

# **The Phnom Penh Dilemma:** U.S.-Cambodia Ties and the Future of American Engagement with ASEAN

By Lucas Myers

## **Policy Implications for the United States:**

- With Cambodia now serving as the Chair of ASEAN in 2022, U.S.-Cambodia relations will have wider bearing on U.S. cooperation with ASEAN and regional issues in Southeast Asia, most notably Myanmar and China.
- Cambodia's human rights violations and close ties to China harm relations with the United States.
- Both the Trump and Biden administrations, as well as U.S. Congress, have attempted to punish Phnom Penh for its authoritarian consolidation and embrace of China since 2017. Previous efforts at engagement and once healthy trade ties are on the decline as Phnom Penh fails to moderate its stance under pressure.
- In addition to diplomatic and economic pressure, the United States occasionally proffers olive branches to Phnom Penh, likely to test the waters for future re-engagement and opportunities to counteract growing Chinese influence.





- Current U.S. policy towards Cambodia therefore mixes escalating pressure and tentative engagement. However, there is little sign of progress towards democratization or disincentivizing Cambodia's relations with China.
- In 2022 and beyond, the United States has two broad policy avenues to choose from: "engagement" and "sidelining."
  - Engagement would see Washington attempt to reduce tensions over human rights and China with the longer-term goal of courting Cambodia away from Beijing. In the short term, the United States would aim to enhance ties to ASEAN while Cambodia is Chair.
  - Sidelining would reconfigure the current mixed approach of pressure and outreach for improved effectiveness, and U.S. policymakers would bypass Cambodia as much as possible in ASEAN and other regional fora.
  - Neither option constitutes a panacea to the dilemma of U.S.-Cambodia relations. Engagement would see the downplaying of U.S. democracy and human rights promotion, and U.S. outreach to Phnom Penh does not guarantee that Hun Sen rejects China. Sidelining carries the risks of undermining U.S. efforts to expand engagements with ASEAN as an institution while Cambodia is Chair, and current policies have shown little progress towards improving Cambodia's human rights record or reducing Chinese influence.
  - Sidelining would be the easier option of the two approaches to adopt in both the Executive and Legislative branches. In order to improve upon the mixed approach's lackluster record, the United States could reconfigure its intermixed pressure and tentative engagement initiatives to better accord with Cambodian internal politics and regional dynamics.
  - In 2022, sidelining would likely require expanded engagement and carrots for Hun Sen to advance Washington's priorities on acquiring a Comprehensive Strategic Partnership with ASEAN, countering the Myanmar coup, and shoring up the region's response to China.
  - Given the risk of Cambodia's legitimization of the coup and undermining ASEAN's coordinated response to the Myanmar crisis after Hun Sen's January 2022 visit, incentivizing or coercing Hun Sen to play ball on holding the junta accountable should likely take priority, either through carrots or sticks directed at Phnom Penh.
  - After Phnom Penh's Chair tenure concludes in late 2022, the United States can then feel more secure in ramping up pressure on the regime and support for the opposition during the 2023 elections in Cambodia.

#### Introduction

In recent months, the contradictions in the United States' current policy of mixing pressure and tentative engagement towards Prime Minister Hun Sen, Cambodia's increasingly authoritarian dictator of 37 years, became particularly apparent. On December 9th, 2021, Commerce implemented new export controls on Phnom Penh for "corruption, human rights abuses, and regional security concerns [i.e. China]." Yet, the day after, U.S. State Department Counselor Derek Chollet arrived in Cambodia to discuss the country's role in the region, its 2022 Chairmanship of the Association of Southeast Asian Nations (ASEAN), and the Myanmar crisis. Was unveiling sanctions near simultaneously to an official engagement part of a calculated pressure campaign, or just the sign of a confused response to an intractable problem with both Cambodia and the wider region?

Looking at the relationship on the whole, U.S. policy towards Phnom Penh leans more towards

the latter, a "mixed" approach of escalating pressure alternating with tentative, arms-length engagement. Despite previous attempts to steer Cambodia towards democracy in the 1990s and 2000s, Phnom Penh's obstinate behavior on deteriorating human rights record and growing China ties triggered a precipitous decline in relations.

Phnom Penh, although not the most important actor within ASEAN, wields more influence next year as Hun Sen's government assumes the Chair for 2022. This means effective Cambodia and ASEAN policies are necessary for a variety of U.S. national interests as <u>articulated by the Biden</u> <u>administration</u>, including addressing Myanmar's coup, ensuring "ASEAN centrality," competing with China in Southeast Asia, and implementing Washington's geopolitical shift towards the Indo-Pacific. Cambodia could significantly derail these goals through tacit recognition of the Myanmar junta, stymieing U.S. outreach to ASEAN, or serving as China's friend within Southeast Asia.



Standing up to Hun Sen on human rights and China is important for Washington, but the lack of a coherent strategy or clear wins for U.S. policy besides signaling opposition to Phnom Penh's intransigence means that it is time to consider the American approach to Cambodia. For a United States that continues to reaffirm the "critical importance of ASEAN centrality" and struggles to achieve its policy goals in Cambodia, there are two broad policy strategies for dealing with Phnom Penh: "engagement" with Hun Sen, or "sidelining" to bypass Cambodia as much as possible in ASEAN while recalibrating its mix of punishment and engagement.

#### The Human Rights and China Roadblocks in U.S.-Cambodia Relations

Human rights concerns reached their current peak following Hun Sen's suppression of the opposition in the lead up to Cambodia's 2018 elections. In 2017 and 2018, Hun Sen's Cambodia People's Party (CPP) launched a campaign of oppression to dissolve, intimidate, and imprison the main opposition force, the Cambodian National Rescue Party (CNRP). The effort proved largely successful in consolidating the CPP's grip on power, as Hun Sen's party "won" every seat in the legislature. In its effort to delegitimize the opposition, it even went so far as to allege U.S. interference in support of the CNRP to overthrow the Hun Sen regime. These human rights abuses continue to derail U.S.-Cambodia ties, and Phnom Penh only grows ever more authoritarian. Hun Sen's son, Hun Manet, looks likely to succeed his father.

Simultaneously, Phnom Penh's growing closeness to Beijing frustrates Washington. Beijing provided \$588 million in aid between 2019 and 2021 and pledged \$18.22 billion across a variety of projects since 2006, all with little sign of abatement during <u>COVID-19</u>. Amidst the pandemic, Chinese vaccines <u>helped propel</u> Cambodia's vaccination rates to some of the highest in the region. In 2020, China and Cambodia <u>signed a</u> free trade agreement, while the <u>transformation</u> of <u>Sihanoukville</u> from a sleepy seaside town into a <u>Chinese-dominated casino and tourism</u> <u>hub</u> underlines the <u>scale and depth</u> of China's economic involvement in Cambodia.

For Hun Sen, China's involvement is both a blessing and a potentially looming curse. His friendship with Beijing provides the regime with economic investment, military aid, and political cover. Beijing even helps facilitate Hun Sen's authoritarian grip on power, as allegations of Chinese hacking of Hun Sen's enemies in the 2018 election appear to attest. Indeed, China-Cambodia ties surged partially as a result of Western distrust and pressure. At the same time, Phnom Penh's growing dependence on Chinese investment and financial largesse poses a long-term risk to Cambodia's sovereignty, the livelihoods of many average citizens, and its natural environment. Anti-China sentiment is on the rise in Cambodia, which could imperil the regime if the political and economic situation turns sour.

Of course, Beijing would not involve itself so heavily if it did not receive benefits in return. Perhaps most importantly, Phnom Penh plays a spoiler role within ASEAN. As a byproduct of ASEAN's consensus-based decision making, Hun Sen can effectively veto anti-China measures at Beijing's behest. In 2012, Cambodia as ASEAN Chair <u>blocked a joint statement</u> on the South China Sea disputes under reported Chinese pressure. Four years later in the aftermath of The Hague's 2016 ruling in favor of the Philippines in the South China Sea, Hun Sen again <u>threatened to veto</u> <u>language</u> critical of China. The chair at that time, Laos—another close and <u>economically dependent</u> <u>friend of China—managed to find more neutral</u> <u>language</u> and successfully issue a soft joint statement. Beyond ASEAN issues, Cambodia also <u>deported twenty Uighurs</u> in deference to China's severe repression campaign in Xinjiang province.

Other reports hint towards the possibility of a surreptitious Chinese military presence despite Cambodia's Constitution stipulating that it "shall not permit any foreign military bases on its territory." For one, Ream Naval Base is the subject of concerns surrounding a secret 2019 agreement with Beijing. According to the Wall Street Journal, Chinese military forces now enjoy access to the base. While Cambodia stridently denies the agreement, its caginess surrounding the facility does not help its argument. Analysts have also raised concerns about a suspicious airfield near the Dara Sakor resort development in Koh Kong province, which is reportedly of military-length. Both facilities remain unconfirmed, but the U.S. government clearly views them as worthy of attention.

However, it is also important to note that, while Cambodia may often be described as a Chinese puppet, daylight between Phnom Penh and Beijing can be seen publicly on occasion. In October 2021, Hun Sen admonished the junta and supported ASEAN's refusal of Senior General Min Aung Hlaing's attendance at the ASEAN leaders' summit. Beijing found itself on the other side of the issue and reportedly lobbied for the general's presence at the following China-ASEAN meeting in November. Additionally, Hun Sen suspended dam construction on the Mekong for ten years in March 2020, perhaps in response to Chinese dam building lowering water levels in the river. Furthermore, the United States accused Chinese hackers of stealing hydroacoustic data from the Cambodia government during the 2018 LancangMekong Cooperation summit, which could indicate some distrust in Beijing. These rare instances point towards more divergence than is often assumed.

However, the two countries remain predominantly aligned on most issues, including Myanmar in the weeks since Cambodia's assumption of the ASEAN Chair. After his criticism in October 2021, Hun Sen changed tack towards Naypyidaw and now seeks to play a more conciliatory role as Chair, even going so far as to advocate inviting Min Aung Hlaing to future ASEAN meetings and meet in-person with the junta leader in January 2022. While some might interpret this shift as owing to the influence of China's (somewhat grudging) acceptance of Myanmar's military regime, it is also possible that Cambodia views itself as a mediator with its own conflict resolution experience. Given the opacity inherent to Phnom Penh's decision making, it is difficult to determine the extent of Beijing's influence over Cambodia. In either case, Cambodia's outreach has been described as "cowboy diplomacy" by some observers, undermines ASEAN, and legitimizes the junta internationally.

#### A Mixed U.S. Approach: Pressure and Limited Olive Branches

Since 2017, the United States has responded to the human rights and China roadblocks by applying ever-greater pressure on Cambodia, while also carefully extending the occasional olive branch. During the Trump presidency, the United States issued targeted sanctions against high-ranking regime officials, banned travel by individuals accused of undermining democracy, and ramped up public criticism. Others efforts included the contentious deportations of Cambodian immigrants and additional sanctions on a Chinese firm involved in BRI in Cambodia.



On the engagement end of the spectrum, the administration <u>reportedly sent Hun Sen</u> a letter expressly denying that the United States seeks regime change in Phnom Penh. But, in early 2019, a visiting <u>U.S. defense official</u> publicly <u>raised</u>. <u>human rights issues</u> to the consternation of Phnom Penh. The next year, the U.S. Ambassador to Cambodia then <u>conducted a variety of outreach</u> efforts celebrating the 70<sup>th</sup> anniversary of relations.

The Biden administration only continued this mixed course. In June 2021, Deputy Secretary of State Wendy Sherman <u>visited</u> to reassure Hun Sen that the "United States intends to work with Cambodia in its role as 2022 ASEAN Chair," but she also <u>criticized Chinese influence</u>. Early November saw the rollout of <u>Global Magnitsky</u> <u>sanctions</u> on two Cambodian officials associated with Ream Naval Base and an <u>advisory to U.S.</u> <u>businesses</u> about "high-risk investments." Simultaneously, the Biden administration's also launched a <u>review</u> of the Generalized System of Preferences (GSP), which effectively raises tariffs to between <u>12 and 30 percent</u>. In December 2021, the <u>Biden administration announced</u> Counselor's Chollet diplomatic visit as it simultaneously <u>rolled</u> <u>out an arms embargo</u>. Looking ahead, Biden <u>reportedly plans</u> to host a summit in the United States with ASEAN, which will mean outreach to Cambodia as Chair.

These Executive branch actions have been accompanied throughout the period by bipartisan support in Congress for enhanced pressure on Cambodia. These include a variety of legislative actions to support democracy, counter Chinese influence, and hold Cambodia accountable written into appropriations since 2017, as well as a host of other acts and resolutions. Most recently, the *Cambodia Democracy Act of 2021*, which aims to shore up support for democracy and human rights, passed the House and has moved on to the Senate.

# Going Forward With or Without Cambodia

In sum, U.S. policy towards Cambodia can be described as predominantly pressure-based with the occasional tentative engagement. Washington

punishes Phnom Penh for its transgressions and then provides limited olive branches to prevent the relationship from plummeting completely (or perhaps as an off-ramp for Hun Sen should he choose to comply). While this approach may serve to signal U.S. support for democracy and human rights and push back against Chinese influence, it also risks sending mixed messages and hampering U.S. engagement with ASEAN while Cambodia serves as Chair. Perhaps more importantly, indications that it has resulted in any reduction in Chinese influence or Cambodian human rights violations are essentially nonexistent. Fundamentally, this alternating mixed approach does not appear to be working.

As Phnom Penh begins to exert a greater influence in Southeast Asia as ASEAN Chair, the United States cannot afford to haphazardly deal with Cambodia. As National Security Council Asia Tsar Kurt Campbell recently expressed, the United States intends to "do everything possible to upgrade all of our engagement with ASEAN...we recognize the critical importance of ASEAN centrality." Both Australia and China upgraded relations with ASEAN in 2021 to the "Comprehensive Strategic Partnership" level, and this speech obliquely hinted at Washington's desire to do so as well. Importantly, an American commitment to ASEAN centrality is especially crucial due to concerns within Southeast Asia that U.S. initiatives like AUKUS and the Quadrilateral Security Dialogue undermine ASEAN. However, considering the mixed approach to Cambodia, this year could be complicated for U.S.-ASEAN ties. An intransigent Cambodian Chair would likely harm U.S. ability to expand its footprint in Southeast Asia and address competition with China in 2022.

As such, it is necessary for U.S. policymakers to consider U.S.-Cambodia ties long-term and how to best approach Cambodia's tenure as Chair. At a broad level, the United States has two policy approaches available to it in 2022 and beyond. One, "engagement" to reduce the pressure on Hun Sen's regime to embrace bilateral engagement, or two, "sideline" Cambodia by reconfiguring its current mixed policy while bypassing Cambodia's role as ASEAN Chair to work bilaterally with more likeminded member states. Both options have potential benefits and drawbacks, and neither is a shoe-in for success. But, as President Biden is <u>reportedly considering</u> hosting a summit with the grouping in 2022 and considering Hun Sen's <u>visit to</u> Myanmar in January, this is also a decision that needs to be made sooner rather than later.

### **Option 1: Engaging Phnom Penh**

"Engagement," would see the United States reduce pressure to entice Phnom Penh away from Beijing over the long-term. Adopting engagement would require Washington to pull back on some of its pressure points and amplify its diplomatic outreach. Importantly, engagement does not mean endorsement or friendship, but rather a realpolitik outreach to Phnom Penh in order to advance U.S. strategic goals in Southeast Asia by reducing bilateral tensions and the incentives for Cambodia to embrace China.

In fact, while the regime's odious human rights abuses and authoritarianism certainly gave U.S. policymakers pause, quiet engagement in U.S.-Cambodia ties <u>was the norm prior</u> to the 2017-2018 crackdown. Hun Sen's son and <u>potential</u> <u>successor</u>, Hun Manet, <u>graduated</u> from the U.S. Military Academy at West Point in 1999, along with <u>other Cambodian military officers</u>. After 9/11, the United States provided <u>counterterrorism training</u> for a Cambodian unit <u>allegedly involved</u> in human rights violations, and <u>Secretary of Defense Leon E.</u> Panetta met with Cambodian counterparts in 2012. Cambodia for its part hosted <u>U.S. Navy personnel</u> and formerly held <u>annual bilateral military</u> <u>exercises</u> before it <u>canceled</u> them in recent years. The United States even provided funding for <u>two</u> <u>since-demolished buildings</u> at Ream Naval Base. During Cambodia's <u>first turn</u> as Chair of ASEAN, President Obama <u>visited Cambodia</u> in 2012 despite its <u>abysmal human rights record</u> as means of fostering ties to the bloc.

Finally, trade and humanitarian assistance formerly constituted continuous positive factors despite topline pressure. The United States provides Cambodia with substantial assistance—<u>\$235</u> million between 1993 and 2018 and \$338 million from 2018 to 2021. These ongoing efforts include minefield clearance, democracy and human rights programming, and development aid. Before 2021, Cambodia benefited from now-expired GSP, was previously a highly-dollarized economy, and the United States constituted its largest export market (predominantly garments and footwear) at <u>\$6.2</u> billion in 2020. Beyond returning to a pre-2017 modus operandi and continuing economic and humanitarian initiatives, Washington has a few additional carrots in its toolbox. These include phasing out some of the Global Magnitsky sanctions and other economic pressure points, such as the GSP review and arms embargo, as well as forgiving or reducing the over \$500 million debt Phnom Penh owes dating back to the 1970s. Elsewhere, it could invest in infrastructure in conjunction with Japan and other regional allies under Build Back Better World. The United States could also encourage more foreign direct investment in Cambodia in line with Coca-Cola's \$100 million plant launched in 2016 in the Phnom Penh Special Economic Zone. Of course, any expanded U.S. investments would require carefully selecting projects to ensure due diligence and avoid corruption and human rights abuses. Furthermore, the United States could also work to restart some of the halted military cooperation initiatives and offer more vaccines through COVAX, especially as Chinese vaccines appear less effective against the Omicron variant.



It is important to note that the primary impediment to engagement is not a lack of policy options but rather the two intractable issues of human rights and China. Neither problem will be simple to ignore, as bipartisan efforts remain strong on Capitol Hill, and rolling back the pressure campaign could be construed as weakness on core issues concerning democracy and Beijing. Reducing the salience of both would require finesse and minimizing the ideological aspect of U.S. relations with Cambodia, which may not be possible in the current climate.

But, at the same time, ideology and friendship are not so clear cut in Southeast Asia. Who Washington criticizes and who it engages remains heavily moderated by strategic concerns, especially those vis-à-vis China. An ideological approach to the region is fundamentally a difficult circle to square, as demonstrated in the invitations of three backsliding Southeast Asian democracies to the Summit for Democracy and subsequent annoyance among non-invited allies and partners. Reflective of the non-ideological nature of American foreign policy here, U.S. strategic partner Vietnam has a lower score than Cambodia in Freedom House's metrics but is aligned against China, which explains the positive relationship with Hanoi.

Regarding concerns about Beijing's influence, Southeast Asia is also not divided into firm Cold War-style blocs, but rather a complex and shifting network of relationships with both the United States and China. For instance, U.S. treaty ally Thailand continues to improve its ties to China, and all countries in the region juggle balancing and bandwagoning to varying degrees. Furthermore, <u>some analysts express doubt</u> that Ream Naval Base would substantially improve Beijing's strategic position. Under engagement, the United States could instead choose to focus on larger issues, such as the South China Sea and Cambodia's role stymieing ASEAN's collective response to it with the aim of incentivizing Phnom Penh's cooperation.

Importantly, there are some indications that Cambodia is ripe for expanded U.S. engagement, as some have pointed out. Hun Sen expressed eagerness to attend an ASEAN summit the Trump administration planned to host in 2020 (it was eventually postponed due to COVID-19). In 2021, Hun Sen called for more engagement from the United States in its dealings with ASEAN and gratitude for COVID-19 vaccines during the U.S.-ASEAN summit in October. The Diplomat's Sebastian Strangio interpreted Phnom Penh's cancellation of military exercises with China in mid-2021 as a potential signal to Washington that it was ready for outreach. In December, pro-Hun Sen media outlets reported on the prime minister's desire to attend an as-yet unscheduled U.S.-hosted ASEAN summit. Finally, the outgoing Cambodian ambassador to Washington downplayed the turmoil in the bilateral relationship in a December 2021 interview, including with a deflection on the previous accusation that the United States supports "color revolution" in Phnom Penh.

Even so, engagement constitutes an uphill battle replete with serious drawbacks. For one, the United States tried engagement before 2017 and failed with little guarantee of success now. Additionally, bilateral distrust goes both ways, as <u>Cambodian officials blocked full access</u> to a U.S. defense attaché touring Ream Naval Base and <u>unilaterally canceled</u> military exercises. The United States is a useful foil for Hun Sen and guarding against foreign-backed "color revolution" is a staple of <u>Cambodian propaganda</u>. Furthermore, while <u>the United States could opt to maintain</u> <u>quiet support</u> for local civil society groups during an engagement policy, Washington would risk appearing hypocritical on human rights and would have to ignore Phnom Penh's distasteful record on the issue, at least publicly. On China, Beijing would certainly act to ensure it does not lose influence in Phnom Penh, especially with Cambodia as ASEAN Chair. Even a fully engaged Washington may find it hard to counteract China's influence in the short-term. Similarly, there is little sign that on other issues, such as Myanmar, improved Washington-Phnom Penh ties will be useful, as seen in Cambodia's recent "cowboy diplomacy" with the junta. Indeed, the United States will likely have difficulty incentivizing Hun Sen's cooperation in Myanmar considering his January 2022 visit.

Given the associated risks, a U.S. engagement policy towards Cambodia would have to be considered very carefully. As <u>Counselor Chollet's</u> <u>remarked</u> during his visit to Phnom Penh regarding its outreach to the junta in Myanmar, "the U.S. is not against engagement...but we're quite clear that the engagement needs to have a purpose." This maxim could easily be applied to argue against engagement with Cambodia.

#### Option 2: Sidelining Cambodia and Engaging Other ASEAN Member States

On the other end of the spectrum, "sidelining" would see Washington recalibrate its current mixed pressure and engagement policy while attempting to square the ASEAN circle by working around Phnom Penh in its role as ASEAN Chair. In some respects, sidelining appears to be the avenue Washington is leaning towards at the moment. The contours of this can already be seen in high-level visits to likeminded ASEAN member states, such as Indonesia, Malaysia, the Philippines, Singapore, and Vietnam, as compared with its very limited engagement in Phnom Penh. However, completely shunning the Chair of ASEAN would likely be counterproductive to U.S. policy towards the bloc, so Washington would have to continue its occasional tentative outreach to Phnom Penh and cooperation on nonconfrontational issues. In sum, a more strategic calibration of the mix of carrots and sticks is likely needed in light of past failures.

Diplomatic sidelining is perhaps best exemplified in expanding U.S.-Indonesia ties. It is increasingly clear that the United States views Indonesia as an informal leader in ASEAN regardless of the current Chair. The recent meeting between President Biden and President Joko Widodo of Indonesia set the stage, while Secretary of State Anthony J. Blinken's meeting with the Indonesian president on December 13th emphasized "U.S. commitment to ASEAN centrality." In his Indo-Pacific framing speech in Jakarta, Secretary Blinken referenced U.S. commitments to ASEAN as a whole but specifically singled out Indonesia, Malaysia, Singapore, and Vietnam as priority strategic partners. Importantly, even holding the speech in Jakarta is telling because it points towards the country's prime of place in the region. Indeed, the State Department fact sheet details an American emphasis on Indonesia as a "leader within ASEAN" and Washington's "support [for] Indonesia's strong efforts to safeguard its maritime rights and stand up to PRC aggression in the South China Sea." Finally, U.S. bilateral initiatives with Indonesia remain framed within overarching ASEAN centrality to counter criticism that Washington's bilateral engagement undermines the bloc.

With this bypassing in play regarding ASEAN and the wider region, the current approach's Cambodia-specific failures do not have to be replicated in 2022. Instead of slowly ramping up sanctions and punishments after each provocation while also extending a tentative hand, Washington would do better to recalibrate its mixed approach under sidelining. This would likely mean less simultaneous pressure and outreach, as occurred during Counselor Chollet's December 2021 visit, and a more calibrated campaign matching desired policy outcomes on specific issues, such as implementing ASEAN's Five-Point Consensus in Myanmar and the means, either through carrots or sticks.

As Cambodia gears up for its 2023 election cycle and Hun Sen <u>continues to undermine</u> its already broken democratic institutions and scattered opposition figures, the United States should deftly mix pressure and engagement to advance its goals. For instance, Washington could work to <u>amplify divides</u> within the CPP over Hun Sen's succession. The prime minister's son, Hun Manet, hopes to take over from his father, but other elites <u>reportedly also hope</u> to make a play for power. Despite his ties to the United States, Hun Manet is <u>unlikely to liberalize Cambodia</u>, but rumors of division amongst the elite mean the succession is somewhat problematic for Hun Sen. This opens up opportunities for carrots or sticks from the United States to punish or improve ties with Cambodia, either through investments, reduced public criticism, or further engagement if events trend favorably, or expanded <u>legal pressure</u>, targeted sanctions, and "naming and shaming" if Phnom Penh proves obstinate in ASEAN or on Myanmar and China.

A more calibrated approach should also include a more focused democracy promotion effort that extends beyond mere punishment of the regime. Regarding the <u>oft-divided opposition</u>, the CNRP's two most prominent leaders, Sam Rainsy and Kem Sokha have experienced <u>a serious falling</u> <u>out</u>, and the party remains <u>weak after 2017</u>. U.S. democracy funding and capacity building could help support the embattled opposition against CPP repression, as well as pave the way for younger leaders to take the reins in hope of longer-term democratization.

At the same time, sidelining carries its own drawbacks. Ignoring Cambodia risks hampering U.S. efforts to support ASEAN centrality and unity so long as Phnom Penh is the Chair, as well as angering an influential actor within the grouping.



On Myanmar, angering Cambodia also runs the risk of further <u>ceding the initiative</u> to Hun Sen and Beijing at a time when the ASEAN-led Five Point Consensus is on <u>life support</u> and both Cambodia and China now lean towards the junta. Finally, it also effectively drops any attempts to win back Phnom Penh over the long-term by conceding that Beijing will maintain a firm friend and proxy within ASEAN indefinitely. Without a strong and united ASEAN, it will be difficult for Southeast Asia to assert itself against Beijing or serve as a reliable partner for the United States.

#### The Deeper Challenge in Washington's Southeast Asia Approach

In some respects, Washington's dilemma with Phnom Penh, whether to engage or pressure on human rights and China, speaks to a deeper challenge for U.S. policy in Southeast Asia: ideology and alignment. This critical region is increasingly an arena for U.S.-China competition, but most ASEAN countries resist outright alignment. It is also at the forefront of democratic decline, but even a U.S. administration emphasizing human rights and democracy feels the need to engage more authoritarian allies and partners for geostrategic reasons. Cambodia is a microcosm of this dilemma, as well the difficulties inherent in expanding the U.S. role in the region. Current U.S. policy of alternating engagement and pressure appears of limited effectiveness, and Cambodia only grows closer to Beijing and more authoritarian. Meanwhile, the situation in Myanmar grown more severe just as Phnom Penh asserts more control over ASEAN's policy.

These issues can only be ignored at Washington's peril, but neither policy option presented in this brief is likely to be a panacea. On the merits, sidelining would allow the United States to stand up against Phnom Penh's human rights violations and China ties while bypassing the ASEAN Chair issue to the greatest extent possible, but there is little to show for U.S. policy towards Cambodia over the past five years and it would largely constitute that approach's continuation with a few improvements. At the same time, engagement has its own drawbacks, and much has worsened since 2012 when President Obama attended the ASEAN summit while Cambodia was last Chair. Indeed, an Executive Branch that adopts engagement might even find itself constrained towards pressure by a bipartisan desire to hold Phnom Penh accountable.

Of the two, sidelining is therefore likely the easier of the two options to adopt, as it would require recalibration rather than a complete 180 degree shift from both the Executive and Legislative branches. Importantly, minimizing the contradictions in U.S. policy towards Cambodia will be key to its success. This likely means the development of a longer-term strategy for Cambodia with a clearly articulated end-state in mind, as well as fewer instances of uncoordinated punishment followed by outreach.

Sidelining must also demonstrate finesse, and the United States will have to step carefully to avoid unintentionally undermining ASEAN unity and centrality. In 2022, this likely means that expanded engagement and carrots for Hun Sen will be necessary to advance Washington's priorities on acquiring a Comprehensive Strategic Partnership with ASEAN, countering the Myanmar coup, and shoring up the region's response to China. Given the risk of Cambodia's legitimization of the coup and undermining ASEAN's coordinated response to the Myanmar crisis after Hun Sen's January 2022 visit, incentivizing or coercing Hun Sen to play ball on holding the junta accountable should likely take priority, either through carrots or sticks. However, after Phnom Penh's Chair tenure

concludes, the United States can then feel more secure in ramping up pressure on the regime and support for the opposition during the 2023 elections in Cambodia.

In either case, whether sidelining or engagement holds the keys to a successful U.S. policy towards Cambodia remains to be seen, but it is now time carefully consider Cambodia policy and how to best accomplish U.S. goals in Southeast Asia. Ignoring the country will be increasingly difficult as the United States turns towards the Indo-Pacific, and current policy appears confused and contradictory. As seen in several instances over the past year, from Myanmar's coup to Phnom Penh's assumption of the Chair and Indonesia's clash with China in the South China Sea, ASEAN and Southeast Asian countries must be approached both bilaterally and as a collective whole. In a complex region plagued by rising authoritarianism and internal divides, this is easier said than done, but any U.S. strategy in the Indo-Pacific and Southeast Asia needs to consider Phnom Penh.

**Lucas Myers** is a program coordinator and associate for Southeast Asia for the Asia Program at the Wilson Center.

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