The year 1997 witnessed another series of tragedies for Cambodia. Compared with the previous years after the elections organized by the United Nations in May 1993, what has happened to this war-torn state seems for many observers to have brought Cambodia back to square one. While its politico-military and socioeconomic conditions appear to have deteriorated, Cambodia was for the moment “saved” by the international community from plunging into nationwide civil war.

**Political and Security Developments**

Early in the year, the politico-military situation in Cambodia sparked some hope because the coalition government had survived more than three years of its existence. The two prime ministers, Prince Norodom Ranariddh (also president of the royalist party known as Funcinpec) and Hun Sen (vice-president of the Cambodian People’s Party, or CPP), did not get along but promised to work together. Their political relations had begun to sour during the much-delayed Funcinpec Congress, held in March 1996, when First Prime Minister Ranariddh threatened to leave the coalition unless the CPP was willing to ensure a more equitable share of power. For a time, both sides restrained themselves from using threats or violence and agreed to try to maintain the coalition, but in late 1996 armed clashes between the two parties erupted. One of the few things Ranariddh and Hun Sen could agree on was the granting of amnesty to Khmer Rouge defectors led by former Khmer Rouge Deputy Prime Minister Ieng Sary.

Tensions between the two top political leaders spilled into 1997 when armed clashes between troops loyal to each of them broke out in various provinces, and it became clear that the prime ministers were no longer pre-
pared to share power. In the next elections, due in 1998, only one prime minister is to be elected, and feeling threatened by the politically and militarily mightier CPP, Prince Ranariddh moved to build a new political front. Known as the National United Front (NUF), its 14-point agenda called for:

1. defending the nation, religion, and monarchy;
2. holding free and fair elections;
3. supporting the idea of one prime minister in the next elections;
4. strengthening the legislative system and a neutral administration;
5. defending human rights and fighting against dictatorship;
6. improving international cooperation but defending national sovereignty and territorial integrity;
7. resolving immigration problems;
8. promoting the people’s standard of living;
9. developing human resources;
10. eliminating corruption;
11. fighting against drugs;
12. resolving lost public properties;
13. defending Khmer culture; and
14. defending the environment.¹ Hun Sen immediately responded by taking steps to build his own political alliance. In February he signed agreements with the Liberal Democratic Party and the BLDP led by Ieng Mouley (who had broken away from Son Sann in 1996). By August, the alliance reportedly comprised 12 political parties.

The political struggle intensified when 12 royalist members of Parliament challenged Ranariddh’s leadership in mid-April. Hun Sen was quick to extend his support for the renegades, and the National Assembly did not reconvene as members refused to meet. Desperate, Ranariddh agreed to nominal Khmer Rouge leader Khieu Samphan’s plan to join the NUF when the latter declared that he wanted to form a new party—the Khmer Solidarity Party—that would break away from the infamous Khmer Rouge dictator, Pol Pot. But in an apparent move to prevent Ranariddh from gaining strength, troops loyal to Hun Sen seized an arms shipment in May intended for use in building up Ranariddh’s bodyguard unit. The prince’s top military man, Nhek Bun Chhay (deputy chief-of-staff of the armed forces), apparently continued negotiations with the Khmer Rouge remnants. This may have contributed to the breakup of the Khmer Rouge leadership, as evident in Pol Pot ordering his “defense minister,” Son Sen, and family members executed.

The Khmer Rouge split led to more friction between Ranariddh and Hun Sen, and moved events toward the final outcome. On June 17 Khmer Rouge radio denounced Pol Pot; that evening in Phnom Penh, fighting between the two prime ministers’ bodyguards resulted in the deaths of two royalist and one of Hun Sen’s soldiers. On June 26, Pol Pot was sentenced to life in prison in a show trial, a development that allowed other Khmer Rouge lead-

¹ “The National United Front’s Political Beliefs and Objectives,” (unpublished official document, undated). The NUF was composed of at least four parties: the Khmer Neutral Party (KNP), the Buddhist Liberal Democratic Party (BLDP) led by Son Sann, the officially unrecognized Khmer Nation Party (KNP) led by former Finance Minister Sam Rainsy, and the Funcinpec, all of whom agreed to struggle against the CPP in the next elections.
ers to enter into a peace agreement with Nhek Bun Chhay. One day before
the agreement was to be signed, Hun Sen staged a coup against the prince.
On July 5–6, Hun Sen ordered his troops to remove his political rival by
force, and troops from both sides engaged in a bloody street battle in Phnom
Penh, resulting in the royalist army’s swift defeat. Hun Sen was quick to
declare Ranariddh effectively ousted.

Whether the July event could be considered a “coup” is a matter of debate.
Hun Sen insisted that what he did was legal, not a coup. On July 9, the
Foreign Ministry, in the absence of its Funcinpec minister, Ung Hout, issued
a 27-page “white paper” publicly condemning Ranariddh’s “provocative
strategy” of establishing the NUF (made up of opposition parties and even
the Khmer Rouge). The document reiterated Ranariddh’s March 1996 public
criticism of the coalition government and the CPP.2

By definition, however, the July event must be considered a coup. It was
neither a social revolution (implying a dramatic change in the social or polit-
ical structure or order) nor a putsch (implying an attempt by a group of lead-
ers who are outside the existing power establishment but enjoy a degree of
mass following). Hun Sen’s violent overthrow of Ranariddh without disman-
tling the coalition structure may not fit nicely with the traditional notion of a
coup d’état (implying the sudden and violent removal of a government), but
the use of force by one leader within the existing system to remove a demo-
cratically elected leader (whose party was the winner in the 1993 elections)
makes the action indeed a coup. CPP troop involvement in the summary
executions and torture of several Funcinpec officials has been well docu-
mented. According to a United Nations report, a large number of corpses
were incinerated; in addition, somewhere between 41 and 60 people were
found to have been executed in custody. Moreover, there is no evidence to
support Hun Sen’s claim that Ranariddh brought Khmer Rouge troops into
Phnom Penh.3 The coup leader had been kept informed about the Nhek Bun
Chhay negotiations, and had publicly agreed to bring Pol Pot to trial as a
result of negotiations between Funcinpec officials and the Khmer Rouge
leadership in Anglong Veng.

To a large extent, Hun Sen succeeded in drumming up propaganda to deny
Ranariddh any chance of returning to power. The CPP backed the appoint-
ment of Ung Hout as the country’s new first prime minister, further dividing
Funcinpec. Hun Sen insisted that Ranariddh be put on trial for treason.
Without any political support from King Sihanouk and with the royalists di-

3. U.N. Centre for Human Rights, “Memorandum to the Royal Government of Cambodia:
Evidence of Summary Executions, Torture, and Missing Persons Since 2–7 July 1997,” Phnom
Penh, August 21, 1997.
vided, the royalist army was almost destroyed. By August it was desperately defending its last stronghold on the northern Thai-Cambodian border known as O Smach, with limited support from Khmer Rouge troops in Anlong Veng. In late October, Hun Sen succeeded in getting Ieng Sary and his military commanders, who had declared their neutrality in the post-coup conflict, to throw their support to the government in Phnom Penh.

After the coup, the CPP said it was committed to a “free, fair and right election.” Hun Sen even pushed hard for the adoption of two laws, one on political parties and the other to govern the election. On October 28, the National Assembly voted 84 to 6 in favor of the law on parties. On December 19, the National Assembly finally passed the Electoral Law. It was also decided that the elections will be held on July 1998. Although the election-related laws contain good basic democratic principles, the national polls next year will not be free and fair largely because of the CPP’s politico-military domination.

**Socioeconomic Conditions**

Economic growth was negligible in 1997. The government’s early target was a growth rate of around 7.5% (others estimated it would be around 7%); before the coup, the official forecast was down to 6.5%; and by October the Finance Ministry admitted that growth was negative in the second half of 1997 and would be flat for the whole year. There were several contributing factors. Cambodia’s agricultural sector once again fell victim to heavy flooding. In the 1996 flood, reportedly the most severe in several years, more than 20 people died, some 1.3 million were displaced, and hundreds of thousands of hectares of paddy and other crops were flooded, or destroyed. In late 1996 and early 1997, a series of strikes by garment workers may also have affected the fast-growing industry’s output and exports.

The coup hit the economy harder than anything else. The extent is difficult to assess but anecdotal evidence suggests the situation. Before July the annual inflation rate had been kept at a healthy level of about 7%; in September it was said to have increased to 18%. The two days of fighting and looting after the coup caused at least US$50 million in damage. With more than 7,000 foreigners fleeing the country and the number of foreign visitors dropping dramatically, tourism suffered a huge loss. Somewhere between 20,000 and 40,000 service workers were said to have lost their jobs.

5. Companies that had suffered losses due to the fighting in early July submitted compensation claims of up to US$100 million; the government was willing to pay only US$20 million.
6. About 9,000 tourists visited the Angkor Wat temple in 1996; in July 1997, there were only 14 and bookings for August and September were canceled.
ongoing conflict also drained public resources as Phnom Penh spent more on defense and security.

Prior to the coup, Cambodia still had done well in terms of obtaining pledges of foreign assistance. In March the IMF agreed to release the remaining $40 million of the promised $120 million Enhanced Structural Adjustment Facility. At the Consultative Group meeting on July 1–2, bilateral and multilateral donors pledged a total of $450 million for 1997–98, $50 million less than Cambodia had received in 1996. Beside winning most-favored-nation (MFN) status from Washington in 1996, the government had been negotiating for more tariff benefits from the United States under the Generalized System of Preferences (GSP).

After the coup, some donors moved to reduce their aid that directly supported the state budget. The IMF, for instance, suspended its aid programs to Cambodia. It should be stressed, however, that the Cambodian economy did not completely collapse because major donors maintained their humanitarian assistance. Japan, Cambodia’s largest donor, initially suspended its aid but soon resumed it; the United States (second largest) suspended nonhumanitarian aid (about $60 million of the $80 million package); France (third largest) did not cut any Cambodia aid; and Australia (fourth largest) only suspended its military aid (worth about $1.5 million per year). Cambodia’s dollarized economy was largely unaffected by Asia’s currency crisis.

**Foreign Relations**

Cambodia’s relations with neighboring Thailand and Vietnam were stable, despite some difficulties. Hun Sen met with his Thai counterpart, Chavalit Yongchaiyudh, in February to discuss allegations that Thai companies were involved in illegal logging activities despite the ban imposed by Cambodia in December 1996. The Thai prime minister promised cooperation. Relations with Vietnam continued to be marred by border disputes. Attempts were made by both sides but there was little progress beyond a commitment to resolve the problem.

Difficulties with China arose in February over Phnom Penh’s air-link agreement with Taiwan, an agreement that would allow the latter’s EVA Airways to operate direct flights to Phnom Penh. Beijing sent a delegation, led by State Council member Luo Gan, to Cambodia for clarification of the deal, and got Cambodia’s reassurance of its “one-China policy” and agreement to send a delegation to Beijing in April for China’s official permission to start the air-link.

Before the coup, Cambodia had looked forward to joining the Association of Southeast Asian Nations, as an ASEAN meeting in November 1996 had resulted in the decision to admit Cambodia, Laos, and Myanmar simultaneously into the fold. In spite of growing political instability, Cambodia was
determined to gain full membership, and diplomatic relations with some ASEAN members had improved, especially with Indonesian President Suharto’s visit to Phnom Penh in February, his first in thirty years. Indonesian Foreign Minister Ali Alatas also said he would not object to Cambodia becoming an ASEAN member in 1997.

By June, however, the international community had become seriously concerned about developments in the country, and the G-7 group agreed to send French and Japanese envoys to Cambodia to assess its security situation. As things got progressively worse, U.S. Secretary of State Madeleine Albright’s visit to Phnom Penh scheduled for June 28–29 was canceled due to Cambodia’s “serious and unpredictable” security problems.

Foreign relations after the coup were centered around the need to put Cambodia back on track toward political stability. Several states expressed their displeasure over the coup by evacuating their citizens; a few showed their approval of the country’s new leadership. China urged noninterference in Cambodia’s domestic affairs. But the ASEAN foreign ministers held an emergency meeting on July 10 and decided to postpone Cambodia’s entry, and Phnom Penh received another blow when Cambodia’s U.N. seat was left vacant in September. Several states, including those in ASEAN, initially continued to recognize Ranariddh as Cambodia’s first prime minister. Soon, however, they seemed to have reached a consensus to request only that the prince and other exiled members of Parliament (who had fled the country during and after the coup) be allowed to participate in the next elections.

In sum, 1997 was indeed post-U.N. Cambodia’s most dramatic year. With power relations within the government reconfigured by the coup, the nation was again standing at a crossroads, facing numerous uncertainties and dilemmas. Economic growth was dampened by the ongoing internal strife. With the Khmer Rouge leadership’s bloody breakup and the royalist army divided and kept at bay, the CPP dominated the battlefield and the political arena. The immediate prospect for democracy does not look bright; Hun Sen would not make any major concessions. One of the few positive things to be said was that external powers did not get militarily involved in the conflict, thus preventing the country from plunging into full-scale civil war.