

# KHMER TIMES

Insight into Cambodia



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**Features** June 29, 2016

## China's Influence in Cambodia

Khmer Times

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As China becomes richer and more powerful, it is expanding its interest and involvement in most parts of the globe, and Cambodia in particular.

Cambodia has undeniably come under China's economic and political influence and has become one of China's closest international partners and diplomatic allies.

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Prime Minister Hun Sen recently described China as a “most trustworthy friend” for Cambodia. During an official visit by King Norodom Sihamoni to Beijing in early June, Chinese President Xi Jinping described Cambodia as a “good neighbor, like a brother” and “a good friend with sincerity.”

China has become Cambodia’s largest development aid giver and provider of foreign investment. As a major source of development assistance, China has disbursed more than \$200 million annually since 1992 and has provided about \$3 billion in concessional loans and grants to Cambodia.

Also, between 1994 and 2013, Chinese investment in Cambodia was about \$10 billion, focused mainly on agriculture, mining, infrastructure projects, hydro-power dams and garment production.

In addition to development aid, China has also provided a considerable amount of military assistance to the Royal Cambodian Armed Force’s (RCAF) development. In recent years, China significantly increased military cooperation with the RCAF by providing loans and military equipment including trucks, helicopters and aircraft, built military training and medical facilities and donated uniforms to the Royal Cambodian Armed Forces.

But is China’s increasingly growing relationship with Cambodia an overall positive or negative one? From the perspective of some foreign observers and Cambodian citizens, China’s approach to development cooperation clearly presents opportunities, but also entails some risks for Cambodia’s current and future foreign and development strategic trajectory.

For example, Chinese investment in the textile industry has enabled tens of thousands of Cambodians to work and make money, even though most of them are unskilled. Chinese development aid in infrastructure has played an important role in Cambodia's national rehabilitation.

With about 10 bridges and more than 2,000 kilometers of road built by Chinese development aid, this infrastructure has significantly improved access to markets, especially for farmers. China's involvement in Cambodia has contributed in the garment and textile sector – with more than 3,000 companies, which are the backbone of Cambodian exports, accounting for 80 percent of all exports and employing about half a million workers, contributing 2 percent of Cambodia's GDP since 1995.

Despite Cambodia having received a significant amount of Chinese aid, the question must be asked: can such aid help Cambodia achieve the long-term core national interest development goals it adopted since the first UN-sponsored election in 1993?

China's activities in Cambodia are not without controversy. Some critics view China's hegemony in Cambodia as for its own wider strategic interests in Cambodia. Chinese development aid and investment have significant impacts on Cambodia's social, political and environmental arenas.

Chinese aid and investment, they argue, has made corruption worse, led to a failure to achieve good governance and human rights and resulted in over-exploitation of Cambodia's natural resources.

It may also be considered to be potentially detrimental to ordinary people, the farmers and the workers, with the potential to result in unchecked oppression, leading to social unrest and violence, as can be seen today.

Some observers are concerned about the environmental effects and the lack of transparency as a result of some Chinese-backed infrastructure, including dams and development projects. For example, the controversial Boeung Kak lake development in central Phnom Penh, which rights groups claim has led to the illegal eviction of about 4,000 families, and the massive gambling and tourist resort development under construction in Botum Sakor National Park in the country's southwest.

Compounding these concerns are reports of mistreatment of Cambodian workers on Chinese construction sites.

While Chinese assistance may boost Cambodia's economic development to a certain extent and enable Cambodia to maintain sovereignty and pursue independent foreign policy on the international stage, Cambodia's current foreign policy is seen to partly serve China's political and diplomatic interests in the region and the world.

This was obvious when Cambodia expressed strong objections to a joint statement to condemn China for building military installations in the contentious areas in the South China Sea. Also, in his speech, Prime Minister Hun Sen fiercely stated that Cambodia's stance was not to support any joint statement in support of the verdict of the court.

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assistance to Cambodia.

Cambodia's recent refusal to listen to a strong appeal from the international community, including the US, EU and the UN, over its deteriorating domestic issues highlighted Cambodia's over-dependence on China. This move was considered a risky strategy which may lead to Cambodia being abandoned by the international community because the strategy sharply contradicts the country's national development interests.

Arguably, this dynamic has fundamentally undermined long-standing international efforts to promote regional peace and prosperity and democracy in Cambodia.

It is true that the country's national development goals – for Cambodia to reach upper-middle income country status by 2030 and high income status by 2050 – would be unlikely to become a reality without foreign assistance from diverse aid providers and integrating into the international community.

It reminded us that during her visit to Cambodia in 2010, then US Secretary of State Hillary Clinton asked Cambodians to seek good multilateral-cooperation beyond China. She argued that “it is smart for Cambodia to be friends with many countries and to look for opportunities to cooperate with many countries.”

In order to attain its strategic economic development goals, Cambodia will need to seek a diversified foreign policy which means strengthening cooperation with all countries. The country must continue to see the value in engaging regional entities.

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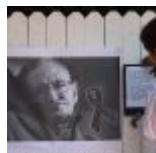
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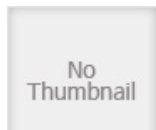
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## Holi in Phnom Penh

Holi is known as the Indian festival of colours and is celebrated as a thanksgiving for a good harvest. The festival is also popular with non-Indians where colour is smeared on each other. Water is also used to drench those partying in the ceremony.



## Khmer New Year Promotions at NagaWorld

The Khmer New Year is coming and NagaWorld, the multi-award winning world class international resort, is ready to usher in the annual festival with a fantastic range of special promotions, giveaways and live entertainment running from today to 30 April .



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**Hawking's remains to be buried at abbey near Newton, Darwin**

Stephen Hawking's ashes will be buried near the graves of fellow British scientists Isaac Newton and Charles Darwin at Westminster Abbey, it was announced Tuesday.



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## Property



### Property rental prices in Daun Penh stagnate

Khan Daun Penh is one of Phnom Penh's major districts. Together with neighbouring Boeung Keng Kang, Daun Penh represents some of the busiest economic hubs in Cambodia's capital city.

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### Construction of new airport in Siem Reap starts

The construction of a new international airport in Siem Reap has already begun.



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