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Cambodia: Background and U.S. Relations in Brief

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Summary

The United States and the Kingdom of Cambodia have been strengthening bilateral ties for several years. U.S. concerns about governmental abuses of power and human rights violations, however, have constrained the development of relations. Areas of congressional concern have included providing development assistance, promoting democracy and human rights, and supporting victims of Khmer Rouge atrocities. U.S. interests in Cambodia, one of the poorest countries in Asia, include strengthening democratic institutions and norms, encouraging civic participation in politics, promoting the rule of law, increasing bilateral trade and investment, supporting economic growth, reducing poverty, and improving public health. U.S. military engagement includes naval port visits, military assistance, education and training, and joint exercises related to international peacekeeping, humanitarian and disaster response, and counterterrorism. The United States also has provided assistance to Cambodia, one of the countries in the world most heavily afflicted by unexploded ordnance (UXO), for de-mining programs and victims of UXO. The Lower Mekong Initiative (LMI), launched by the Obama Administration in 2009, is a foreign assistance effort through which the United States aims to promote cooperation and capacity building among Lower Mekong River countries (Burma, Cambodia, Laos, Thailand, and Vietnam) in several sectors. The LMI has become an element of the U.S. strategic rebalance to the Asia-Pacific region.

During the past decade, Cambodia has made fitful progress in some areas of governance and human rights, including the conduct of elections, the development of civil society, and improvements in labor conditions. Economic growth has brought prosperity to some Cambodians, particularly in urban areas, and many rural residents also have experienced improvements in their lives. Political institutions, however, remain weak and economic disparities have widened. Labor relations have shown growing signs of strain in recent years. The State Department reported that although the 2013 parliamentary elections were “mostly peaceful” and the election campaigns were “largely free of intimidation,” the voting process was “fraught with irregularities.” According to some experts, Prime Minister Hun Sen has flouted democratic institutions and norms but also made some political compromises in the face of domestic and international pressure.

Cambodia has entered a period of nominal political power sharing after several years of one party rule by the Cambodian People’s Party (CPP). The national elections of 2013 resulted in a striking reversal of fortunes for the CPP and a boost for the opposition Cambodian National Rescue Party (CNRP). The election results reflected a changing electorate, one that is younger and with rising expectations and more concerned about corruption and inequality. Many analysts remain doubtful about whether Hun Sen will respect checks on his power as part of an agreement reached with the opposition in July 2014.

During the Khmer Rouge’s three-year rule over Cambodia (1975-1978), nearly 2 million out of a population of 8 million Cambodians died from execution, torture, overwork, starvation, and disease. The Extraordinary Chambers in the Courts of Cambodia (ECCC), a court with international and Cambodian judges and prosecutors, began proceedings in 2006 to try Khmer Rouge leaders responsible for grave violations of national and international law, including crimes against humanity. The court has delivered guilty verdicts to three former high ranking officials. Cambodian and international human rights groups have advocated expanding the scope of prosecutions to include mid-ranking Khmer Rouge officials, while Prime Minister Hun Sen has opposed expanding the number of indictments.

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Overview

The United States and the Kingdom of Cambodia have been strengthening bilateral ties for the past decade as Cambodia has emerged from its tragic past. The Obama Administration has taken gradual steps toward broadening engagement with Cambodia, although concerns remain about human rights violations and political corruption. Hillary Clinton visited Phnom Penh in October 2010, the first visit by a U.S. Secretary of State in seven years. Secretary Clinton reportedly cautioned Cambodians about becoming too dependent upon China.¹ In November 2012, President Barack Obama traveled to Cambodia to attend the U.S.-Association of Southeast Asian Nations (ASEAN) Leaders Meeting and the East Asia Summit (EAS). While in Phnom Penh, Obama, the first incumbent U.S. President to visit Cambodia, briefly met with Prime Minister Hun Sen and reportedly urged him to allow greater political freedom.²

U.S. interests in Cambodia, one of the poorest countries in Asia, include strengthening democratic institutions and norms, encouraging civic participation, promoting the rule of law, increasing bilateral trade and investment, supporting economic growth and public health, and reducing poverty.³ Since 2005, U.S. military cooperation with Cambodia has increased as well. Military activities include U.S. naval port visits, U.S. military assistance, education and training, and joint exercises related to international peacekeeping, humanitarian and disaster response, and counterterrorism. Angkor Sentinel, launched in 2010, is an annual bilateral exercise held in Cambodia that focuses on peacekeeping and humanitarian assistance.⁴

Cambodia at a Glance

Area: 70,000 sq. miles (about the size of Missouri)
Capital: Phnom Penh
Population: 15.5 million
Government: parliamentary under a constitutional monarchy
Next General Election: 2018
Economic Sectors (percent of GDP): agriculture (35); industry (24); services (41)
Life Expectancy: 63 years
Religion: Theravada Buddhism (95% of population)
Literacy: 77%
GDP per capita: \$2,600 (purchasing power parity)
Source: Central Intelligence Agency, <i>The World Factbook</i> , 2015

¹ John Pomfret, "Clinton Urges Cambodia to Strike a Balance with China," *Washington Post*, November 1, 2010.

² "Human Rights Main Focus of Obama Meeting with Hun Sen, US Says," *VOA Khmer*, November 21, 2012.

³ See Department of State, Daniel R. Russel, "Remarks on the U.S.-Asia Rebalance and Priorities," Phnom Penh, Cambodia, January 27, 2015, <http://www.state.gov/p/eap/rls/rm/2015/01/236764.htm>; Carlyle A. Thayer, "The Tug of War over Cambodia," *USNI News*, February 19, 2013.

⁴ Christopher McCullough, "US, Cambodia Partner for Exercise Angkor Sentinel in 2015," March 17, 2015, <http://www.army.mil>.

society actors and organizations. Some analysts say that he is creating a political dynasty by placing his sons in prominent government and military positions.⁷

2013 Elections

Prior to the 2013 national elections, 27 opposition lawmakers were expelled from parliament after they became members of a new political party.⁸ The main opposition leader, Sam Rainsy, who had been sentenced in absentia to a total of 12 years in prison on charges widely regarded as politically motivated, was living in exile. Following international pressure, the government pardoned Sam Rainsy in July 2013. He returned to Phnom Penh less than 10 days before the national elections, although he was still declared ineligible to vote or run as a candidate.

The July 2013 general election gave the ruling Cambodian People's Party (CPP) its lowest level of support since 1998. The CPP lost 22 seats in the National Assembly, holding onto 68 out of a total of 123 seats. The main opposition groups, unified as the Cambodian National Rescue Party, won 55 seats, a gain of 26, largely through the support of urban and younger voters. The State Department reported that although the parliamentary elections were "mostly peaceful" and the election campaigns were "largely free of intimidation," the voting process was "fraught with irregularities." The National Democratic Institute found voting irregularities in 60% of polling stations, including voters being turned away, voters lacking documentation, and other problems.⁹ Large public demonstrations against Hun Sen took place in Phnom Penh. Hundreds of thousands of garment workers also joined the demonstrations. Several protesting workers were killed in clashes with police in January 2014.¹⁰ The United States Congress imposed conditions on non-humanitarian foreign assistance to Cambodia, largely in response to human rights concerns. (See "U.S. Assistance," below.)

2014 Power-Sharing Agreement

The CNRP's boycott of parliament lasted for over a year. In July 2014, following protests and arrests at Phnom Penh's Freedom Park involving opposition Members that threatened to spiral out of control, an agreement on political reforms was negotiated between Hun Sen and the opposition. The terms included the sharing of parliamentary commission chairmanships and positions on the National Election Committee, as well as allowing CNRP President Sam Rainsy to take a seat in parliament and to assume the position of opposition leader. CNRP Vice-President Kem Sokha was elected Vice-President of the National Assembly. Three remaining activists who were being held in jail were released. The government also promised the CNRP a license for its own television channel. Amidst the hope of a new political era in Cambodia, the political arrangements remain fragile, and deep political divisions are likely to severely test pledges of cooperation, according to some experts. Hun Sen reportedly threatened to put an end to the new "culture of dialogue" following opposition Vice President Kem Sokha's public criticisms of the

⁷ "Cambodia's Ruling Party Promotes PM Hun Sen's Sons, Top Allies," *Straits Times*, February 2, 2015; "Cambodia's Ruling Party Facing Leadership Dilemma," *Agence France-Presse*, July 25, 2013.

⁸ In 2012, the Sam Rainsy Party and the Human Rights Party merged to form a single opposition party, the National Rescue Party (NRP), with Sam Rainsy as President and Kem Sokha as Vice-President.

⁹ Department of State, *Country Reports on Human Rights Practices for 2013: Cambodia*, February 27, 2014; Thomas Fuller, "Cambodian Opposition Rejects Election Results," *New York Times*, July 29, 2013.

¹⁰ "Cambodia Garment Workers Killed in Clashes with Police," *BBC*, January 3, 2014.

CPP.¹¹ Some experts say that the next elections in Cambodia, the 2017 commune council or local elections, will be an indicator of whether the opposition's growing strength is likely to continue and, if so, whether Hun Sen, who wants to serve a sixth term as Premier, will accept further erosion of his power.

Modern Political History: Norodom Sihanouk, the CCP, FUNCINPEC, and Sam Rainsy

The Kingdom of Cambodia received its independence from France in 1953. Beginning in 1969, during the Vietnam War, the United States conducted a four-year, sustained, large scale bombing campaign and incursion into Cambodia aimed at North Vietnamese soldiers. According to some historians, the American bombing helped the Cambodian communists to gain followers and military recruits in rural areas. In March 1970, the military forces of pro-American General Lon Nol overthrew the government of Prince Norodom Sihanouk in a coup. A civil war followed, culminating in the defeat of Lon Nol in April 1975 by the Communist Party of Kampuchea (Khmer Rouge). During the Khmer Rouge's brutal three-year reign—which included forced depopulation of the cities and the establishment of rural communes—nearly 2 million out of a population of 8 million Cambodians died from execution, torture, overwork, starvation, and disease. In January 1979, Vietnamese forces drove the Khmer Rouge from Phnom Penh. A 13-year civil war ensued, in which Khmer Rouge, Cambodian nationalists, and royalist insurgents fought the Vietnamese-backed Peoples Republic of Kampuchea (PRK). Hun Sen, a Khmer Rouge military officer who had defected from the regime in 1977 and fled to Vietnam, served as Prime Minister and Foreign Minister of the PRK.

Following the Vietnamese withdrawal from Cambodia in 1989, a United Nations (U.N.)-brokered peace settlement officially ended the war. In 1993, elections were held for a 120-seat Constituent Assembly and Prince Sihanouk returned to Cambodia and was crowned as king. For a decade and a half, three major parties vied for power and influence: the Cambodian People's Party (CPP) under the leadership of Hun Sen; the royalist FUNCINPEC Party (National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia); and the opposition Sam Rainsy Party. After sharing power with FUNCINPEC since 1993, Hun Sen staged an armed takeover of government in 1997. In the face of considerable international pressure and the withholding of foreign aid, Hun Sen held new parliamentary elections in July 1998, which the CPP narrowly won. The CPP and FUNCINPEC again agreed to form a coalition government, with Hun Sen as Prime Minister and Prince Ranariddh, the second son of King Sihanouk, as President of the National Assembly. This uneasy partnership continued until 2006, when Ranariddh was ousted as the leader of FUNCINPEC, which began to decline as a major political force in Cambodia. In 2004, King Norodom Sihanouk abdicated the throne due to illness and his eldest son, Prince Sihamoni, succeeded him as King. On October 15, 2012, Norodom Sihanouk died of heart failure, at the age of 89, in Beijing.

Khmer Rouge Tribunal

During the Khmer Rouge's three-year rule over Cambodia (1975-1978), it attempted to create an agrarian, communist society that involved the forced depopulation of cities, the executions of many educated and wealthy Cambodians, and the establishment of rural communes. Nearly 2 million out of a population of 8 million Cambodians died from execution, torture, overwork, starvation, and disease. The Extraordinary Chambers in the Courts of Cambodia (ECCC), an international tribunal established through an agreement between the government of Cambodia and the United Nations, began proceedings in 2006 to try Khmer Rouge leaders and others responsible for grave violations of national and international law.¹² The ECCC has been financed through contributions by the Cambodian government and donations by foreign countries, particularly Japan, both directly to the ECCC and to a U.N.-administered international trust fund. The tribunal reportedly has been hampered by interference from the Cambodian government and

¹¹ Meas Sokchea, "'Culture of Dialogue' at Risk," *Phnom Penh Post*, April 30, 2015.

¹² The tribunal has 17 Cambodian judges and prosecutors and 10 international judges and prosecutors. As a safeguard against bias, verdicts require a "super-majority"—a simple majority plus the vote of at least one international judge.

the alleged corruption of Cambodian court officials, resignations by some international judges, and unexpected costs and delays.¹³

The U.S. government withheld assistance to the ECCC from 2006 to 2008 due to doubts about the court's independence. In 2008, the State Department announced that the court met international standards, and began providing annual contributions through the U.N. trust fund (\$5.2 million in FY2014).¹⁴ Since 2010, some foreign operations appropriations acts have placed conditions upon assistance to the ECCC in order to discourage corruption and political interference within the court.¹⁵ The U.S. government also has provided financial support to the Documentation Center of Cambodia (DC-Cam), an archive, library, and public service center focused upon Khmer Rouge atrocities (\$7.6 million between 2004 and 2014 for an endowment and core operations funding).¹⁶

ECCC prosecutors charged five former Khmer Rouge leaders with crimes against humanity and war crimes and three have been sentenced: Kaing Guek Eav (known as Comrade Duch), Pol Pot's "chief executioner" who ran the infamous Toul Sleng prison in Phnom Penh; Nuon Chea, the organization's second-in-command; former Foreign Minister Ieng Sary; Ieng Thirith (Ieng Sary's wife), Democratic Kampuchea's Minister of Social Affairs; and Khieu Samphan, the chief of state in charge of economic policies. In 2010, Kaing Guek Eav was sentenced to 35 years in jail (minus time already served), which many Cambodians considered to be too lenient. In February 2012, the court rejected Kaing's appeal and increased his term to life in prison. Ieng Sary died in March 2013, before the completion of his trial, while Ieng Thirith was declared mentally unfit for trial and freed. In August 2014, the court sentenced Nuon Chea and Khieu Samphan each to life in prison for crimes against humanity in the first of three phases of trial deliberations.

Cambodian and international human rights groups have advocated expanding the scope of prosecutions to include mid-ranking Khmer Rouge officials. Prime Minister Hun Sen has opposed expanding the number of indictments, arguing that it would undermine national reconciliation and stability.¹⁷ Cambodian prosecutors of the ECCC have blocked the indictments of additional suspects recommended by international officials on the tribunal, maintaining that they were "not either senior leaders or those who were most responsible" during the Khmer Rouge period.¹⁸ Some analysts contend that Hun Sen is reluctant to widen the scope of the trials due to his former connections with Khmer Rouge military leaders.¹⁹

¹³ See "Cambodia: Khmer Rouge Convictions 'Too Little, Too Late,'" Human Rights Watch, August 8, 2014.

¹⁴ Between 2008 and 2014, the United States contributed over \$30 million to the U.N. trust fund. The operations of the ECCC have cost \$200 million since 2006.

¹⁵ During fiscal years 2010-2013, foreign operations legislation made support to the ECCC conditional upon certification by the Secretary of State that the United Nations and the Government of Cambodia were taking credible steps to address allegations of corruption and mismanagement within the court. The Consolidated Appropriations Act, 2014 (P.L. 113-76, Section 7043(c)) provided that U.S. contributions to the Khmer Rouge Tribunal should not be made available unless the Secretary of State certified that the Government of Cambodia also had provided funding. The Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235, Section 7043(c)) provided that funds may not be made available to the Khmer Rouge Tribunal until the Secretary of State reported that the Government of Cambodia was making financial contributions to the court and the tribunal was free of governmental interference, among other conditions.

¹⁶ Information provided by USAID.

¹⁷ "Expanding Khmer Rouge Trials Could Spark War: Hun Sen," *The Nation*, February 28, 2015.

¹⁸ "Statement by the National Co-Prosecutor Regarding Case File 003," Extraordinary Chambers in the Courts of Cambodia, May 10, 2011.

¹⁹ Prak Chan Thul, "Hun Sen Hostility Puts Decade-Old U.N. Khmer Rouge Tribunal in Doubt," *Reuters News*, April (continued...)

U.S. Assistance

Cambodia is heavily dependent upon overseas development assistance (ODA) from Japan, the United States, Australia, and Europe (totaling \$500 million annually).²⁰ It is the fifth-largest recipient of U.S. foreign aid in Southeast Asia after Indonesia, the Philippines, Vietnam, and Burma, and the second-largest beneficiary per capita after Timor-Leste. The Kingdom received \$70.9 million in U.S. assistance in FY2014,²¹ after meeting conditions imposed by Congress following the 2013 parliamentary elections.²² From 1998 to 2007, Congress prohibited direct or government-to-government assistance to Cambodia in order to pressure Prime Minister Hun Sen into fully restoring democracy, but allowed U.S. assistance to NGOs and some humanitarian programs in Cambodia to continue. Congress lifted the ban in 2007 due in part to improving democratic processes.

Major U.S. aid efforts in Cambodia, channeled largely through nongovernmental organizations (NGOs), include the following aid accounts, funding levels, and program areas:²³

- **Development Assistance** (\$26.7 million in FY2014): civil society; political parties; mass communications; trafficking in persons; food security; nutrition; early education
- **Economic Support Funds** (\$5.2 million in FY2014): Khmer Rouge Tribunal (ECCC)
- **Global Health Programs** (\$33.9 million in FY2014): HIV/AIDS; tuberculosis; malaria; maternal and child health; family planning and reproductive health; nutrition
- **International Military Education and Training** (\$0.45 million in FY2014): English-language; leadership training; military professionalism; human rights awareness
- **Nonproliferation, Antiterrorism, Demining and Related Programs** (\$4 million in FY2014): unexploded ordnance (UXO) and explosive remnants of war (ERW) clearance; border security

The Lower Mekong Initiative (LMI), launched in 2009 by then-Secretary of State Hillary Clinton, is a regional foreign assistance effort through which the United States aims to promote

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²⁰ Between 30% and 40% of the central government's budget relies upon foreign aid. Department of State, *Fact Sheet: U.S. Relations with Cambodia*, August 29, 2014.

²¹ The Department of State requested \$80.5 million for aid programs in Cambodia in FY2016. *Congressional Budget Justification for Foreign Operations, FY2016*, Appendix 2, <http://www.state.gov/documents/organization/238221.pdf>

²² The Consolidated Appropriations Act, 2014 (P.L. 113-76, Section 7043(c)) provided that some assistance shall be withheld until the Secretary of State submitted a report regarding the effectiveness of foreign aid in Cambodia, an independent investigation into election irregularities was conducted, and all elected Members of Parliament had taken their seats. See also S.Rept. 113-81. The Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235, Section 7043(c)) provided that assistance for Cambodia shall be made available for programs related to democracy, human rights, and civil society, research, documentation, and education on the Khmer Rouge genocide, and basic education.

²³ For further information, see USAID, *Cambodia: History*, January 12, 2015, <http://www.usaid.gov/cambodia/history>.

cooperation and capacity building in the areas of agriculture and food security, connectivity, education, energy security, the environment and water, and health. LMI participants are Burma (Myanmar), Cambodia, Laos, Thailand, and Vietnam. The State Department provided \$14.3 million for the LMI out its East Asia and Pacific (EAP) regional programs in FY2014.²⁴ U.S. assistance through the LMI supports programs in lower Mekong countries that aim to promote civil society involvement in development decisions and provide technical assistance for the assessment of environmental and social impacts of large infrastructure projects such as hydropower projects.²⁵

Trafficking in Persons

According to the State Department's 2014 Trafficking in Persons Report and other sources, Cambodia is a source, transit, and destination country for human trafficking. Cambodians have been victims of sex trafficking, domestic servitude, debt bondage, and forced labor in surrounding countries. The State Department has recognized the Cambodian government's positive efforts in combatting trafficking, although improvements reportedly have stalled. For three consecutive years, from 2010 to 2012, the Office to Monitor and Combat Trafficking in Persons placed Cambodia in the "Tier 2" category, meaning that the government does not fully comply with minimum standards in accordance with the Trafficking Victims Protection Reauthorization Act, but it is making significant efforts to do so. However, Cambodia's status fell to "Tier 2 Watch List" in 2013 and remained there in 2014 due to the country's inability to maintain progress.²⁶ Countries on the Tier 2 Watch List for two consecutive years are automatically downgraded to Tier 3 in the following year unless improvements are made or the Secretary of State grants a waiver. Tier 3 countries are subject to foreign aid restrictions.²⁷

Unexploded Ordnance

The Kingdom of Cambodia is one of the countries in the world most heavily afflicted by unexploded ordnance (UXO) or explosive remnants of war (ERW), including cluster munitions, landmines, and other undetonated weapons. U.S. bombing during the Vietnam War, the Vietnamese invasion in 1978, and civil wars during the 1970s and 1980s all contributed to the problem of unexploded ordnance. During the Vietnam War, the United States dropped 2.7 million tons of ordnance, including an estimated 26 million bomblets, on Cambodia. An estimated one-third of the ordnance failed to explode, which continues to pose a risk to the civilian population.²⁸ There have been roughly 64,000 UXO casualties in Cambodia since 1979, of which 19,684

²⁴ The Department of State requested \$11.7 million for the LMI through EAP regional programs in FY2016. *Congressional Budget Justification for Foreign Operations, FY2016*, op. cit.

²⁵ *Congressional Budget Justification for Foreign Operations, FY2016*, Appendix 2; William E. Todd, U.S. Ambassador to Cambodia, "Preserving the Mekong River System," *The Cambodia Herald*, July 14, 2013.

²⁶ Department of State, *Trafficking in Persons Report 2014*, June 20, 2014.

²⁷ See CRS Report RL34317, *Trafficking in Persons: U.S. Policy and Issues for Congress*, by (name redacted) and (name redacted).

²⁸ Zsombor Peter, "Cambodia Still Undecided About Signing Cluster Munitions Treaty," *The Cambodia Daily*, September 9, 2013; Landmine and Cluster Mmunition Monitor, http://www.the-monitor.org/index.php/cp/display/region_profiles/theme/2492.

people were killed and 44,630 injured.²⁹ Cambodia, with 25,000 UXO-related amputees, has the highest number of amputees per capita in the world.³⁰ With the help of international assistance, the Kingdom reportedly has reduced the UXO casualty rate from roughly 700 per year a decade ago to fewer than 200, including 111 casualties in 2013 (22 killed and 89 injured).³¹ Unexploded ordnance has prevented land from being used for agricultural use, forestry, and cattle, and has disrupted irrigation and the supply of drinking water.

Since 1995, the United States has provided over \$97 million for UXO clearance and disposal, related educational efforts, and survivor assistance programs.³² U.S. assistance to Cambodia has included USAID Leahy War Victims Fund programs for prostheses, physical rehabilitation, training, and employment, and Nonproliferation, Antiterrorism, Demining, and Related Programs assistance for demining activities (approximately \$4 million per year). An estimated 2,000 square kilometers (772 square miles) remain contaminated with UXO in Cambodia.³³ The Director of the Cambodian Mine Action Center said that Cambodia needs \$50 million annually until 2020 to eliminate UXO in the country, although a U.S. official involved in demining efforts suggested that totally removing UXO may be unrealistic.³⁴

Economic Conditions

Cambodia is one of the poorest countries in Asia. Although the Kingdom has experienced steady economic growth during the past decade and a half, largely driven by expansions in agriculture, construction, the garment sector, and tourism, poverty and income inequality remain high. GDP growth was estimated to be 6.8% in 2014 and is forecast to grow by 7.5% annually during the next five years.³⁵ Continuing obstacles to faster and more balanced development and greater foreign investment include poor education and public health, low government capacity, weak legal and financial institutions, inadequate infrastructure, and official corruption.

The United States is the largest overseas market for Cambodian goods, buying about one-third of the Kingdom's exports, mostly garments and footwear.³⁶ Apparel constitutes approximately 80% of Cambodia's total merchandise exports. There are about 500 clothing factories that employ

²⁹ Landmine and Cluster Munition Monitor, http://www.the-monitor.org/index.php/cp/display/region_profiles/theme/3321.

³⁰ The Halo Trust, <http://www.halotrust.org/where-we-work/cambodia>; Vincent MacIsaac, "Development Depends on Demining," *Phnom Penh Post*, December 6, 2011.

³¹ Casualties reportedly increased during the first half of 2014. Sean Teehan, UXO Injuries, Deaths Up in '14, *Phnom Penh Post*, November 3, 2014; Landmine and Cluster Munition Monitor, http://www.the-monitor.org/index.php/cp/display/region_profiles/theme/3321; Zsombor Peter, "Mine, UXO Casualties Down; Deaths Steady," *The Cambodia Daily*, February 14, 2013.

³² Department of State, Bureau of Political-Military Affairs, *To Walk the Earth in Safety (2014): East Asia and Pacific*, September 30, 2014, <http://www.state.gov/t/pm/rls/rpt/walkearth/2014/232280.htm#cambodia>.

³³ "Casualties from Wartime Ordnance Increase in Cambodia," *Deutsche Presse-Agentur*, August 27, 2014.

³⁴ "Cambodia's Landmine Casualty Toll Rises 55 Pct.," *PNA (Philippines News Agency)*, November 1, 2014; "Interview: Clearing Cambodia of Land Mines by 2015 Was 'Unrealistic,'" *Government Publications and Press Releases*, February 27, 2015.

³⁵ Economist Intelligence Unit, Country Report, *Cambodia*, March 9, 2015.

³⁶ Embassy of the United States, Phnom Penh, Cambodia, http://cambodia.usembassy.gov/doing_business_in_cambodia.html.

roughly 600,000 workers in the Kingdom.³⁷ U.S.-Cambodian trade fell by 20% between 2007 and 2009 due to the global recession, but has since rebounded. In 2014, bilateral trade was worth nearly \$3.2 billion, including \$2.84 billion in U.S. imports of Cambodian goods, mostly apparel, and \$328 million in U.S. exports to the Kingdom. The largest U.S. export item was vehicles.³⁸ Cambodia's other major export markets include the United Kingdom, Germany, Canada, Singapore, and Vietnam. Cambodia's major import partners are Thailand, Vietnam, China, and Singapore.³⁹ Principal foreign investors in Cambodia are China, South Korea, Japan, Vietnam, Malaysia, and Thailand.⁴⁰

In 1996, Cambodia and the United States signed a bilateral trade agreement (BTA), which provided for reciprocal "normal trade relations" tariff treatment. In 2006, Cambodia signed a Trade and Investment Framework Agreement (TIFA) with the United States. Cambodia acceded to the World Trade Organization (WTO) in October 2004. Cambodia also is a beneficiary of Generalized System of Preferences (GSP) programs whereby developed countries apply lower tariffs to some Cambodian goods. As a member of ASEAN since 1999, the Kingdom is committed to reducing tariffs as part of the ASEAN Free Trade Area (AFTA) and the ASEAN Economic Community (AEC).⁴¹ Cambodia also is a party to the Regional Comprehensive Economic Partnership (RCEP) negotiations, a proposed free trade area including the 10 nations of ASEAN and 6 other Asia-Pacific countries.

Labor Issues

In addition to low labor costs, many Cambodian garment factories have developed a global reputation for good labor practices, largely because of a U.S.-Cambodia agreement, enacted in 1999, that rewarded progress in labor conditions with increased access to the U.S. market. As part of the agreement, in 2001, the International Labor Organization (ILO) was brought in to monitor and promote good labor practices in the Kingdom. It continues to do so under the program *Better Factories Cambodia* with funding from the Royal Government of Cambodia, the Garment Manufacturers' Association in Cambodia, Cambodian unions, the U.S. Department of Labor, the Australian government, and other sponsors.⁴²

Labor relations have shown some signs of strain in recent years, however, as the garment industry has developed, labor abuses have become more widespread, and tensions between workers, management, and the government have increased. In March 2015, Human Rights Watch released a report concluding that the lack of enforcement of Cambodia's labor laws for the growing number of mostly female workers producing for international brands had led to "serious labor

³⁷ "Cambodia: Small Victory at High Price for Cambodian Garment Unions," *Thai News Service*, January 19, 2015; "Critical for Government to Support Garment Industry," *Economist Intelligence Unit*, October 1, 2014.

³⁸ *Global Trade Atlas*.

³⁹ CIA, *The World Factbook*, 2015.

⁴⁰ Embassy of the United States, Phnom Penh, Cambodia, http://cambodia.usembassy.gov/doing_business_in_cambodia.html.

⁴¹ ASEAN member countries are: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar (Burma), Philippines, Singapore, Thailand, and Vietnam. The original members of ASEAN have agreed to eliminate tariffs on intra-ASEAN trade by 2015; ASEAN's newest members (Cambodia, Laos, Myanmar, and Vietnam) have until 2018 to eliminate import duties.

⁴² <http://betterfactories.org/>

rights abuses.”⁴³ Cambodian workers are free to form their own unions and have the right to strike, although a majority of unions are affiliated with the CPP, and independent labor leaders and strike organizers and participants sometimes have been harassed or fired by employers.⁴⁴ In February 2013, an estimated 20,000 textile workers in an industrial area in southeastern Cambodia went on strike for better working conditions and higher wages. Although protests decreased in 2014 and international awareness and wages have risen, the number of union leaders dismissed has increased, according to reports.⁴⁵

Cambodia and China

The People’s Republic of China (PRC) has become Cambodia’s largest foreign investor and economic benefactor, with cumulative commercial investments reportedly worth \$10 billion and development assistance totaling over \$3 billion.⁴⁶ China’s investments in the kingdom are concentrated in garments, agriculture, mining, and other sectors. The PRC is a major source of development assistance, largely in the form of concessional loans, grants, Chinese-built infrastructure, and investment packages. In 2013, China and Cambodia reportedly signed economic agreements that included \$500 million in PRC low-interest loans and \$48 million in grants. In 2014, China reportedly pledged another \$500 million in aid.⁴⁷ In recent years, Beijing also has provided loans and military equipment including trucks, helicopters, and aircraft to the Cambodian Armed Forces, built military training and medical facilities, and donated uniforms. In May 2014, China announced that it would provide over 400 training scholarships for Cambodian military officers.⁴⁸

Domestic and foreign demand for energy and PRC investment have fueled dam construction in Cambodia and other countries along the lower Mekong and other rivers, alarming environmentalists and people who rely upon the waterways for their homes and livelihood. These hydropower projects are largely financed and constructed by Chinese banks, companies, and workers, often on terms that are unfavorable to host countries such as Cambodia, according to critics. Ownership of most Chinese dams is based upon a “build-operate-transfer” arrangement. During a period of Chinese operation, which may last from 30 to 45 years, Cambodia pays the Chinese company for power generated by the dam. Chinese firms reportedly have invested more than \$1.6 billion to build six dams in the kingdom.⁴⁹

⁴³ Human Rights Watch, *Cambodia: Labor Laws Fail to Protect Garment Workers*, March 12, 2015, <http://www.hrw.org/news/2015/03/11/cambodia-labor-laws-fail-protect-garment-workers-1>.

⁴⁴ Department of State, *Country Reports on Human Rights Practices for 2013: Cambodia*, http://www.state.gov/j/drl/rls/hrrpt/humanrightsreport/index.htm?dynamic_load_id=220187&year=2013#wrapper.

⁴⁵ “Cambodia: Small Victory at High Price for Cambodian Garment Unions,” *Thai News Service*, January 19, 2015; Taing Vida and Sean Teehan, “Labour Strikes Plunge in 2014,” *Phnom Penh Post*, December 31, 2014.

⁴⁶ “Cambodian FM Hails China’s Ties, Cooperation with ASEAN, Cambodia,” *PNA (Philippines News Agency)*, December 8, 2014.

⁴⁷ “China Pledges \$548 Million in Aid to Ally Cambodia,” Reuters, April 10, 2013; “Cambodian Opposition Criticizes Dependence on China Aid Money,” *Voice of America*, November 19, 2014.

⁴⁸ Vong Sokheng, “Chinese Training for Cambodian Soldiers,” *Phnom Penh Post*, May 12, 2014.

⁴⁹ “China Invests in Developing Hydroelectric Plants in Cambodia,” *RIA Oreanda-News*, January 19, 2015; Grace Mang, “Guaranteeing Chinese Overseas Dams—By Whom and at What Cost?” *International Rivers*, February 28, 2013, <http://www.internationalrivers.org/blogs/262/guaranteeing-chinese-overseas-dams-%E2%80%93-by-whom-and-at-what-cost>; Denis D. Gray and Elaine Kurtenbach, “As It Dominates Dam Industry, China Criticized for Taking on Destructive Projects Others Shun,” *Associated Press*, December 19, 2012.

Some Cambodians and foreign observers have expressed concerns about China's influence, including the quality of Chinese infrastructure projects, their adverse effects on the environment, and the lack of transparency with which such projects are carried out.⁵⁰ Some aid experts argue that Chinese assistance has significantly reduced the effectiveness of other aid donors in attempting to pressure Phnom Penh to make advances in the areas of rule of law, human rights, and democracy. Some analysts contend that Beijing has influenced Cambodian foreign policy. In 2012, for example, Cambodia served a one-year rotating term as chair of the Association of Southeast Asian Nations (ASEAN). At the July 2012 ASEAN Ministerial, Phnom Penh's support for China's position on territorial disputes in the South China Sea aggravated tensions within the regional organization and contributed to the first failure in ASEAN's 45-year history to issue a joint communiqué. At the same time, other analysts observe that Hun Sen seeks relations with, as well as assistance from, multiple foreign powers.

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⁵⁰ "Cambodian Parliament's 1st Vice-President Voices Support to Chinese Investment," *Xinhua*, March 4, 2015; Sok Khemara, "Cambodian Opposition Criticizes Dependence on China Aid Money," op. cit.

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