

Global Development Initiative: Prospects for Cambodia's Development

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Introduction

Since the opening up and reform in the 1970s, China has witnessed rapid economic transformation, robust growth and active engagement in the regional and global affairs. As an emerging global leader, China, under the leadership of Xi Jinping, has ushered in a series of initiatives, including the epic Belt and Road Initiative in 2013, South-South Cooperation Assistance Fund in 2015 and Asian Infrastructure Investment Bank in 2016. In September 2021, China announced Global Development Initiative (GDI) to call for collective efforts in fostering confidence and tackling global threats and challenges to build a better world for all (China Today, 2021).

Despite young in age, the GDI has received warm supports from many countries in the world. As of 21 September 2022, more than 100 countries and many international organizations, including the UN, have supported the GDI and nearly 60 countries joined the Ministerial Meeting of the Group of Friends of the GDI held on the sidelines of the 77th UN General Assembly in New York (FMPRC, 2022a). Cambodia is seen as one of the very first countries to embrace the GDI. With approval from Samdech Techo Prime Minister, Cambodia agreed to endorse the GDI and joined as a founding

member of the Group of Friends of the GDI on 27 December 2021.¹ Against this backdrop, the aim of this commentary, therefore, is to examine the key motivations driving Cambodia to embrace the GDI and explore the key prospects of the GDI for Cambodia's future development.

Overview of the GDI

The GDI was first proposed on 21 September 2021 by Chinese President Xi Jinping while delivering a speech at the general debate of the 76th session of the UNGA via video streaming. The aim of GDI was to call on the international community's common endeavors to address global pressing issues and accelerate the implementation of the 2030 Agenda (FMPRC, 2021). The GDI, as put forward in the speech, is based on six core principles, namely a people-centered approach, development as a priority, benefits for all, innovation-driven development, harmony with nature, and action-oriented approaches with a priority basis cooperation on poverty reduction, food security, COVID-19 vaccines, financing for development, climate change and green development, industrialization, digital economy, and connectivity, among others (FMPRC, 2021).

It is worth noting that the GDI is the second initiative launched by China after the epic BRI

¹ Aid Memoire (August 2022) on *Global Development Initiatives* compiled by the General Department of International Cooperation, Ministry of Foreign Affairs and International Cooperation (MFAIC). This document can only be accessed by the officials of MFAIC.

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proposed in 2013, showcasing China's commitment as a responsible major power in making development more open, inclusive, balanced, and beneficial for all. Since its inception, the GDI has been warmly welcomed and supported by the international community. The UN Secretary-General also voiced his support for the GDI. Addressing at the virtual event on the fiftieth anniversary of General Assembly Resolution 2758, António Guterres highlighted that "The UN stands ready to support GDI's implementation and provide technical assistance to ensure compliance with recognized international norms and standard" (UN, 2021).

On 24 June 2022, eighteen leaders from Asia and Africa attended the "High-level Dialogue on Global Development" chaired by Chinese President Xi Jinping via video conference to exchange views on how to address global issues, enhance international development cooperation and discuss ways to accelerate the implementation of the UN's 2030 Agenda for Sustainable Development (FMPRC, 2022b). As a chair, Chinese President Xi Jinping announced a list of 32 practical cooperation measures to turn the concept of the GDI into reality. Among the 32 listed measures were the establishment of two financing platforms, namely (1) Global Development and South-South Cooperation Fund (an upgrade of China's SSCAF) with a total fund of USD 4 billion to support developing countries and (2) Phase III of the FAO-China South-South Cooperation Trust Fund of USD 500 million to support cooperation under the GDI and SDGs.

ASEAN countries also expressed a warm welcome to China's proposed GDI and encouraged participation in the GDI priority areas as reflected in the chairman's statement on the ASEAN Post-Ministerial Conference held on 3-4 August 2022 (ASEAN, 2022). As a founding member, Cambodian Foreign Minister His Excellency Prak Sokhonn

participated in the Ministerial Meeting of the Group of Friends of the GDI held on 20 September 2022 to demonstrate Cambodia's firm support for China's proposed GDI.

Cambodia's Embrace of the GDI

Cambodia's firm support for China's proposed GDI is seen to be relatively driven by the correlation between Cambodia's pull and China's push factor. On the pull side, Cambodia, as a country which attaches great importance to multilateralism (MFAIC, 2022), always actively participates in any initiatives or multilateral frameworks aiming to promote common development, peace, stability, prosperity and address developmental challenges in the region and beyond through win-win cooperation. Cambodia, for instance, joined the UN in 1955, World Bank in 1970, ASEAN in April 1999, WTO in 2004, became a member of BRI in 2013 and joined AIIB as a founding member in 2016. Cambodia, in addition, enthusiastically supports the agenda set out by the UN SDGs (2016-2030).

The GDI, in principle, does not differ from the previous initiatives and cooperation frameworks as it aims to refocus international attention on the issues of development and enhance international cooperation to accelerate the implementation of the 2030 Agenda for Sustainable Development (FMPRC, 2022c). Cambodia sees the GDI as an instrumental cooperation framework for accelerating its economic growth and supporting its development agendas. The GDI's core principles and priority areas, in fact, are well convergent with those of Cambodia's national development strategies and hold huge potentials for Cambodia's development (Han, 2022).

In a written interview² with the Chinese media, His Excellency Prak Sokhonn, Deputy Prime Minister and Minister of Foreign Affairs and International Cooperation of the Kingdom of Cambodia, pointed

² Written Interview (12 July 2022) between His Excellency Prak Sokhonn, Deputy Prime Minister and Minister of Foreign Affairs and International Cooperation of Cambodia with the Chinese Media. The original version of the written interview can be requested through author's personal email: chamreounhou@gmail.com

out that the GDI plays a monumental role in supporting developing countries to recover from the COVID-19 pandemic and to poverty reduction. The GDI, in His Excellency's perspective, is indeed another public good that China offers to the world and will contribute to strengthening international development cooperation and accelerating the implementation of the 2030 SDGs. He believes that Cambodia's participation in the initiative will further energize the existing cooperation frameworks, noticeably the BRI and the building of Cambodia-China Community of Shared Future.

On the push side, China, as an emerging global economic power, has been actively striving to push forward development cooperation and address fundamental challenges, including connectivity, poverty, healthcare and climate change, especially since the "Going out" policy was introduced in 2000 (Bohoslavsky, 2016; Wang, 2016). As revealed in the introduction, since Xi Jinping came to power, China has subsequently bred a series of initiatives, including the BRI in 2013, SCSF in 2015 and AIIB in 2016 to accelerate economic and development cooperation (Carey & Li, 2016).

Amidst the COVID-19 outbreak, China played a leading role in providing timely assistance to many developing countries to help fight against the outbreak. As of May 2022, China, for instance, sent 37 teams of medical experts to 34 countries, provided more than 2.2 billion doses of vaccines to more than 120 countries and international organizations and carried out the largest global emergency humanitarian operation (CIKD, 2022). At the end of last year, Xi Jinping announced that China will donate another 600 million and 150 million doses of vaccines to Africa and ASEAN countries respectively (FMPRC, 2022d). It was reported that, as of May 2022, China has delivered approximately 42 million doses of vaccines to Cambodia in the form of assistance and procurement (Chinese Embassy, 2022). In the 20th CPC National Congress, Xi Jinping emphasized that "China is determined to embrace the opening

to the outside world, pursue a mutually beneficial strategy of opening up and push forward the implementation of the GDI for common development and shared prosperity" (Xi, 2022).

As illustrated, it appears that China's engagement in regional development as a responsible rising power concurrently coincides with Cambodia's quests for opportunities to support its development agendas. Cambodia's pull and China's push factors, therefore, give a reasonable explanation why Cambodia embraces the GDI.

Prospects for Cambodia's Development

In the last twenty years, Cambodia has witnessed rapid growth of about 7.5% annually and accomplished massive achievements, including poverty alleviation, infrastructure development, healthcare and government services, all of which have been widely felt by Cambodian leaders and people from various walks of life. However, the COVID-19 pandemic has brought pervasive impacts on Cambodia's growth. The hardest hit growth sectors were tourism, manufacturing exports and construction sector, which contributed more than 70% of growth and 39.4% of total paid employment in 2019 (World Bank, 2020). The number of foreign visitors to Cambodia dropped from 6.6 million people in 2019 to only 1.3 million in 2020 and less than 200,000 in 2021 (MOT, 2021) while nearly 135 factories were closed and around 100,000 workers became redundant (The Asia Foundation, 2021). Even more struggling, the COVID-19 pandemic placed a heavy burden on the Cambodian government to shoulder, particularly the massive expenditure used in the fight against COVID-19. According to the Ministry of Economy of Finance, the Cambodian government spent more than \$2.127 billion, about three-fifths of state savings over the 2020-2022 period to manage the impact of the COVID-19 crisis on key sectors (Phnom Penh Post, 2022).

Given its comprehensive scope covering many development areas, the GDI is seen to be an

alternative solution to address the said challenges and open door of opportunities for Cambodia to revitalize its development. From an international cooperation perspective, the GDI does hold great potentials for Cambodia to overcome its global challenges posed by the pandemic and accelerate the implementation of SDGs as well as support Cambodia's vision to become an upper-middle income country by 2030 and a high-income country by 2050.

First, the GDI will become an important source of funding for Cambodia to finance its development projects amidst the decline of foreign assistance. As mentioned earlier, the Chinese government has set up two institutions, namely the Global Development and South-South Cooperation Fund and FAO-China South-South Cooperation Trust Fund to help finance the implementation of the GDI's projects. As such, it is plausible to assert that the GDI is a long-term well-thought-out strategy with sufficient financing mechanism. According to Dr. Chheang Vannarith, President of Asian Vision Institute, one of the key factors driving many regional countries to support the GDI is China has always walked the talk and translated concepts into reality (China Daily, 2022). It is true that China's GDI is not just a promise which takes forever to realize, but it really comes with concrete actions. To illustrate, following the Ministerial Meeting of the Group of Friends of the GDI in New York on 21 September 2022, Wang Yi, Chinese State Councilor and Foreign Minister, released the first batch of 50 practical cooperation the GDI projects on poverty reduction, food security and industrialization and more than 1,000 capacity building projects (FMPRC, 2022a).

Among the 50 projects,³ five projects were selected for Cambodia and other four projects for Cambodia under ASEAN cooperation. Those nine projects will serve as a new driving force for Cambodia to

strengthen its efforts in poverty reduction, pandemic response, vaccines, industrialization, climate change mitigation and green development. In the coming years, it is plausible that more development projects under the GDI will be applicable for Cambodia and will surely help push Cambodia's ship to move towards perpetual development, especially assist Cambodia in realizing the UN SDGs and its development visions.

Second, the GDI will help further strengthen cooperation between Cambodia and China under existing initiatives like the BRI. As a matter of fact, prior to embracing China's GDI, Cambodia has already hosted many undergoing and completed large development projects under BRI cooperation and bilateral framework. The joint development project of Sihanoukville Special Economic Zone between Cambodia and China can accommodate up to 300 enterprises from around the world and generate more than 80,000 job opportunities (SSEZ, 2022). The construction of the new international airport in Siem Reap is progressing smoothly despite disruption from the pandemic. The brand-new expressway from Phnom Penh to Sihanoukville, the first of its kind in Cambodia, was just officially opened for public traffic on 01 October 2022. The project receives warm welcome from Cambodian people as it largely reduces travelling time from 5.5 hours to only 2 hours.

Evidently, all fruitful outcomes in Cambodia's developments in the past years have largely been attributed to iron-clad friendship and all-rounded cooperation between Cambodia and China. At the Handover Ceremony of "China's Funded Morodok Techo National Sports Stadium" on 12 September 2021, Samdech Techo HUN Sen highly spoke of the outstanding achievements made under the comprehensive strategic partnership, particularly the BRI framework and clearly pointed out that "Cambodia is not in contact with China just for today or tomorrow but will be China's friend for

³ The list of the first-batch Projects of GDI Project Pool released by the Chinese Foreign Ministry can accessed from https://www.fmprc.gov.cn/eng/zxxx_662805/202209/P020220921624707087888.pdf

many years to come” (OCM, 2021). The official visit of Chinese Premier Li Keqiang to Cambodia on 8-11 November 2022, along with the signing of 18 cooperation documents, injected stronger momentums in comprehensively advancing Cambodia-China relations in the new era (Fresh News, 2022). As stated in the joint communiqué, the two countries also agreed to designate 2023 as “Cambodia-China Friendship Year” and will jointly hold a series of commemorative events to enhance mutual understanding and friendship between the two peoples. Through the GDI cooperation framework, it is highly likely that Cambodia-China relations will continue to grow from strength to strength in both bilateral and multilateral framework.

Third, the GDI will serve as a useful platform for Cambodia to learn from China’s successful development experiences in the past years. From an extreme poverty-stricken country with 1.4 billion people, China has made tremendous strides to become a moderately prosperous society that managed to eradicate absolute poverty in 2021, lifting more than 770 million people out of poverty. This great achievement has made China to achieve SDG1 “no poverty” of the 2030 Agenda for Sustainable Development 10 years ahead of schedule (China Daily, 2022b).

In fact, China has many successful stories ranging from fighting against poverty, corruption to ecological civilization and digital transformation. As stated in the GDI report issued by CIKD, China attaches great importance to facilitating the sharing of development experience and will, thus, set up platforms for sharing this valuable experience to other developing countries (CIKD, 2022). In this respect, the GDI will bridge China’s successful development experiences to the world and become a source of lessons learned for many developing countries, including Cambodia.

Conclusion and Recommendations

China’s proposed GDI, to great extents, presents huge potentials for Cambodia’s developments in

various aspects. Under the GDI cooperation framework, not only does Cambodia have the opportunity to advance its development program and accelerate the implementation of the SDGs, but also strengthen its efforts to realize the country’s vision to become an upper-middle income country by 2030 and a high-income country by 2050. While China’s development in the past decades have become a good lesson learned for Cambodia and Cambodian people, it is essential to remember that remarkable achievements China has made so far are a result of strong governance, solidarity, prudent development policies and inclusiveness, which have been through many stages of reforms. Cambodia should contextualize and find the proper ways to utilize the Chinese experiences through the GDI in conjunction with other cooperation framework like BRI. True development is possible only when proper engagement, right policies and identification of development areas have been put in accurate places. Therefore, it is imperative for Cambodia to enhance its capability in development management and identify its development needs to ensure that Cambodia and China cooperation will continue to diversity and cherish in all aspects in the years to come.

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