

US-China-Cambodia Relations: The trilateral balance

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In its diplomacy with Cambodia, Beijing has once again proved to Washington that it will continue to pursue an active, practical, and possibly manipulative, role in Southeast Asia. The US must change its approach if it is to be an effective actor in the region.



Since the China-ASEAN Free Trade Agreement (CAFTA) went into effect on January 1, 2010, China and the Southeast Asian nations have gradually expanded their areas of cooperation. The Southeast Asian nations that have been least effective in diversifying their economic dependencies—namely Cambodia and Laos—have been particularly receptive to Chinese patronage. Cambodia, which has always maintained close historical and trade relations with China, was one of the first to fall to the Chinese charm.

In November 2009, 22 Uighurs, including 3 children, fled from China to Cambodia to seek political asylum. While the Uighurs worked with the UNHCR to attain their refugee status, the Cambodian government agreed to cooperate. But despite their continued assurances, the Cambodian government sent the Uighurs back on December 19 without explanation.

What took the international community by surprise was not Cambodia's decision to deport the Uighurs, but China's prompt return of Cambodia's favor two days later, when Beijing signed 14 deals with Phnom Penh totaling USD \$1.2 billion. The US Embassy in Cambodia responded by releasing a press report condemning Cambodia's decision and threatening economic consequences. But compared to Beijing's actions, Washington's initial approach was rather soft and ineffective.

Subsequently, the US took a tougher stance, suspending aid to Cambodia in April 2010. Two US Senators, Delahunt (D-MA) and Rohrabacher (R-CA) further intensified these measures by introducing the Cambodian Trade Act in May 2010, which called the US government to not relieve Cambodia of any debt owed to the United States. But this hard work was again dismissed as 257 Chinese military trucks marched into Phnom Penh a month later. The relationship between China and Cambodia extends far beyond purely politics and economics. For example, in May 2010, defense ministers of China and Cambodia met to strengthen military cooperation through productive exchanges of resources and technology. The two countries have also engaged in symbolic acts of amity. In June 2010, Prime Minister Hun Sen and Chinese Ambassador Pan Guang-xue inaugurated the Cambodian-Chinese Friendship Bridge at Prek Kdam.

Meanwhile, the United States has strived to uphold its influence in Cambodia. Under the Obama administration, Washington facilitated US access to loans for investment between the two countries. The US also returned seven stolen sculptures from the Angkorian era to counter the symbolism embodied by the Friendship Bridge. But despite these efforts, concerns over human rights and democratic governance have impeded the maturation of U.S.-Cambodia relations.

The US is clearly struggling in its efforts to maintain a strong relationship with Cambodia. The following policy prescriptions offer a way for the US to re-conceptualise its relationship with Cambodia.

1. **End the zero-sum game.** The US should not feel pressured to follow China. As of 2009, the United States still maintains a stronghold over Cambodia's trade and economy: while the United States is Cambodia's largest export partner (42.5 per cent), China has not even made it to the top five. The US presenting itself as China's strategic rival will only trigger more assertive Chinese policies in the region. Rather than operating from a zero-sum perspective, the United States should consider cooperating with the Chinese private sectors to assist Cambodia with infrastructure and energy development.
2. **Capitalise on the benefits procured from Chinese investments.** The United States should recognize that Chinese aid to Cambodia, and to Southeast Asia as a whole, may eventually prove beneficial for US investors. Cambodia's attitude towards Washington's sanctions demonstrates that economic cooperation is key to engaging Cambodia. Regardless of the money's origin, the current increase in aid flowing to Cambodia will give the country will have the opportunity to re-shape its political system. For the US, then, Chinese investment in Cambodia may be a win-win situation.
3. **Endorse cooperation with the Southeast Asian neighbors.** The US should encourage Cambodia to increase cooperation with its Southeast Asian neighbors so as to reduce its excessive reliance on China. Despite supporting the one-China policy, Cambodia has maintained trade relations with Taiwan. This suggests that Cambodia has a foot in both camps. Therefore, the US should use this Cambodian uncertainty to encourage Cambodia to improve its trade relations with its ASEAN neighbors now.
4. **Encourage the use of natural resources.** The US should encourage Cambodia to utilise its rich supplies of natural resources—pulp, palm oil, rubber and gas—to establish

an independent economic presence in the region. For example, in 2005, large amounts of exploitable oil deposits were uncovered beneath Cambodia's territorial waters, representing a potential new revenue stream for the government. Cambodia also announced recently that it will begin pumping oil for the first time in December 2012 as it searches for the potential of its offshore reserves. This presents an excellent opportunity for the United States to increase scientific and technological exchanges with Cambodia.

In order to prevent Cambodia from choosing China over the US, Washington first needs to stop creating, and believing in the existence of, two distinct, contending, and mutually exclusive sides. The US should see China and Cambodia as two separate fronts. It should stop adjusting its Cambodia policy according to the level of Chinese engagement. If bilateral standoff is not the desired outcome, then trilateral cooperation is the only solution.

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