonomy while contributing to regional stability. By engaging with China, Cambodia gains economic opportunities, but it also diversifies partnerships with other powers like Japan and the United States to reduce reliance on any single country. This balanced approach allows Cambodia to avoid overdependence on specific powers. However, the country also faces challenges in navigating geopolitical rivalries and addressing criticism of its alignment with China. Careful consideration and strategic decision-making are crucial to ensure sovereignty and independence. Cambodia's well-calibrated foreign policy, embracing economic opportunities, diplomatic autonomy, regional stability, and cultural exchange, can promote economic development, enhance its diplomatic position, and foster a harmonious regional environment. Overall, Cambodia's approach requires adept diplomatic maneuvering and thoughtful decision-making to successfully navigate its complex relationships with different powers.

19 Chheng, N. (2021, January 18). Economic diplomacy strategies prioritised. *Economic Diplomacy Strategies Prioritised* | Phnom Penh Post. <https://phnompenhpost.com/national/economic-diplomacy-strategies-prioritised>

20 Cambodia's cultural diplomacy 2.0 - Khmer Times. (2018, December 4). *Khmer Times - Insight Into Cambodia*. <https://www.khmertimeskh.com/556132/cambodias-cultural-diplomacy-2-0/>



CAN VIETNAM BECOME SELF-DEVELOPED IN SEMICONDUCTOR MANUFACTURING?

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Vietnam is becoming a major player in the global semiconductor supply chain as global chipmaker companies seek ways to diversify their operations from China due to deep geopolitical tensions between the US and China. According to the most recent statistics released by Vietnam's Ministry of Information and Communications (MIC), the country has climbed to be the third largest chip supplier to the United States, following Malaysia and Taiwan. Even though Hanoi is luring large high-tech firms, its current functions in the semiconductor manufacturing process are primarily in the least complex stages, including assembly, testing, and packaging, which may not be the most optimal position if it seeks to become a self-reliant semiconductor manufacturer and a developed country by 2045. Government statistics show that 98.1 percent of electronic items exports are the result of foreign direct investment (FDI).¹ Can Vietnam achieve its ambition to become a self-reliant semiconductor manufacturer?

For Vietnam, semiconductors have become a key strategic national product and service since 2012. Fortunately, as a result of the pandemic and global supply chain shortages, Vietnam has been presented with a golden opportunity to achieve its objectives. It means that when the world faced a shortage of supply chains, Vietnam's decision to produce semiconductors during COVID-19 to supply the chip shortage not only advanced its economy but also brought Vietnam to another level of digital transformation and supported the country's goal of becoming the region's leading

manufacturing powerhouse. Of course, it is risky, but the decision is right. With the clear strategic goal of enabling the country to acquire autonomy in the semiconductor industry, the government adopted key national policy frameworks aligned with foreign policy in geopolitical tensions to strengthen domestic capability in all three stages of the semiconductor value chain and plan to establish the first local semiconductor factory. Attracting foreign direct investment from global chip leaders has always been a priority, upholding the principle of "shared benefits and shared risks"², due to the very young experience and lack of human factors in this sector, Hanoi hasn't had enough ability to implement in all three phases in terms of research and development (R&D), designing and manufacturing, and assembling yet.

The government has given enticing incentives for high-tech projects, including tax and land rent exemptions. Moreover, Vietnam has set up a special working group to attract specific companies exiting China by providing individualized incentives above and beyond what the law requires. A low corporate income tax (CIT) of 5% over the course of 37 years, a tax exemption within six years, and a 50% tax cut in the following 13 years are all applicable to high-tech companies. Additionally, they are eligible for a 22-year exemption from land and water surface leasing costs as well as a 75% discount for the remaining time.³

1 GSO 2021c, p. 26. Available at: https://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---sector/documents/publication/wcms_865520.pdf

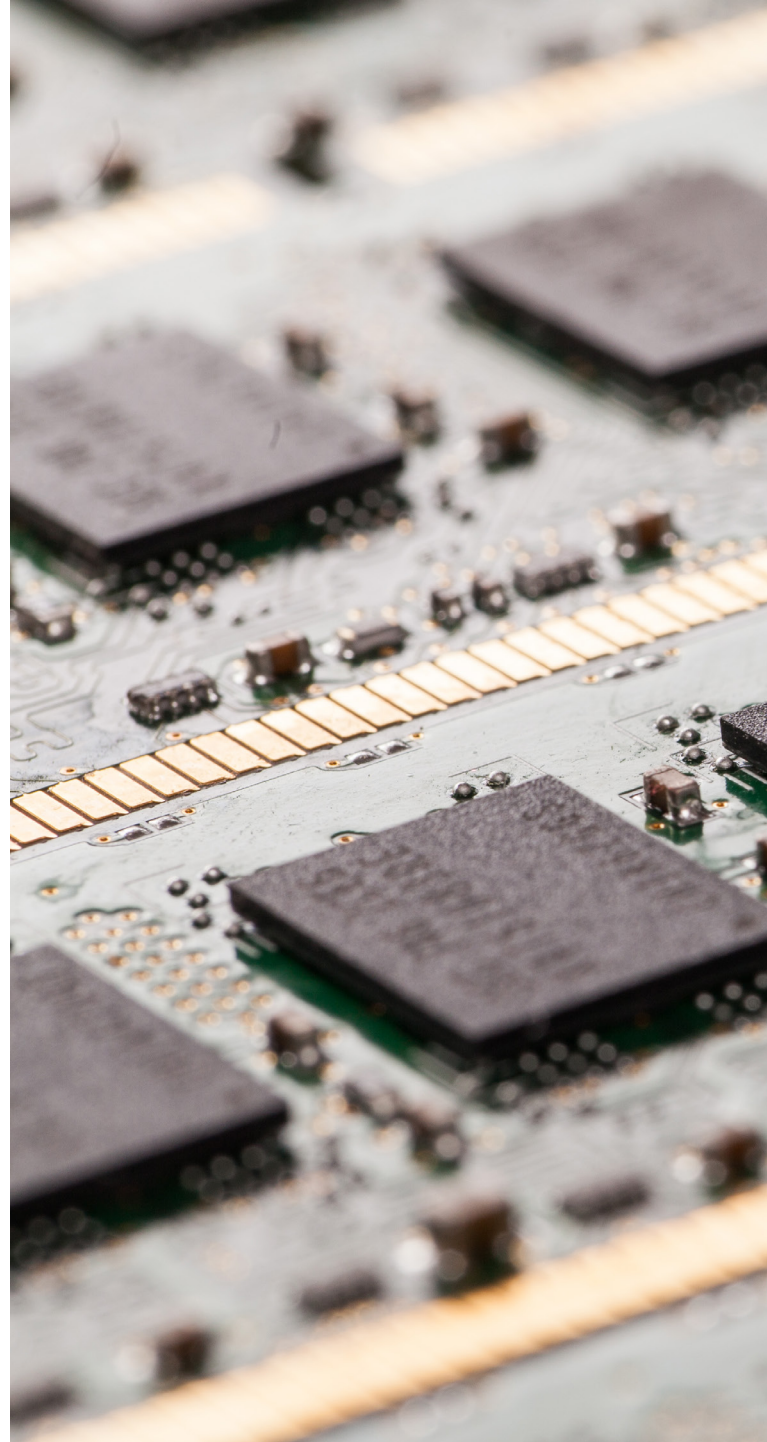
2 Ngoc Mai (2023). Vietnam expected to remain strategic base for Samsung, Hanoi Times. Available at: <https://hanoitimes.vn/vietnam-expected-to-remain-strategic-base-for-samsung-in-global-market-323505.html>

3 Vietnam Briefing (n.d). Tax Incentives for Foreign Enterprises in Vietnam. Available at: <https://www.vietnam-briefing.com/doing-business-guide/vietnam/taxation-and-accounting/tax-incentives-for-businesses>

By strategically taking risks on the product, Vietnam can self-develop or acquire cutting-edge technological expertise. To cope with external threats and to take advantage of geopolitical tensions, Vietnam maintains diplomatic neutrality, which serves as an added benefit to maintaining good relationships with all major players in the industry while attracting tech companies searching for a low-risk location to operate and export from. Besides, Vietnam has been fostering regional cooperation, and it has been actively participating in regional forums and become a member of various international communities such as the Asia-Pacific Economic Cooperation (APEC), Regional Comprehensive Economic Partnership (RCEP), and so on. Because of its strategic stance on FDI, in 2021, three billion semiconductor products have been produced at Intel's facility in Ho Chi Minh City, making it the largest company to run the chip making process in Vietnam. One year later, Vietnam declared that Samsung planned to invest US \$850 million to produce semiconductor components in the province of Thai Nguyen. So far, the country has attracted several major chip companies, including Samsung, Synopsys, FPT, Qualcomm, Viettel, Amkor, and Sein I&D.⁴

Is Vietnam Ready to Become a Semiconductor Manufacturer?

Due to concrete strategies and long-term vision from the government, it is assumed that Vietnam will be ready to become a semiconductor manufacturer. It is a fact that Vietnam heavily depends on FDI in tech production; however, taking advantage of this will allow Vietnam to elevate its position in the global value chain and build domestic capability in this field, particularly in the R&D and design phases. Even though the policies look feasible, Vietnam has faced two challenges in engaging in this production. Firstly, time and capital are needed to prepare and build a new operation in a local factory. According to Nina Turner of the market intelligence company IDC, chip manufacturing buildings take at least five years to complete. In addition, it costs at least \$10 billion to develop a new semiconductor production facility. Secondly, human resources are the main factor in Vietnam. To operate a self-own manufacturing company, Vietnam needs thousands of engineers and



IT-graduates. While based on the number of graduates in the field, it falls far short of what the expanding sector requires. Talent shortages are what Vietnam is trying to tackle, so Hanoi advances its educational and training systems in the tech sector to boost and meet human factor needs by enhancing more support in universities and sending students to study abroad. Nonetheless, Vietnam would be able to fill expertise, professionals, engineers, and other necessary labor forces within the next few decades because, through the government's support and incentive policies, the country can produce more and more human resources from time to time. Recently, science and engineering graduate specializations accounted for more than 40 percent of Vietnam's college and university graduates, making

⁴ Tri Duc (2022). Vietnam aims to attract FDI in chip technology. The investor. Available at: <https://theinvestor.vn/vietnam-aims-to-attract-fdi-in-chip-technology-d3122.html>

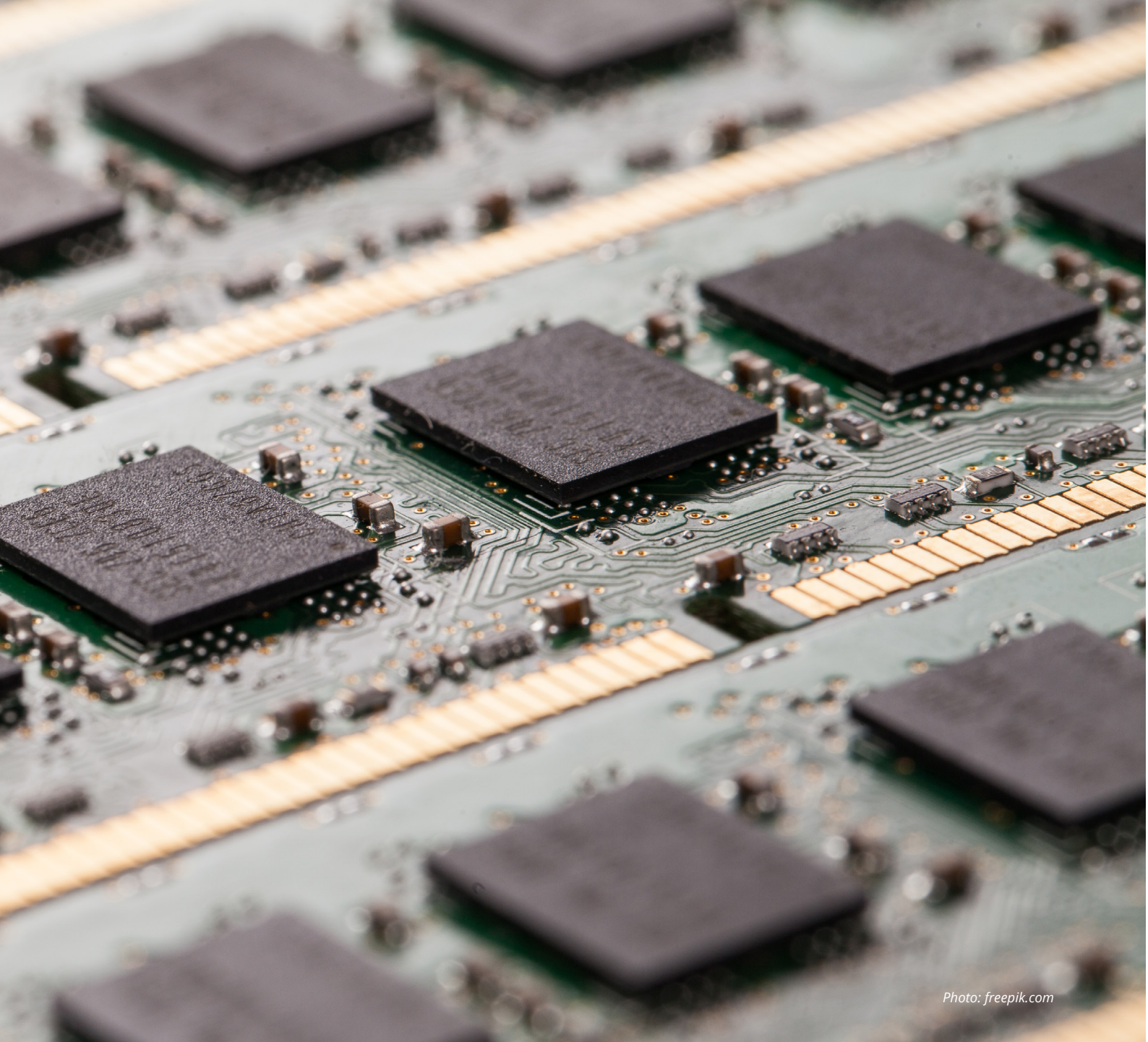


Photo: freepik.com

up a sizable component of the labor force. Moreover, with 100,390 engineers graduating each year, Vietnam is ranked 10th in the world in terms of having the most engineers.

Upholding the principle of “shared benefits and shared risks”, Vietnam has decided to pivot FDI and let itself become one of the most substantial semiconductor supply chains globally. Even under the pressure of geopolitical tension, it’s clear that Vietnam is well-prepared to take advantage of major global chip manufacturers, particularly the tech companies moving out of China. The decision is risky, but with strategic and diplomatic policies, Vietnam creates risks to opportunities. Even so, Vietnam should be

careful about heavily relying on FDI and strengthening its domestic capabilities to be able to establish its first local semiconductor manufacturing. Besides, it should assist in forging partnerships to secure cooperation agreements with major firms to support technology transfer from semiconductor leaders as the global economy becomes more dependent on semiconductors than ever since they can move to another country in the future. Vietnam should take a stand on its strategy to ensure that FDI stays. However, significant policy adjustments are necessary to go from being a beneficiary of circumstance to an autonomous player in the international semiconductor market.

WRAP-UP



Asia Pacific
Photo: European Space Agency

Contemporary global history is being filled with overwhelming political and security challenges. In recent years, newly arising issues only keep adding up to a high pile of already existing and unresolved security problems around the world. Ranging from both traditional and nontraditional security issues.

For the first time since the collapse of the Soviet Union that the United States is being challenged by a consummate power challenger such as China. The rise of China along with other middle powers has subsequently altered the status quo of unipolar international order within the past decades. Small states found themselves stuck and struggling with the effects of superpowers' rivalry, even more intense in the Asia-Pacific region, which had never been considered an important region in international politics before. Furthermore, other issues around the Asia-Pacific region such as the complication of the Taiwan Strait, the nuclear threat in the Korean Peninsula, the role of middle powers such as India and Japan, geopolitical competition in Southeast Asia and extending to the Mekong Sub-region, and ASEAN's challenges remain as critical factors. ASEAN in particular, whose initial mandate was founded to maintain peace and stability in the region has constantly found itself being criticized by externals for its inability to provide substantive solutions for issues within its own backyard such as the Myanmar political deadlock, South China Sea dispute, and so on.

Beyond Asia-Pacific, the European continent is now being confronted by a risky conjuncture. The invasion of Russia on Ukraine which begins in February 2022 still seems far from conclusive. The Russia-Ukraine war posed the fear of potential nuclear escalation and World War III if the crisis is not managed carefully. With the (direct or indirect) involvement of the United States and other European countries in this war, we are now witnessing a threatful political-security turning point.

In this sixth volume of the Diplomatic Briefing, the implications of political and security challenges in the Asia-Pacific region and beyond have been framed as the theme of the publication. We have mobilized scholars and experts across the region to examine different political and security matters and events. Various underlying critical problems and constraints were identified and discussed following thorough and close observation.

We hope that the contents presented in this publication will be able to contribute to your intellectual stimuli. We would also appreciate your constructive feedback on any particular articles and/or this whole volume.

We wish to express our sincere appreciation to the all respective authors, editors, and contributors whose utmost outstanding efforts make this volume of Diplomatic Briefing another lively intellectual debate and exchange.

Finally, we thank our readers for their interest. We hope you find the Diplomatic Briefing a resourceful publication for your knowledge advancement.

Stay tuned for the seventh issue of Diplomatic Briefing!

SOTH CHHAYHENG

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