

## **CSEAS COMMENTARY**

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# Pentagonal Strategy: Rectangular Strategy Phase 5?

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#### Introduction

On Sunday 23<sup>rd</sup> July 2023, Cambodian people went to the polls to elect members of the National Assembly, the country's legislative body. The election resulted in 84.59% voter turnout and two political parties wining the parliamentary seats: the incumbent Cambodian People's Party (CPP) and the royalist FUNCINPEC Party<sup>2</sup>. CPP obtained 120 seats (96%) and became the ruling party, whereas FUNCINPEC gained only 5 (4%). One important thing is CPP had a new candidate for the prime minister position: Hun Manet, a West-Point-graduate army general and the eldest son of the incumbent prime minister Hun Sen. With new Prime Minister came new national development agenda: the Pentagonal Strategy. On August 24, at the first plenary session of the 7<sup>th</sup> legislature Council of Ministers, the new Prime Minister Hun Manet unveiled the Pentagonal Strategy (Phase 1), first of the five-phase master plan for leading Cambodia towards becoming a high-income country by 2050. The strategy was viewed as the successor to the Rectangular Strategy (Phase 1 to Phase 4) of the previous governments. The Pentagonal Strategy (Phase 1)<sup>6</sup> is particularly similar to the Rectangular Strategy (Phase 4)<sup>7</sup> in essence, priorities, and action plans. Thus, this analysis will provide detailed comparison of the two policies in the order of structures of both policies.

<sup>&</sup>lt;sup>1</sup> Panha Heng. August 2023. Cambodia's winning political parties support official election results. Available at <a href="https://www.khmertimeskh.com/501337639/cambodias-winning-political-parties-support-official-election-results/">https://www.khmertimeskh.com/501337639/cambodias-winning-political-parties-support-official-election-results/</a>

<sup>&</sup>lt;sup>2</sup> Ibid.

<sup>&</sup>lt;sup>3</sup> Ibid.

<sup>&</sup>lt;sup>4</sup> Toru Takahashi. August 2023. Hun Manet, the West Point graduate set to lead Cambodia. Available at <a href="https://asia.nikkei.com/Politics/Cambodia-s-new-leadership/Hun-Manet-the-West-Point-graduate-set-to-lead-Cambodia">https://asia.nikkei.com/Politics/Cambodia-s-new-leadership/Hun-Manet-the-West-Point-graduate-set-to-lead-Cambodia</a>

<sup>&</sup>lt;sup>5</sup> Yalirozy Teng. August 2023. Prime Minister Hun Manet has set out "Pentagonal Strategy-Phase 1" towards building a robust Cambodia in the next 25 years, centered on growth, employment, equity, efficiency and sustainability. Available at <a href="https://cambodianess.com/article/new-government-sets-pentagon-strategy-in-key-areas">https://cambodianess.com/article/new-government-sets-pentagon-strategy-in-key-areas</a> <sup>6</sup> Council of the Ministers. 25 August 2023. Pentagonal Strategy Phase 1. Available at <a href="https://www.ocm.gov.kh/pentagonal-strategy/">https://www.ocm.gov.kh/pentagonal-strategy/</a>

<sup>&</sup>lt;sup>7</sup> Ministry of Foreign Affairs and International Cooperation. 2023. Rectangular Strategies. Available at <a href="https://www.mfaic.gov.kh/Home/RectangularStrategies">https://www.mfaic.gov.kh/Home/RectangularStrategies</a>

### Motto, Raison d'Être, Objectives, and Priorities

Rectangular Strategy Phase 4 (hereon be referred to as Rectangular)'s motto is "Growth, Employment, Equity, and Efficiency", while Pentagonal Strategy Phase 1 (hereon be referred to as Pentagonal)'s motto is "Growth, Employment, Equity, Efficiency, and Sustainability". Both strategies have the same raison d'être or reason for existing: Cambodia Vision 2050 (leading Cambodia to become a high-income country by 2050). In terms of strategic objective, Rectangular aims for maintaining 7% annual economic growth, creating more jobs, keeping poverty rate below 10%, and strengthening capacity of public institutions. Pentagonal has the same goals but added sustainable socio-economic development and resilience against climate change. Furthermore, the priorities of Rectangular are (in order) road, water, electricity, and people, whereas Pentagonal's priorities are people, road, water, electricity, and technology. If we analyse the order of the priorities, the new strategy prioritises human resources and recognizes the necessity of technology.

### **Core and Overarching Environments**

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The cores or the main focus of both strategies are the same: governance reform. Each core possesses 'sides' or action plans for achieving the core objective. Table below illustrates these sides.

Table 1. Comparison of Cores and Sides

strategy	Rectangular	Pentagonal
core	Acceleration of Governance Reform	Governance Reform and Strengthening
	<ol> <li>Institutional Reform and Capacity Building;</li> </ol>	<ol> <li>Institutional Reforms and Strengthening;</li> </ol>
	2. Enhancement of Accountability and Integrity in the Public	2. Improvements of Human Resources and Work Efficiency;
sides	Administration; 3. Strengthening of Work Efficiency; 4. Strengthening of Private Sector	3. Enhancement and Strengthening of Accountability and Integrity in Public Administration;
	Governance.	4. Enhancement and Strengthening of the Effectiveness of Laws and Justice System;
		5. Strengthening of Governance of Private Sector and Businesses;

Source: compiled by author from Rectangular Strategy Phase 4 and Pentagonal Strategy Phase

At first glance, both strategies have almost identical core's sides, except that Pentagonal added "Enhancement and Strengthening of the Effectiveness of Laws and Justice System". The contents of the other four sides are almost identical. One main difference is in terms of public participation in strengthening the accountability and integrity of public administration. Rectangular mentions people's participation in policy formulation and implementation and also mechanism for feedbacks receiving and complaints handling from the public service users, while Pentagonal does not.

In terms of overarching environment, the elements in both policies are almost identical (Table 2), except for the foreign policy. The guideline for foreign policy in Pentagonal (overarching environment 2) is more specific and granular than that of Rectangular. Pentagonal emphasizes specifically on the principles of permanent neutrality, non-alignment, practice of soft yet firm flexible and balanced diplomacy, prohibition of the use of Cambodian territory as foreign military base, and opposing the threat and the use of force. This might be due to the reflection of current global situations.

Table 2. Comparison of Overarching Environments

strategy	Rectangular	Pentagonal
	1. Peace, Political Stability,	1. Continued Strengthening of
	Security, and Public Order	Peace, Political Stability,
	2. Favourable Environment for	Security and Public Order
	Business, Investment and	2. Adherence to an Independent,
	Development	Rule-Based, and Smart Foreign
	3. Strengthening Ownership and	Policy
overarching	Partnership in Development and	3. Ensuring Microeconomic and
environment	International Cooperation	Financial Stability
	4. Strengthening Cambodia's	4. Continued Building of Inclusive
	Capacity to Further Promote Its	and Effective Partnership for
	Integration into Regional and	Development Cooperation
	Global Economy	5. Continued Promotion of Deeper
		Integration into the Regional
		and Global Economy

Source: compiled by author from Rectangular Strategy Phase 4 and Pentagonal Strategy Phase

### **Strategic Rectangles and Pentagons**

The next element of Rectangular and Pentagonal is the outer layer of strategic Rectangles and Pentagons. At first glance, the four Rectangles of Rectangular and the five Pentagons of Pentagonal strategies look very similar. However, there are some noticeable differences.

Table 3. Comparison of Outer Layers

strategy	Rectangular	Pentagonal
	Rectangle 1: Human Resource	Pentagon 1: Human Capital
	Development	Development
	Rectangle 2: Economic	Pentagon 2: Economic Diversification
	Diversification	and Competitiveness Enhancement
outer layer	<b>Rectangle 3</b> : Promotion of Private	<b>Pentagon 3</b> : Development of Private
	Sector Development and Employment	Sector and Employment
	<b>Rectangle 4</b> : Inclusive and	Pentagon 4: Resilient, Sustainable, and
	Sustainable Development	Inclusive Development
		<b>Pentagon 5</b> : Development of Digital
		Economy and Society

Let us start with Pentagon 1 "Human Capital Development". The focuses and action plans of Pentagon 1 are similar to those of Rectangle 1,. To continue improving human capital, both focuses on education, technical skills, healthcare, and social protection system. However, there are two differences. First of all, Pentagon 1 includes as prioritised action plan the strengthening of "quality" of citizens for creating a highly civilized society with inclusiveness, equity, and morality. Second, the social protection strategy in Pentagon 1 is more specific in terms of implementing actors and agencies but seems to be built on achievements of the previous government.

Pentagon 2 on competitiveness enhancement and economic diversification has perhaps the most specific focus among all the pentagons. Like Rectangle 2, it prioritises hard and digital infrastructures, finding new source of economic growth, and financial and banking sectors. Nonetheless, there are two main differences. The first difference is with regards to infrastructure. On top of transport, logistics, energy, and digital infrastructures, Pentagon 2 includes water supply as prioritized sector, while Rectangle 2 did not. Second, regarding development of new sources of economic growth, Pentagon 2 also focuses on improving value-adding in agriculture whereas Rectangle 2 did not. In addition, it focuses on developing all kind of extractive industries, while Rectangle 2 focuses only on oil and gas. More importantly, Pentagon 2 indicates the government's ambition to establish a national petroleum company.

The strategies for development of private sector and employment in Pentagon 3 are similar to those of Rectangle 3. Specifically, both strategies focus on training institutions, job seeking services, apprenticeship, minimum wage, occupational safety, migrant workers, micro, small and medium enterprises (MSMEs), public private partnership, promotion of competition, and financial services<sup>8</sup>. One tiny difference is that Pentagon 3 does not mention anything about the role of the SME Bank established in the previous term.

Pentagon 4 and Rectangle 4 have similar elements. They focus on sustainable management of natural and cultural resources, agriculture and rural development, urban management, environmental sustainability, and readiness for climate change. On the other hand, there are five differences. First, Pentagon 4 also recognises demographic dividends as an indispensable part of resilient and sustainable growth. The issues of skilled labour, reproductive and sexual health, financial insecurity for the elderly, gender equality, and population age structure are given prioritised. Second, in terms of urbanization management, Pentagon 4 adds more infrastructures than Rectangle does such as installation of CCTV, expansion of flood drainage systems, and urban firefighting system. Third, regarding promotion of construction sector, Rectangular 4 mentions Poipet city (in the northwest, neighboring Thailand) and Bavet city (in the southeast, neighboring Vietnam), whereas Pentagon 4 mentions the revival of unfinished construction sites in Preah Sihanouk (deep-sea-port province in the southwest) and the transformation of those buildings into

<sup>&</sup>lt;sup>8</sup> The focus on financial services is not mentioned in Rectangle 3 but in Rectangle 2 instead.

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affordable housing. Fourth, Pentagon 4 also raises the possibility of introducing law on wastewater and of amending regulations and laws on urbanization, land management, and construction which came into effect in 1994. Lastly, it includes the use of IT and AI in environmental and climate-friendly practices.

Finally, Pentagon 5 seems to be developed based on the third side of Rectangle 2 (Readiness for digital economy and industrial revolution 4.0). Nonetheless, Pentagon 5 expanded more on the aspect of implementing digital transformation of government, business and economy, and finance. It also lists down action plans for improving digital infrastructure and trust in digital system.

#### **Conclusion**

The purpose of this comparison between the Rectangular Strategy (Phase 4) and the Pentagonal Strategy (Phase 1) is to examine how the development roadmaps and objectives of the Royal Government of Cambodia has changed from one generation to another. To sum up, the Pentagonal Strategy (Phase 1) drawn up by the seventh legislature government headed by a new prime minister is seen to be a continuation of the previous Rectangular Strategy (Phase 4) but with some twitches and wider scopes to reflect the changing political, economic, social, environmental, and global situations. They are similar in terms of motto, objectives, priorities, and raison d'être.. They also have similar cores and overarching environments.

The five Pentagons and the four Rectangles of the two strategies are not dissimilar from one another. They prioritised people's education, skills, employment, well-being, and social protection while continuing to develop both hard infrastructure and soft infrastructure (effectiveness of governance) to enhance competitive edge and economic growth. The issues of maintaining demographic advantage, preserving resource sustainability, and achieving readiness for climate change are also emphasised. However, the Pentagons of the Pentagonal Strategy (Phase 1) provide more detailed and granular action plans than those of the Rectangular Strategy (Phase 4). In addition, the necessity of improving human capital and of embedding technology into every aspect of government, economy and society is repeatedly mentioned in almost every point of the Pentagonal Strategy (Phase 1). Therefore, by understanding the Pentagonal Strategy (Phase 1), Cambodian people can prepare for and adapt ourselves to socio-economic changes to be brought forth by this new development strategy. On top of that, we also have on hand a reference against which we can evaluate the performance and development promised by the government.

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