
An analysis of bilateral relationship between Thailand and Cambodia

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Abstract

This paper aims to shed light on the bilateral relationship between Thailand and Cambodia by reviewing various relevant documents. The research closely analyzes the bilateral relations between the two countries during and after the COVID-19 pandemic. Thailand, which shares its border with Cambodia, is transitioning to be a major hub for tourism, education, medicine, technology, and manufacturing in the region. Cambodia, nonetheless, after its long domestic conflicts, is aspiring to be a major hub of tourism; therefore, both countries are fastening their bilateral relationship for a better outcome. The study concludes that although there have been unfortunate conflicts between two countries in the past, both Thailand and Cambodia have recently been working together for the betterment of the people and the advancement of their nations. During the COVID-19 pandemic, Thailand helped Cambodia tackle the pandemic as the disease caused severe damage to its tourism activities. There has been an increase in the trade relationship between two countries, and the political conflicts between the two countries have slowly faded.

Keywords: analysis, bilateral relationship, Thailand, Cambodia

1. Introduction

Security concerns have been at the center of the bilateral relationship between Cambodia and Thailand for years. The struggle near the Preah Vihear temple has been the main cause of the diplomatic row between the two countries, to the extent that war was a real possibility. According to Ear (2021), this friction has ramifications for the bilateral ties between the two countries, and looking at those connections will help illuminate the complexities of the diplomatic relationship between Thailand and Cambodia. In recent years, Thailand and Cambodia have enjoyed a cordial relationship. Given that they are only separated by 800 kilometers of land, the two countries have a lot in common, for instance, the two nations have similar cultures, religious beliefs, and traditional approaches to life (Pongsudhirak, 2018).

Overall, the countries have a long history of turbulent and cordial relations. However, both countries have recently shown the world that they both have the political will to settle their differences and address their bilateral conflict more decently and respectfully. The two countries have worked together on economic and trade issues, with a focus on strengthening their livelihoods and the safety of their citizens. In most cases, communication between the two countries has been strengthened since it is considered one of the most powerful tools for upholding positive bilateral relations. Before the emergence of the COVID-19 pandemic, which ravaged livelihoods and businesses in 2020, it is estimated that more than 400,000 Thais and 900,000 Cambodians had crossed the border to the neighboring country to go about their businesses and other activities. Even though there has been stiff diplomatic competition between the two countries, Thailand seems to have invested significantly in Cambodia, and vice versa. This was according to a 2021 report on the State Investment Climate Statement in Cambodia published by the U.S. Department of State.

The cordial relationships between Thailand and Cambodia can be traced back to the

pre-colonial, colonial, and post-colonial eras. Just after the Cold War ended, bilateral ties between the two countries seemed to improve, and the two countries began moving toward collaboration and reconciliation. The Paris Peace Agreement was a ceasefire, and a new treaty was reached between warring parties in Cambodia in 1991 (Pangsapa, 2015). Eighteen countries, including Thailand, signed the treaty that enabled the United Nations (UNTAC) to oversee a free and transparent general election in 1993. Hinton (2006) reported that the two nations enjoyed a cordial relationship until 2003, when a Thai performer told the Thai media that "she would accept the invitation to perform in Cambodia if a famous Angkor Wat temple was returned to Thailand." This news piece incited widespread violence in Cambodia. The Thai embassy was torched, and all Thai companies, including eateries, immediately shut down. Nevertheless, cooperation between the two countries was also restored later in 2006 (Musikawong, 2022).

2. The Preah Vihear Temple Conflict

The conflict between Thailand (or Siam) and Cambodia over the whole territory of Preah Vihear Temple was because both countries had claimed to have the territorial sovereignty over the Preach Vihear by referring to the different maps of demarcation along with Phanom Dong Rak watershed (Chayanon, S, et al., 2018)

Preah Vihear Temple has been a sacred place of worship for Thai and Cambodian locals for centuries, and it has significantly impacted the bilateral relationship between Cambodia and Thailand even in modern times. The greatest challenge has been determining to whose territory the Preah Vihear Temple and its immediate vicinity belonged. From 1863 until 1953, France colonized and had control over Cambodia (Putri & Muhyiddin, 2022). In 1954, as the French colonists retreated from Cambodia, the first disagreement arose between Thailand and Cambodia over Preah Vihear Temple. A map from 1904 claimed the region all around Preah Vihear Temple belonged to Thailand, and the Thai government immediately stationed its military in the region to claim it. The Cambodian government responded by denouncing Thailand's actions as an infringement on Cambodian territory since the matter was still pending in court and the ruling had not yet been made. For this reason, the Cambodian government petitioned the ICJ to rule on the case, and the ruling was in favor of Cambodia (Pongsudhirak, 2018).

Nevertheless, there is still a great deal of conflict on the Cambodian border with Thailand, and a major public safety issue. Cambodia, which has taken a more appropriate position in an attempt to tolerate Thailand and be part of ASEAN, should perhaps use all regional and global institutions to safeguard the integrity of its geographical lines. The two countries have made efforts to maintain economic ties despite boundary tensions, with both Thailand and Cambodia working to keep foreign entities in their countries safe and unbothered, given that a slowdown in commerce is harmful to the economies of both nations. It is evident that both countries understand that maintaining a positive trade link is essential to the long-term prosperity of the two nations. Both countries are determined to safeguard their trade relationships and explore the full possibilities of their regional integration (Palmer, 2020).

3. The Bilateral Trade between Thailand and Cambodia

After resolving conflicts that had ensued between Thailand and Cambodia for years, the value and quantity of their bilateral trade have significantly increased at an exponential rate. Nonetheless, the emergence of the COVID-19 pandemic in 2020 will greatly setback the bilateral strength built between the two nations. The bilateral trade during the pandemic recorded from January to October 2020, was estimated to be \$6.074 billion, a 21.46% decrease from what was recorded in the same months of the previous year (Khmer Times,

2021). This indicates that the pandemic was on the move, causing both countries to experience economic hardship. In most cases, Thailand exports refined fuels, food, livestock products, vehicles, spare parts, chemical compounds, jewelers, and other valuable goods to Cambodia. On the other hand, Cambodia primarily transports jewelry, fruits and vegetables, clothing, and other items to Thailand. The Cambodian ambassador in Thailand reported that the bilateral trade relationship between these neighboring countries had risen to 18% within the first nine months of 2021 compared to the same time and period in 2020. Henceforth, the bilateral trade between the two countries has been estimated to be \$6 billion (Khmer Times, 2021).

Notably, these border trades are key to the peaceful coexistence of these nations. Throughout the year, bilateral trade between the two countries has grown. In addition to allowing the free flow of goods between the countries, the people living along the borders are earning a livelihood, thanks to the well-established supply chain between the two countries. Because of the substantial amount of revenue generated by bilateral trade, the local economy in the border region has been able to rise frequently. Bilateral trade between the two countries has also improved infrastructure, making it easier to transit goods (Palmer, 2020). The bilateral trade has boosted the two countries' economies and created immense employment opportunities for the locals. Consequently, this has reduced the crime rate in the region and thus strengthened the peaceful coexistence between communities that were in constant conflict throughout history. The healthy bilateral trade between Thailand and Cambodia has played a crucial role in narrowing the inequality gap that negatively impacted the livelihood of the neighboring community (Huang et al., 2020).

Several approaches are being utilized by the Cambodian and Thai governments to strengthen the trade between the two countries. First, the Thailand Business Council in Cambodia (TBCC) was established by business personnel from Thailand. The sole aim of the TBCC is to offer credible and crucial information to those who wish to invest in Cambodia. The TBCC also widened the understanding of Thai businesses that wish to extend Cambodian business laws to Cambodia, which enables them to carry out effective business activities in the country (Gibson et al., 2019). Complying with existing laws and regulations is often key to carrying out a successful business without facing legal constraints or challenges. They also offer extensive business knowledge on how to carry out business in Cambodia and what the key customer considerations are when launching a service or product in the Cambodian market. It is always crucial to design the business model to conform to the overall needs of a prospective customer.

Furthermore, a few flights were allowed to fly between Thailand and Cambodia during the COVID-19 pandemic to address the challenges the hospitality industry was facing at the time. The flight also facilitated the movement of investors, thus maintaining the bilateral relationship between the two countries. All these were conducted while adhering to the COVID-19 restrictions (Ear, 2021).

4. Major Investment Areas that Enhance the Bilateral Relationship

Several factors compel investors from one country to invest huge sums of money in another country. For instance, Thailand is rated one of the top investors in Cambodia since the country has diverse agricultural, construction, tourist, and banking industries, among several other business opportunities that are attractive to both existing and startup companies in the country. This explains why major Thai companies have infiltrated the Cambodian market in recent years. Following this, they have all built a brand in Cambodia and become household names among the residents, thus strengthening the bilateral relationship with the country. Every Cambodian citizen can always feel the presence of Thailand in their country just by the frequency of the daily interactions between them and the services or goods that originate from Thailand (Sukloet, Wannaree, and Tonsakunthawee team, 2022).

The conducive environment that Thailand's investment firms are enjoying in Cambodia is due to the Cambodian government's support and incentives. The primary goal of government involvement in business is to maintain close ties with international corporations while seeking to attract more. Cambodia has a large, quality workforce, which is critical for the success of any business. Overall, Cambodia has witnessed reduced unemployment rates and a boost in the local economy, with companies from Thailand increasingly investing in their country. On the other hand, companies from Thailand are benefiting from increased foreign income and the sustainable growth of their foreign businesses and companies in the long run (Ear, 2021).

While it is always normal to encounter problems while operating in a foreign country, the Thai companies operating in Cambodia have reported no major issues. This is attributed to competent and hardworking workers who favor the performance of the Thai companies. More so, the labor policies of Cambodia are designed to allow frequent training for up-skilling and re-skilling staff. The language barrier is the only issue for Cambodian employees and the management of Thai companies. However, with time, the Cambodian people have learned how to communicate with Thai employers while fostering their cultural ties. The people who speak Khmer and Thai have benefited immensely by securing jobs in Thailand with companies operating in Cambodia. Overall, both countries have been able to strive to achieve their interests while meeting the performance demands of the two nations, thus building a strong bilateral resolution (Son, 2018).

Impact of Covid-19 on the Bilateral Relationship between Thailand and Cambodia

The emergence of the COVID-19 pandemic brought about an economic shutdown and travel restrictions to and from the two respective countries in a move to counter the spread of the deadly virus. The business community in both Thailand and Cambodia was significantly affected by the pandemic, particularly the hospitality sector in both countries (Richardson and Pettigrew, 2022). During this period, the two countries were forced to close their borders and restrict citizens' movements, often to curtail the spread of the COVID-19 pandemic. Despite the closure of their borders, the countries maintained a stronger and intact bilateral relationship. They both were determined to protect their citizens from the ravages of the pandemic and the economic consequences that came with it. The spirit of collaboration between the two countries during COVID-19's underlying economic and social hardship is a true reflection of the two neighboring countries' positive bilateral relations (Richardson and Pettigrew, 2022).

For instance, the Thai government and its communities occasionally donated cash and goods to the Cambodian government to counter the impact of the pandemic. Thailand further ferried Cambodian patients who needed critical medical attention during the pandemic, despite the pandemic's restrictions. To further strengthen their relationship, the two countries allowed medical personnel to operate between the two countries or consult on how to mitigate the impact of the COVID-19 pandemic (Khmer Times, 2021). On the Cambodian side, they granted Thai citizens imprisoned in their territories amnesty, allowing them to extend their stay and feel at home by not being discriminated against but being treated equally with Cambodian citizens. More so, the Cambodian authorities played a fundamental role in helping Thai citizens who wished to move from Cambodia to their country to attend to emergency matters. This also facilitated the entry of investors who wished to do business in their country even during the pandemic. All this was being done in strict conformity with the Thailand and Cambodia COVID-19 restrictive measures (Khmer Times, 2021). This explains just how the bilateral relationship between the two countries remained intact even during the COVID-19 pandemic.

The closed border doors undoubtedly hampered the thriving trade that previously existed between Thailand and Cambodia. This caused a drop in the bilateral trade relationship between the two countries by 18% year-over-year in the number of trade relations. Local councils were working closely together to lessen the impact of the tariffs imposed by letting the shipment of merchandise be moved at specific times of the day and via specific border entrances, while also limiting the number of cargo trucks and the number of individuals facilitating the movement. This approach was meant to strengthen the bilateral relationship between the two countries during the COVID-19 pandemic, which was threatening their bilateral trade (Hatsukano, 2019).

5. Building a Strong Bilateral Relationship in Post COVID-19

The basic pillars of a strong bilateral relationship between Thailand and Cambodia must be based on a firm foundation, according to Reilly (2020). One of the key pillars of this important relationship between the neighboring countries is building a society where people are connected. The more united the people of Thailand and Cambodia are, the stronger their bilateral relationship will be. A connected society means respect, empathy, and tolerance, which are key ingredients in resolving conflicts often evoked by people trading at the border. Also, the more these people connect, the more they can understand each other while sharing life ideas that are key to a sustainable life. Already, Thais and Cambodians have significant cultural similarities, which can be used or have already been used as a powerful tool to enhance and strengthen their existing bilateral relationship. According to Putri and Muhyiddin (2022), people tend to look for a viable technique, usually based on what they have in common, to address issues. With this, the people of Thailand and Cambodia will be able to build a successful and strong bilateral relationship that is key to economic and social prosperity. Worthwhile, the major beneficiaries of an excellent bilateral relationship are the people of Thailand and Cambodia (Putri, and Muhyiddin, 2022).

6. Conflict Resolution

The Thai and Cambodian governments firmly believe they should always seek common ground and be willing to negotiate issues while prioritizing the economy and the people's livelihoods. In most cases, the Thai and Cambodian agencies and authorities at different levels of government have been at the forefront of addressing issues and forging a more resilient and long-lasting relationship never witnessed before (Ear, 2021). In most cases, any issues likely to hinder or interfere with the bilateral relationship between the two countries are often addressed immediately to avoid damaging the now-established collaboration between the two countries. While the flow of goods and services between the two countries felt a major blow or disruption after the COVID-19 pandemic, the closure of borders sparked some conflict, which was dealt with by authorities within a short time. The two countries are currently on the verge of establishing more measures and frameworks to address any conflict provoked by possible pandemics and cultural or geographic factors. This will not only build a stronger relationship but will be the basic foundation for a lasting relationship, cooperation, and peaceful coexistence between the people of Thailand and Cambodia (Woon, 2020).

7. Conclusion

In conclusion, Thailand and Cambodia significantly boosted their bilateral relationship after the 2008 conflicts. The political will between the leaders in the two countries resulted in collaboration in handling matters of economy and trade while prioritizing strengthening their livelihood and the safety of their citizens. Thailand is rated as one of the top investors in Cambodia. Preah Vihear Temple, which has served as a place of prayer for Thai and Cambodian locals for centuries, was the source of the previous conflict. For this reason, the

Cambodian government petitioned the ICJ to rule on the case where the owner of the worship zone was identified as Cambodia. Strong bilateral ties between the two countries have been witnessed in recent years, even in the mid- and post-COVID 19 periods. *The Thai government and its communities donated cash and goods to the Cambodian government to counter the impact of the pandemic. On the other hand, Cambodia allowed the free movement of Thai businesspeople to their country during the COVID-19 pandemic to further strengthen the bilateral relationship.* This caused an increase in the bilateral trade relationship between the two countries of 18% during this period. Furthermore, at a recent seminar, Thailand and Cambodia agreed to close the digital divide. Lastly, the Thailand Business Council in Cambodia (TBCC) is critical in strengthening the bilateral relationship between the two countries.

8. References

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