

## **A Cambodian Perspective on Lancang-Mekong Cooperation Initiatives: Opportunities, Challenges, and Future Directions**

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### **I. Introduction**

The reign of terror that once enveloped Cambodia is over. Since 1998, the country has enjoyed peace, stability, order and buoyant economic growth. Its engagement with ASEAN, good relations with the major powers such as China, India, Japan, The EU, South Korea, Russia and The United States, and its market economy driven policies have resulted in substantial inflows of foreign direct investment.

Today Cambodia is moving towards becoming a lower middle-income nation. Given its buoyant economy, which has been expanding at an average rate in excess of 7 percent in real terms for the last 2 decades, Cambodia is, according to the Asian Development Bank, an emerging tiger economy in ASEAN with a projected growth of 7 percent to 7.5 percent in 2016, compared with the region's average of below 5 percent. This growth has been driven by the solid performances of four industries: garment manufacturing, tourism, paddy and milled rice, and construction.

The poverty rate fell from 50 percent to below 20 percent from 2007 and 2012 (Asian Development Bank, 2016). The development record shows progress toward the realization of the Royal Government of Cambodia's early aspiration: "By the end of the first decade of the 21<sup>st</sup> century, Cambodia is to reclaim a full ownership of its destiny, while becoming a real partner in region and global affairs and a nation of genuine freedom and being free from poverty" (Royal Government of Cambodia, 2013).

Cambodia is endowed with abundant natural resources including oceans, rivers, trees, mountains and good weather. Additionally, the country is absent of earthquakes and other natural disasters except seasonal storms and floods. On the manmade side, Cambodia is rich

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with national-cultural icons comprising of aged Buddhist monasteries, and ancient-ruined temples like Angkor Thom (Bayon Temple), Angkor Toch (Angkor Wat) Temple, Preah Vihear Temple on the top of Dong Rek Mountain, Banteay Srey Temples and other ruins throughout the length and breadth of the country. It is no wonder why Cambodia is increasingly known as the Kingdom of Wonder by many tourists.

I would like to present four aspects, Cambodian relation to Mekong River countries, opportunities, challenges and future directions.

## **II. Cambodian Relations with Mekong River Countries**

Cambodia has been an active member of ASEAN since the admission in 1999, and has been actively playing an important role in realizing ASEAN core values, particularly in the efforts to establish ASEAN integration and community building. Cambodia successfully hosted the ASEAN Summit in 2012 in Phnom Penh. Cambodia has been a good friend to ASEAN member states and continues to promote stronger diplomatic relations with ASEAN member states in tackling issues of common concern within ASEAN and the world at large.

Cambodia's relations with Greater Mekong Sub-region countries, namely China, Laos, Myanmar, Vietnam and Thailand, are also very good. Cambodia has been actively engaging in bilateral and multilateral cooperation with these nations for some time. Cambodia has been supporting existing cooperation mechanisms including the current Lancang Mekong Cooperation Initiative, and has put a lot of effort in to implementing cooperative development programs in this region. It has also proposed some initiatives for facilitating and implementing cooperation in the CLMV and GMS and so on.

Good relations between China and Cambodia have led to a very high strategic partnership. China regards Cambodia as a most sincere and trusted friend. Both countries have commented on this kind of strategic, trusting relationship in several bilateral meetings between the two leaders.

### **1. Opportunities**

Look at a brief background of Lancang River: Lancang represents the Lancang River, Mekong means the Mekong River.<sup>1</sup> (White, Jacobs and Owen, 2014). Originating from the Tanggula

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<sup>1</sup> The Mekong is a trans-boundary river in Southeast Asia. It is the world's 12th-longest river and the 7th-longest in Asia. Its estimated length is 4,350 km (2,703 mi), and it drains an area of 795,000 km<sup>2</sup> (307,000 sq mi), discharging 457 km<sup>3</sup> (110 cu mi) of water annually. From the Tibetan Plateau the river runs through China's Yunnan province, Myanmar, Laos, Thailand, Cambodia and Vietnam. In 1995, Laos, Thailand, Cambodia and Vietnam established the Mekong River Commission to assist in

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Mountains in Qinghai Province, the Lancang River flows through the Tibet Autonomous Region, Yunnan Province and cuts across alpine and gorge regions. The section that flows out of China from Xishuangbanna, is called the Mekong River. With a total length of 4,880 km, the River successively flows through Myanmar, Laos, Thailand, Cambodia and Viet Nam, before it enters the South China Sea. The Mekong links the 6 countries and serves as their natural bondage and a cradle where their people live and breed. It bred their similar, yet distinctive cultures and forged their time-honored, profound and extensive economic and humanistic connections. With abundant resources, a drainage area of 795,000 square kilometers is home to 326 million people and produces a GDP of 590 billion USD with an annual economic growth rate of 7%, the Lancang-Mekong region is now one of the most promising regions in Asia and the world at large. However, due to historical reasons, the development of the Mekong sub-region started relatively late. Its economic level lags behind that of surrounding countries and regions. The per capita GDP is only over 2800 USD and it has a long way to go to achieve industrialization, technological advancement, and agricultural modernization. In order to narrow the development gap, the Mekong River countries have set development as the top priority. Additionally, they actively participate in regional cooperation, improve their domestic investment environment, attract foreign investment, and vigorously develop infrastructure. It is clear that they all have a strong will to promote development through cooperation (Fmprc.gov.cn, 2016).

The Lancang-Mekong Cooperation Initiative, initiated by the Chinese in 2014 and endorsed by the five ASEAN member states located in the GMS (Cambodia, Laos, Myanmar, Vietnam and Thailand), will make strong geopolitical alliances and share the abundant resources available. This cooperation will create many possible opportunities for investment, trade and tourism in the region and beyond.

The Mekong River countries are expected to reap benefits from the Lancang-Mekong Cooperation (LMC) Initiative, and together with other mechanisms, the future hopes of these countries will be realized. China and the ASEAN-Mekong River countries have completed a lot of activities and increased their efforts to cooperate, including establishing and launching many cooperation mechanisms such as the Mekong Sub-Regional Cooperation between China,

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the management and coordinated use of the Mekong's resources. In 1996 China and Myanmar became "dialogue partners" of the MRC and the six countries now work together within a cooperative framework. The extreme seasonal variations in flow and the presence of rapids and waterfalls in the Mekong make navigation difficult. Even so, the river is a major trade route between western China and Southeast Asia.

Vietnam, Laos, Myanmar and Cambodia, that agrees to launch zero tariffs in January 2015; the Greater Mekong Sub-region (GMS) Cooperation, which involves five ASEAN members (Cambodia, Laos, Myanmar, Vietnam, and Thailand) and China (the provinces of Yunnan and Guangxi); the Mekong River Commission (MRC); Cambodia, Laos, Myanmar and Vietnam (CLMV) Cooperation, ASEAN-Mekong Basin Development Cooperation (AMBDC) established in 1996; Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS); Golden Quadrangle or the Quadripartite Economic Cooperation (QEC); the Lower Mekong Initiative (LMI); the Summit Meeting between Japan and Mekong River Basin Countries; the China-Laos-Myanmar-Thailand Joint Patrol Law Enforcement and Security Cooperation on the Mekong River Basin; and the China Silk Belt Economic Road (One Belt, One Road) economic development initiative, intended to enhance connectivity with regional countries bordering China. In particular, to improve diplomatic relations and develop a higher level of understanding and trust, to promote economic and social development by improving the living conditions of people living in Mekong River countries.

The three pillars of LMC - political and security issues, economic affairs and sustainable development, and social affairs and people-to-people – are newly established mechanisms by which GMS countries will make more commitments and increase their efforts and actions to achieve their mission, The mission being to study, address and tackle issues of common concerns related to political and physical security, promoting sustainable economic cooperation, and raising the standard of living.

Other possible opportunities for benefits from these mechanisms are as follows:

- LMC would contribute to ASEAN integration and ASEAN Community building and achieve its objectives through the three pillars of cooperation, namely political and security issues, economic and sustainable development, and social, cultural and people-to-people exchanges.
- Provide great opportunities to connectivity, including people to people, government to government, experts to experts, researchers to researchers and other interested parties to better understand other nations living traditions and diverse cultures, education policies, political structures, and the economic and social development of the diverse people of the Mekong-river countries, among others.
- Production capacity: develop a greater understanding about human resource capacity in product production, including productivity, demand, and supply.

- Cross-border economic cooperation: the exchange of goods or products, investments, water resources, agriculture, poverty reduction, cultural activities, and education.

### **2. Challenges**

The world as a whole is slowly recovering from the world economic and financial recession, and the Mekong River countries, too, are on the slow path to recovery and development. The slow economic recovery of the countries in the region means it has direct impact on the development cooperation plans and projects of the countries in the region. China is an emerging world economic power, and the current slowdown of its production and investment impact GMS countries, ASEAN, and the rest of the world directly. It is usually said that the great powers have great responsibilities, and the smaller powers have smaller responsibilities. This simply means that China should play a leading role in mitigating challenges, by helping the other cooperative partners cope with and resolve those challenges. However, in response to the world-economic and financial recession in 2008, the global community has suggested that no country, powerful or not, can resolve regional and global issues alone. Rather, all countries must join hand in hand to address the issues and resolve them together. This is based on the new 21<sup>st</sup> century philosophy of shared power and shared responsibilities; it gives value to one another.

Current and future challenges such as increasing world and regional economic competition, alleviating social poverty and social inequality, closing development gaps, water resources control and management, and non-traditional security threats namely terrorism, transnational crimes, cross-border human trafficking, natural disasters, climate change, environmental problems and pandemics. The LMC initiative needs to carefully study and monitor progress in these areas, and ensure that responsibility is shared.

To deal with the above mentioned challenges, “The LMC shall promote high-level exchanges, dialogue and cooperation to enhance mutual trust and understanding and implement the Cooperation Initiative on Poverty Reduction in East Asia,” Chinese Premier Li Keqiang said on March 23 in Sanya, in southern China’s Hainan Province (English.gov.cn, 2016). This is a realistic recommendation for the countries concerns. Continuing to promote and deepen mutual understanding and trust within these countries is necessary because many members have had unfriendly relations in the past. Thus, to bury the bad-past experiences and regain trust and understanding is said to be a first priority of action. Vital for future relations is the need to effectively develop, manage and sustain long-term development of the Mekong River’s

resources. Nature, environment, bio-diversity, native species, and culture must be protected and preserved properly. Free water flow of the river must also be ensured for the benefits of all, not just for a few. If not, we will create barriers for development, trust and mutual understanding will not be achieved, poverty will not be reduced as planned, the risk of instability in the region will rise, and cross-border and transnational crimes and human trafficking will continue to exist.

The LMC needs to deepen law enforcement and security cooperation through information exchange, capacity building, and coordination of joint operations. They will establish a center in China for LMC water resources cooperation, and strengthen cooperation against non-traditional security threats, the department said.

We hope that the Lancang Mekong Cooperation mechanisms will not only make the movement of people and goods between those concerned countries easier, but also speed up the region's development as a whole. With proper and complete implementation, LMC will promote people-to-people and state-to-state interactive connectivity, mutual understanding, dialogue, networking, communications, peace, cooperation, development and prosperity. For example, since its establishment in 2014, there has been over 70-harvest projects covering water resource management, poverty alleviation, public health, infrastructure, personal exchanges, research, and science and technology (English.gov.cn, 2016).

### **3. Future Directions**

The Mekong River countries have experienced a lot of challenges over the years, and continue to face challenges in present day. Such experiences provide lessons for creating a future direction that can realistically achieve strategic goals, visions and missions, therefore Mekong River countries should continue do as follows:

- Use and enhance all agreed upon existing mechanisms, as mentioned above, to promote trade and investment, including specific trade and investment missions in CLMV and GMS countries.
- The promotion of peace, stability and security in the region is vital for all kinds of cooperation including the effective implementation of all agreed upon mechanisms and annual action plans. Mekong river countries must promote a philosophy of common destiny of the region. Meaning, regardless of the international and regional situation, members of Mekong River countries should continue to make all efforts to contribute to national and regional peace, stability and development.

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- Implement realistic approaches and prioritize development plans and activities. The need to create resilient development that benefits all member countries in the region. I would like to refer to the recommendation of Premier Li during the 1<sup>st</sup> Lancang-Mekong Cooperation leaders' Meeting in Sanya, China on 22-23 March 2016, that says,  
“Development is the top priority project for the Lancang-Mekong cooperation, and the countries should utilize their own strengths to help others. Development principles of the countries should be coordination, complementary advantages, pragmatic and forward-looking, open and inclusive and they should also take part in cooperation with co-consulting, co-building and sharing to achieve common development. And I also support other recommendation he made during the meeting..., promote cooperation based on projects. At this stage, we should make cooperation in the fields of interconnectivity, production capacity, cross-border economy, water resources, agriculture and poverty alleviation, while carrying forward the determined LMC early harvest projects step by step, and promote openness and inclusiveness. The Lancang-Mekong Cooperation is not an exclusive mechanism”
- Promote LMC mechanisms to attract and welcome investments from other ASEAN member states and ASEAN cooperation partners, including Japan, South Korea, the European Union, and the United States.
- Undertake regular meetings among the leaders' of Mekong River countries, and experts and eminent persons, researchers, educators and think-tanks to discuss and address issues of common concern in the region, ASEAN and the world at large that have direct and indirect implications to development cooperation efforts in all Mekong River countries.
- Conduct capacity building programs, research exchanges and publication exchanges about GMS and CLMV related issues on the implementation impact of annual action plans of all existing mechanisms, scholarly exchanges, and people-to-people exchanges to deepen mutual understanding of traditions, customs, norms, religions, and culture of people who are living along the Mekong River.
- Study and review the existing mechanisms, particularly on weak areas of annual action plans and put more efforts to better them for future direction and achievements.

- Use all means of cooperation to improve and enhance mutual trust, mutual understanding, to solve problems together, and secure a peaceful and stable environment in the Lancang-Mekong sub-region and GMS region as a whole by using a win-win strategy for all countries. Avoid exploitation of the mechanisms and existing agreements because that kind of action will weaken mutual trust and thus, slowdown trade, investment and other related projects, which are mutually beneficial activities. If the leaders of Mekong River countries can maintain trust they will help to develop all of the countries' economies, raise living conditions, alleviate poverty, and so on.
- Install alarm systems and early warning systems in the region so that people who are affected by natural disasters can be protected.
- Undertake and promote information sharing among the Mekong River countries. Information sharing will benefit all members and is a good way to ensure full understanding of important issues and thus, to ensure that appropriate measures can be put in place.

### **III. Conclusion**

In conclusion, the LMC initiative is another important mechanism for promoting and enhancing foreign relations and development cooperation among Mekong River countries as well as other ASEAN member states and the world. Mekong River countries share common heritage along one of the largest rivers in the world, the Mekong River. Capital investment and trade activities should always be promoted, and jobs and better living conditions should be continued to be developed. In particular, China should devote more investment, trade and other development projects to improve the living conditions of people who live along the river. Poverty and social inequality should always be one of the top priorities all nations' action plans. In addition to the above-mentioned in "Future Direction," I would like to give some more recommendations for the future resilient development of the region through the Lancang-Mekong Cooperation as follows:

- All people should have access to natural resources and development projects.
- Development projects and investments should not destroy the environment, traditions, customs, norms, religion or culture of people who live along the river.
- Information sharing among the concerned countries is very important. All countries of interest should be well informed about issues and situations happening in the region so that urgent responses can be made on time.

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- Undertake studies and research about the region before a project can be designed and implemented.
- Another important factor is the cooperation among the concerned countries on developing prevention mechanisms for non-traditional security threats, such as anti-terrorism, human trafficking, transnational crimes, and pandemics in the region.

I hope that the Lancang-Mekong cooperation is a fruitful mechanism, and will thus bring economic development and poverty reduction to peoples of the six countries and will be attractive places for foreign direct investment, trade and tourism.

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