



The Cambodian People's Party: Challenges and Prospects after the fall of the Khmer Rouge

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Introduction

The origin of the Cambodian People's Party (CPP) was dated back to the colonial era in the 1950s when the three Indo-Chinese countries, Vietnam, Lao, and Cambodia, struggled to liberate themselves from French imperialism and colonization. The CPP, the Party in short, was initially known as Kampuchea People's Revolutionary Party (KPRP). However, it was eventually renamed to the Cambodian People's Party in 1991 during the United Nations peacekeeping mission, known as UNTAC. In 1993, the Party was at a new major crossroads when it experienced a setback in the national election to the royalist party, the FUNCINPEC. Nevertheless, the CPP still managed to restore its political dominance by forming a coalition government consisting of two Prime Ministers, namely Norodom Ranariddh and Hun Sen. However, the coalition did not last long, as in 1997, Hun Sen emerged to be the winner in the pre-emptive clash between the two parties.¹ Even though the CPP under Hun Sen's leadership has won every national election ever since, the Party has in fact faced significant challenges to its legitimacy and authority.

In this context, this paper discusses three critical challenges the CPP has faced, particularly its political legitimacy, and also explores measures the Party has adopted to address those issues.

Critical Challenges to CPP's Political Legitimacy

The first challenge is the declining popularity. In democracies, the support of the majority of the population is arguably the key factor for each political Party's legitimacy. In other words, a political party needs people's endorsement to stay in power, generally manifested in the general election. However, since the landslide victory in the national election in 2008, the Party has headed in the

¹ Peou, Sorpong. "Hun Sen's Pre-emptive Coup: Causes and Consequences." *Southeast Asian Affairs* (1998): 86-102.

opposite direction. The Cambodian people, particularly the younger population, have lost trust in the Party. ²The declining trust is evident in the 2013 national election when the Cambodia National Rescue Party (CNRP) won almost half of the national assembly seats, equal to 44.46 per cent of the popular votes.³ The 2013 election outcome depicted the people's will against the Party. This trend of moving away from the CPP is not just an accident but a consequence of poor governance, such as chronic corruption and social injustice. ⁴

Despite ongoing efforts to combat corruption, it remains a big issue, arguably resulting from untransparent public institutions and nepotism. ⁵A case in point is that in 2021, Cambodia scored only 23 out of 100 points and ranked 157th globally on the corruption index.⁶ This ranking indicates that the country is still far behind others in the region, including Myanmar, a war-torn state. The corruption in Cambodia is chronic, systemic, and cultural, as it is deeply embedded in almost all sorts of public institutions, from national to local levels. Corruption arguably has been the root cause of public distrust in the Cambodian government. The administration needs to do more to tackle this social dilemma concerning the Party's strategy of deploying corruption as a political tool to maintain loyalty from its members.⁷ Moreover, it is further argued that the corruption in public institutions, such as in the judiciary branch, has deteriorated social injustices, leading to personal hatred against the Party amongst the victims of injustice. As a result, people suffering from these social prejudices have used the election to voice their demand for a change in the government.

The second challenge is the economic slowdown. The robust and consistent economic growth arguably has been one of the primary sources of CPP's legitimacy. The economic expansion has allowed the government to embark on and build several significant and small infrastructure projects, especially creating more jobs, which maintains a strong foundation of trust from the population. In addition, the economic performance-based legitimacy has played a critical role in keeping CPP in power, as Cambodia has enjoyed the rise of the economy at around seven per cent annually for almost 20 consecutive years, which in turn economically equips the government with

² 'As Protest Looms, Cambodia's Strongman Hun Sen Faces Restive, Tech-Savvy Youth | Reuters', accessed 16 February 2023, <https://www.reuters.com/article/us-cambodia-youth-idUSBRE98500820130906>.

³ See COMFREL. "2013 National Assembly Elections: Final Assessment and Report." Phnom Penh, 2013. Available at <https://comfrel.org/english/2013-national-assembly-elections-final-assessment-and-report/>.

⁴ 'Hun Sen Stands Firm on Election Results', East Asia Forum, 4 October 2013, <https://www.eastasiaforum.org/2013/10/04/hun-sen-stands-firm-on-election-results/>.

⁵ 'Cambodia', Transparency.org, 31 January 2023, <https://www.transparency.org/en/countries/cambodia>.

⁶ Transparency International Cambodia, "CPI 2021 Press Release Cambodia," Transparency International Cambodia, January 25, 2022, <https://www.ticambodia.org/cpi2021/>.

⁷ Ear, Sophal. "Combating corruption in Cambodia." *Asian Education and Development Studies* 5, no. 2 (2016): 159-174.

sufficient resources to launch many development projects that could potentially gain public approval from the voters.⁸

However, this only lasted for a while. Since 2019, the Cambodian economy has indicated a sign of slowing down for several reasons: economic sanctions, the ramification of the Covid-19 pandemic, and energy crunch. For instance, in 2019, the European Union (EU) decided to suspend a trade agreement known as everything but arm (EBA), which had a tremendous implication on one of the Cambodian economic engines —the garment industry.⁹ EBA has a high stake in the Cambodian economy, as according to the European Commission, in 2019, the value of Cambodia's exports to the EU under the EBA scheme was €5.4 billion, which is approximately 18% of the country's total exports. Textiles and footwear accounted for a large portion of these export.¹⁰ Therefore, withdrawing from this trade privilege tremendously impacts Cambodia's export capability. In addition, the government will have to raise the initial production price, which could encourage investors to move their factories to neighbouring nations such as Vietnam or Bangladesh. Consequently, this would heavily impact thousands of voters' incomes and standard of living and their dependencies, as the industry has employed approximately 800,000 Cambodian workers over the years.¹¹ To illustrate, according to a report by the International Labor Organization (ILO) published in 2020, the partial withdrawal of the EBA scheme is expected to result in a loss of around 10% of jobs in the garment and footwear industry.¹²

In addition to the EU sanction, since late 2019, Cambodia's economy has been hit hard by the Covid-19 pandemic. Almost every critical sector has experienced a significant setback concerning the lockdown and supply chain disruption. For instance, one of the country's major industries, tourism, has absorbed the most impact. In 2020, the national revenue from international tourism plummeted by 80 per cent, resulting in the loss of billions of dollars.¹³ As a result, for the first time in two-decade, Cambodian economic growth has experienced a contraction of minus two per cent, pushing the poverty rate from 10 to 18 cent in 2020.¹⁴ Thus, if the financial performance is still deteriorating, the Cambodian government may have to face the dilemma of public backlash as what occurred in the post-2013 national election.

⁸ Luo, Jing Jing, and Kheang Un. "China's Role in the Cambodian People's Party's Quest for Legitimacy." *Contemporary Southeast Asia* 43, no. 2 (2021): 395-419.

⁹ See "Press Corner," European Commission - European Commission, accessed January 12, 2023, https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1469.

¹⁰ 'Everything but Arms (EBA) | Access2Markets', accessed 16 February 2023, <https://trade.ec.europa.eu/access-to-markets/en/content/everything-arms-eba>.

¹¹ Tanaka, Kiyoyasu. "The EU's EBA Scheme and the Future of Cambodia's Garment Industry." *ISEAS Perspective* 2020, no. 14 (10 March 2020): 1-11.

¹² Ibid.

¹³ Pisei, Hin. "Revenue from international tourism dips 80 per cent in 2020." *The Phnom Penh Post*, 19 April 2021.

¹⁴ See World Bank. "Overview on Cambodian Poverty Rate," World Bank, accessed January 12, 2023,

Moreover, the energy crunch can also have a significant impact on the Cambodian economy. In general, an energy crunch occurs when there is a shortage of energy supplies, which can lead to higher prices and potential blackouts or power outages. In Cambodia, the main source of energy comes from imported oil and hydropower, which makes the country vulnerable to fluctuations in global oil prices and changes in weather patterns that affect hydropower operation. In fact, according to the International Energy Agency, in 2019, oil accounted for 70% of Cambodia's primary energy supply, with hydropower making up the remaining 30%.¹⁵ As a result, when there is an energy crunch, the cost of energy can rise, which can lead to higher costs of production for businesses and higher costs of living for households. Additionally, power outages can disrupt business operations and decrease productivity. The energy crunch can also have a negative impact on the Cambodian government's efforts to attract foreign investment. Foreign investors are often looking for stable and reliable energy supplies to support their operations, and an energy crunch can make Cambodia a less attractive destination for investment.

International Criticism: The deterioration of freedom and human rights and the country's over-reliance on China

Theoretically, one aspect of a legitimate government is that the government should be recognised widely by the international community.¹⁶ However, this might be a luxury that the CPP cannot afford, as the government has been highly criticised by the western fora concerning her harsh crackdown on the opposition and the deterioration of freedoms and human right status. To illustrate, after having experienced another significant loss of popularity in the local election in 2017, Cambodia's Supreme Court later decided to dissolve the opposition party, namely the Cambodia National Rescue Party (CNRP), which marked a significant setback for democracy in the kingdom.¹⁷ Moreover, the government has intensified its oppressive strategy on political activists, free media, and NGOs, which has heavily received criticism and responses from the Western countries through trade sanctions and the withdrawal of aid.

Apart from the exacerbation of political freedom and human rights, the Western powers led by the United States also warned about the closed Sino-Cambodian relations because the cooperation is not transparent and could trap Cambodia in the Chinese debt.¹⁸ For instance, by 2019, China had become Cambodia's largest creditor, with around 48 per cent out of 7 billion US dollars of the country's total debt owed to China.¹⁹ What is more, most of the loans has been allocated to building

¹⁵ 'Cambodia - Countries & Regions', IEA, accessed 16 February 2023, <https://www.iea.org/countries/cambodia>.

¹⁶ Murphy, Sean D. "Democratic legitimacy and the recognition of states and governments." *International & Comparative Law Quarterly* 48, no. 3 (1999): 545-581.

¹⁷ Un, Kheang, and Jing Jing Luo. "CAMBODIA IN 2019." *Southeast Asian Affairs* (2020): 119-134.

¹⁸ *Ibid.*, 127.

¹⁹ *Ibid.*, 127.

major infrastructure projects such as bridges and high-speed freeways in what the Western powers view as highly corrupted and untransparent. For instance, the Dara Sakor resort in Koh Kong province, is being constructed by the Union Development Group (UDG), has received the most criticism in terms of corruption and lack of transparency.²⁰ Critics also have raised strategic concerns, as the resort is located in a sensitive area near a naval base, and there have been reports that the project could be used for military purposes.²¹ Worst, it is warned that the unsustainable and unaccountable loan that Cambodia has borrowed from China could push the nation to be another victim of the debt trap like its neighbours in the region, such as Lao and Sri Lanka.²² Moreover, in contrast to the Cambodian constitution, the US has accused the country of allowing China to build a military base in the coastal province of Sihanoukville. Such an accusation has greatly affected Cambodia's international reputation. The worst is yet to arrive, and if all these accusations are true, the naval base in Ream could threaten the CPP's legitimacy.

Government's strategies to restore CPP's legitimacy

Deep institutional reform to regain public trust

The significant contraction of popularity in the 2013 national election was a wake-up call for the CPP. Since then, the government has put substantial effort into institutional reform, fighting corruption, and improving social services in the hope of regaining trust and confidence of the population. For instance, under the Hun Sen leadership, the CPP has embarked on a major campaign under the strategy known as the five-step approach, "showering, mirroring, exfoliation, treatment, and surgery," which is designed to remind the officials to be self-corrected; otherwise, they will be removed from the office.²³ The strategy has witnessed many arrests of corrupt civil servants, which the public has highly applauded. Moreover, Hun Sen recently publicly declared that he is willing to transfer the power to his successor, Hun Manet, a technocrat with Western education background, which could further enhance the approval rate from the public.

Economic Recovery

Despite the impact of Covid-19, the Cambodian economy has quickly recovered thanks to the successful vaccination campaign, which allows the government to reopen the country for business and tourists. In addition, the community immunisation has enhanced the government's public

²⁰ 'Construction in Cambodia Raises Fears of Chinese Military Deal', Australian Financial Review, 26 July 2019, <https://www.afr.com/policy/foreign-affairs/construction-in-cambodia-raises-fears-of-chinese-military-deal-20190726-p52azc>.

²¹ Ibid.

²² Alden, Chris. *Understanding Debt and Diplomacy: China, 'Debt Traps', and Development in the Global South*. Working Paper, London: LSE IDEAS, 2020. Available at http://eprints.lse.ac.uk/110974/1/WorkingPaper01_FIN_04indd.pdf.

²³ Fresh News. "PM Hun Sen to Implement the "Fifth Approach" to Dismiss Corrupted Officials." 29 July 2019. Available at <http://en.freshnewsasia.com/index.php/en/localnews/14793-2019-07-29-10-05-57.html>.

support. Cambodia is amongst the leading nations that have retrieved expeditiously from Covid-19 regardless of its economic size and technological capacity. Moreover, amidst Covid-19, the government has also released stimulus funds worth approximately \$3 billion of dollars to assist the locals and small and medium enterprises, which help reboot the economic momentum.²⁴ Remarkably, the government has arguably transformed the challenges into opportunities. The Cambodian government has built many critical infrastructure projects, such as freeways and international airports, which are essential for long-term economic growth. As a result, despite the dip in 2020, the Cambodian economy has again enjoyed a rise of 3 per cent and an estimated 5.3 per cent in 2022 and 2023, respectively, which substantially boosts the government's legitimacy.²⁵

The management of Sino-Cambodian relations

The close relationship with China has faced many challenges, which requires Cambodia to implement a wide range of strategies to counter those criticisms. For example, regarding the accusation of a Chinese naval base in Sihanoukville, the government has invited all foreign ambassadors and defense attaché who reside in Cambodia, including the US, to visit the site to clear the misperception.²⁶ Moreover, concerning the Chinese loan, the 2019 World Bank report stated that the debt distress level in Cambodia remained low per the 2018 World Bank/IMF Debt Sustainability Analysis, reflecting that the Cambodian government has well managed its economy.²⁷ Cambodia has been taking steps to diversify its sources of financing in order to reduce its reliance on external debt and enhance its fiscal sustainability. Some of the measures that Cambodia has taken to diversify its sources of financing including increased domestic revenue mobilization and diversify sources of financing via multilateral and bilateral frameworks.²⁸ Moreover, the government has frequently reiterated its non-alignment policy and emphasised that Cambodia openly and warmly welcomes cooperation with every nation, which is the key to Cambodia's long-term survival.

Conclusion

²⁴ Kunmakara, May. "Over \$3B spent in two years to combat Covid-19." *The Phnom Penh Post*, 20 June 2022.

²⁵ See: Asian Development Bank, "Cambodia's Economy to Recover in 2021, Accelerate in 2022 - ADB," Asian Development Bank (Asian Development Bank, April 27, 2021), <https://www.adb.org/news/cambodia-economy-recover-2021-accelerate-2022-adb>.

²⁶ Thearith Leng and Vannarith Chheang, "Are Cambodia-U.S. Relations Mendable?," *Asia Policy* 28, no. 4 (2021): pp. 124-133, <https://doi.org/10.1353/asp.2021.0059>.

²⁷ See: World Bank Group, "Cambodia Economic Update May 2019," World Bank (World Bank Group, May 7, 2019), <https://www.worldbank.org/en/country/cambodia/publication/cambodia-economic-update-may-2019#:~:text=The%20economy%20performed%20better%20than,upward%2C%20compared%20to%20earlier%20p rojections.>

²⁸ Asian Development Bank, 'ADB to Help Diversify Cambodia's Economy, Boost Competitiveness', Text, Asian Development Bank, 6 December 2022, Cambodia, <https://www.adb.org/news/adb-help-diversify-cambodia-economy-boost-competitiveness>.

Although CPP's quest for legitimacy has experienced many bumpy roads, these dilemmas have yet to shake the Party's foundation due to its concrete and flexible strategies. So far, the Party has maintained the country's reputation as one of the fastest economies in the world regardless of principal contractions such as the pandemic. The government has also maximised its interests with superpowers such as China and Japan and reconsolidated the differences with the West. Notably, CPP has also reformed its internal structure to regain the trust and confidence of the population; the government has recently announced the plan to hand the power to the younger generation, which gives hope for more profound reform. However, the future is unpredictable, and it is dangerous to predict the direction the upcoming government may lead.

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