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John D. Ciorciari

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Abstract

In recent years, Cambodia has become one of China's closest international partners and diplomatic allies. Cambodia's recent support for China during multilateral talks on the South China Sea has demonstrated the strength of the partnership and led some critics to depict Cambodia as a Chinese "client state." This paper examines the extent to which that label is valid. In its ideal form, a patron-client relationship entails an asymmetric exchange of benefits, typically including material support and protection from the stronger state and a degree of deference and political support from its weaker partner. This deference, which reduces the weaker state's autonomy and often generates political backlash, is what makes governments reluctant to embrace client state status. This paper argues that the Sino-Cambodian relationship has strengthened largely because China has offered Cambodia's governing elites a favorable bargain, providing extensive economic and political benefits without demanding costly forms of political fealty in return. That has begun to change, however. Cambodia's governing elites have become more dependent on China, more beholden to Beijing's policy preferences, and more closely identified with China by critics at home and abroad. The relationship has thus taken on an increasing patron-client character, exposing Cambodia to the downside risks inherent in such an arrangement and auguring poorly for the future if current trends continue.

In July 2012, the foreign ministers of the Association of Southeast Asian Nations (ASEAN) assembled in Phnom Penh for their 45th annual meeting. At the top of their agenda was the question of how to respond to China's far-reaching claims in the South

* Assistant Professor, Gerald R. Ford School of Public Policy, University of Michigan. The author thanks Sokunpanha You for his valuable research assistance and Erin Spanier for her editorial assistance. This working paper is prepared as part of a project led by Donald Emmerson at Stanford University on China's relations with Southeast Asian states in the 21st century.

China Sea. The ASEAN members most directly affected by China's claims sought to deliver a unified message through the joint communiqué that typically follows the ministers' meeting. Leaked records show that several ASEAN foreign ministers favored language regarding possible violations of the UN Convention on the Law of the Sea (UNCLOS) and stressing the need for a regional Code of Conduct (COC) in the South China Sea—language clearly directed at China. Vietnam and the Philippines also championed a more specific provision that expressed “serious concern” over possible violations of UNCLOS provisions on Exclusive Economic Zones and noting discussions of Scarborough Shoal, the site of an ongoing Sino-Philippine feud.¹ However, Cambodian Foreign Minister Hor Namhong, the meeting's chair, refused to accept that language, citing a lack of consensus and arguing that ASEAN should avoid “strong wording” that could “escalate tension.”² Negotiations broke down, and for the first time in 45 years, no joint communiqué was issued.

To many outside observers, Cambodia appeared to be doing China's bidding, perhaps as payback for years of liberal Chinese aid and investment. A senior diplomat in the region reportedly said, “China bought the chair, simple as that.”³ At least one report suggested that “the Cambodians, in a breach of ASEAN protocol, showed it to the Chinese, who said it was unacceptable unless the South China Sea reference was removed. So the Cambodians sent it back for amendment.”⁴ Former Singaporean

¹ For a detailed blow-by-blow account of the negotiations based on leaked records, see Carlyle A. Thayer, “ASEAN's Code of Conduct in the South China Sea: A Litmus Test for Community-Building?” *The Asia-Pacific Journal: Japan Focus*, Aug. 20, 2012, pp. 5-13 (citing a leaked record of discussions at the ministerial retreat).

² Ibid.

³ Jane Perlez, “Asian Leaders at Regional Meeting Fail to Resolve Disputes Over South China Sea,” *N.Y. Times*, July 12, 2012.

⁴ Roger Mitton, “ASEAN Struggles for Unity,” *Phnom Penh Post*, July 23, 2012. See also Ernest Z. Bower, “China Reveals Its Hand on ASEAN in Phnom Penh,” *Southeast Asia from the Corner of 18th and K Streets* (July 19, 2012), p. 2. Cambodia's ambassador to Thailand called this claim “extremely disparaging and slanderous” but did not explicitly refute the allegation. You Ay, Letter to the Editor, *Bangkok Post*, July 27, 2012.

diplomat Kishore Mahbubani added, “The whole world, including most ASEAN countries, perceived Cambodia’s stance as the result of enormous Chinese pressure.”⁵

Cambodian foreign ministry official Kao Kim Hourn called Mahbubani’s claim an “unfair accusation.”⁶ Other Cambodian diplomats accused Vietnam and the Philippines of trying to “hijack” the ASEAN meetings and hold the communiqué “hostage” to their national interests.⁷ Yet the evidence of Chinese influence was clear. Two months after the ASEAN deliberations ended in stalemate, Cambodian Prime Minister Hun Sen visited Beijing, where his counterpart Wen Jiabao announced more than \$500 million in new soft loans and grants to Cambodia. In an article in the *China Post*, Aun Porn Moniroth, a senior official at the Cambodian Ministry of Economy and Finance, noted that “the Chinese government also voiced high appreciation for the part played by Cambodia as the chair of ASEAN to maintain good cooperation between China and ASEAN.”⁸

These events reinforced a growing view that Cambodia is drifting from a position as “China’s closest friend in Southeast Asia”⁹ toward something beyond an arm’s-length diplomatic friendship.¹⁰ Thai analyst Thitinan Pongsudhirak argued that Cambodia had become “ beholden to Beijing” to a degree that makes China an “open patron state of Phnom Penh.”¹¹ Scholar Carlyle Thayer contended that Cambodia was

⁵ Kishore Mahbubani, “Is China Losing the Diplomatic Plot?” *Project Syndicate*, July 26, 2012.

⁶ Daniel Ten Kate and Nicole Gaouette, “Asean Fails to Reach Accord on South China Sea Disputes,” *Bloomberg News*, July 12, 2012.

⁷ See Koy Kuong, Letter to the Editor, *Cambodia Daily*, July 26, 2012; and Hos Sereythanh, “Communiqué only through full consensus,” Letter to the Editor, *Philippine Star*, July 30, 2012.

⁸ “Cambodia’s ASEAN Help Leads to Chinese Aid,” *China Post*, Sept. 5, 2012. Whether the loans were planned before July is unclear.

⁹ Chheang Vannarith, “China and the Creation of ASEAN-China Free Trade Area: Implications for Cambodia,” *CICP Working Paper No. 19* (Phnom Penh: Cambodian Institute for Cooperation and Peace, Aug. 2007), p. 11.

¹⁰ Scholar Ian Storey argues that “China-Cambodian relations have gone a bit further than the rest” in Southeast Asia. “Cambodia has put Asean’s future in jeopardy,” *The Nation* (Thailand), July 15, 2012.

¹¹ Thitinan Pongsudhirak, “China, US widen Asean rifts,” *Bangkok Post*, July 27, 2012 (asserting that China had contributed more than US \$10 billion of aid to Cambodia in the past decade).

“showing itself as China’s stalking horse.”¹² The *Economist* referred to Cambodia as China’s “de facto proxy within ASEAN,”¹³ and others have referred to it as a Chinese “client” or “satellite.”¹⁴

Portrayals of Cambodia as a Chinese client have had strong normative undertones, as critics have sought to de-legitimize Cambodia’s position on the South China Sea by suggesting that Cambodian officials spoke not for themselves but instead as Chinese puppets. Although small states often seek great-power support, their leaders seldom if ever wish to become “clients,” both because they value their own freedom of action and because identification as a client can have damaging domestic and diplomatic repercussions.¹⁵ It is thus unsurprising that Cambodian leaders have responded fiercely to such claims. Cambodian Prime Minister Hun Sen said angrily in April 2012: “What I hate and am fed up with is talk about Cambodia working for China and must be under some kind of influence. That is completely wrong.”¹⁶ He chided domestic political opponents who criticized undue Chinese influence in the country and added that Cambodia was “not going to be bought by anyone.”¹⁷ After the events of July 2012, Cambodian ambassador to Thailand You Ay asserted that “Cambodia is a sovereign nation. It does not kowtow to any country.”¹⁸

In fact, the Sino-Cambodian partnership has taken on an increasingly clientelistic character. Ties have strengthened over the past fifteen years largely because policymakers in Phnom Penh have been able to reap considerable economic and

¹² Michelle Fitzpatrick, “ASEAN talks fail over Chinese territorial dispute,” *Agence France Presse*, July 13, 2012.

¹³ “Losing the Limelight,” *Economist*, July 17, 2012.

¹⁴ See, e.g., Rick Wallace and Michael Sainsbury, “Between a Rock and a Reef,” *The Australian*, Sept. 24, 2012; “All Cambodia’s – and China’s – Fault,” *Manila Times*, July 19, 2012; and “Booming South East Asia in a quandary over US-China rivalry,” *Reuters*, July 9, 2012.

¹⁵ See John D. Ciorciari, *The Limits of Alignment* (Washington, DC: Georgetown University Press, 2010), pp. 18-25.

¹⁶ Greg Torode, “Asean left on a knife-edge,” *South China Morning Post*, July 21, 2012.

¹⁷ Martin Vaughan, “Cambodia’s Hun Sen Proves a Feisty Asean Chair,” *Reuters*, Apr. 4, 2012.

¹⁸ You Ay, Letter to the editor.

political gains from China with acceptable costs in autonomy. China has sought resources and fealty on issues of much greater concern to Beijing than Phnom Penh, while incumbent Cambodian elites have sought opportunities for development assistance, personal enrichment, and political entrenchment—all of which the PRC has supported consistently. Over time, however, Cambodia's political economy has evolved to render the country and its elites increasingly reliant on Chinese aid and thus beholden to the PRC's policy concerns. These trends bode poorly for Cambodia's domestic political development, both states' regional relations, and the long-term stability of their bilateral partnership.

AN ASYMMETRIC BUT RECIPROCAL RELATIONSHIP

In its ideal form, a patron-client relationship involves what James Scott has described as an “instrumental friendship,” in which a patron of superior power and status deploys its resources and influence to provide protection and benefits to the client, who reciprocates with other forms of support and assistance.¹⁹ The contemporary Sino-Cambodian partnership is highly unequal in material terms. Cambodia's population, gross national product, and military spending are all less than 1 percent the size of China's. While this gives China the clear capacity to benefit Cambodia—especially in terms of aid and investment—Cambodia is far from powerless in this dyad. Cambodia's natural resources, its roles in multilateral forums, and its geographic position in the heart of Southeast Asia all give it the potential to help advance China's pursuit of economic development and a larger diplomatic and strategic footprint.

Foundations of the Partnership

Chinese and Cambodian officials often speak of the continuity in friendship between the two states, which developed in the 1950s, shortly after Cambodia's independence, during the royalist *Sangkum* regime led by then-Prince Norodom

¹⁹ James C. Scott, “Patron-Client Politics and Political Change in Southeast Asia,” *American Political Science Review* 66:1 (1972), p. 92. Although the theoretical literature focuses primarily on intra-state patronage, the model also applies between highly unequal states.

Sihanouk. At a groundbreaking ceremony for an infrastructure project in February 2012, Hun Sen lauded “the magnificent bond of relations between Cambodia and China which was built by previous generation[s of] leaders...Norodom Sihanouk and leaders Mao Zedong, Zhou Enlai and Liu Shaoqi.”²⁰ In October 2012, after Sihanouk’s death in Beijing, where he was receiving medical treatment, Premier Wen Jiabao lauded his role in building a “profound traditional friendship” between the two states.²¹

The contemporary Sino-Cambodian partnership is not a product of habit or historical affection, however. Throughout the latter stages of the Cold War, China and the men who comprise the contemporary CPP leadership were mortal adversaries. In addition to its support for Sihanouk, China backed the Pol Pot regime. The leaders of the CPP—including Hun Sen, Chairman of the National Assembly Heng Samrin, and President of the Senate Chea Sim—defected from Khmer Rouge ranks to lead the Vietnam-backed resistance to the Pol Pot regime and fought the Third Indochina War against PRC-supported Khmer Rouge and royalist forces between 1979 and 1991.²²

It was only in the 1990s that the CPP and Chinese government put aside past animosity to rebuild an instrumental partnership between the two states. After UN-sponsored elections in 1993, the CPP brokered a compromise whereby Hun Sen served as co-prime minister with the leader of the royalist Funcinpec party, Sihanouk’s son Norodom Ranariddh. As tension rose between the rival parties, China read the tea leaves of Cambodian politics, correctly wagered that the CPP would achieve dominance, and began mending fences with Hun Sen.²³ When CPP leaders sought international support—especially after July 1997, when Hun Sen assumed control in a

²⁰ Hun Sen, Selected Impromptu Address to the Groundbreaking Ceremony for the Enlargement of National Road 6 from PK4 through to Thnal Kaeng under the Presidential Buyer’s Credit Loan from the Government of the People’s Republic of China, Feb. 14, 2012, www.cnv.org.kh.

²¹ “Chinese premier visits Cambodian royals for condolence,” *Xinhua*, Oct. 15, 2012 (paraphrasing Wen).

²² During the 1980s, Cambodian royalists led by Sihanouk aligned with the Khmers Rouges as part of a Coalition Government of Democratic Kampuchea (CGDK) to resist the Vietnamese occupation of Cambodia and the Vietnam-backed People’s Republic of Kampuchea—the antecedent to the CPP.

²³ Ian Storey, *Southeast Asia and the Rise of China: The search for security* (London: Routledge, 2011), p. 181 (noting that China arranged for a fully-funded visit by Hun Sen to Beijing in 1996).

series of partisan clashes that Western powers widely condemned as a coup – China, which was engaged in a “charm offensive” to extend its economic and political reach in Southeast Asia, seized the diplomatic opening.

Beijing provided Hun Sen with an immediate \$10 million loan, declined to join the chorus of the CPP’s foreign critics, and provided \$2.8 million of military equipment six months later. Facing ostracism from the West, the CPP embraced Chinese assistance and reciprocated by cutting ties with Taiwan.²⁴ China also gave Cambodia an estimated \$600 million in investment and development aid between 1997 and 2005 and backed Cambodia by helping to block a purely international tribunal for the Khmers Rouges.²⁵ According to Cambodian analyst Chheang Vannarith, “Hun Sen’s administration inclined towards China in order to have...political and economic breathing space.”²⁶ Against a backdrop of lingering mistrust, the two governments thus began constructing a partnership based on twin foundations: asymmetrical economic and diplomatic exchange and mutual non-interference on matters of core policy concern.

The relationship has since strengthened considerably, but it remains rooted in those foundations. Just days before the July 2012 ASEAN talks, Hun Sen met with Chinese Foreign Minister Yang Jiechi, and the Chinese Ministry of Foreign Affairs issued a statement summarizing the relationship:

Cambodia appreciates the valuable support and help of the Chinese government and people for Cambodia’s economic and social development. The people of Cambodia are deeply moved by the fact that China has always lived up to its

²⁴ Long Kosal, “Sino-Cambodia Relations,” *CICP Working Paper No. 28* (Phnom Penh: Cambodian Institute for Cooperation and Peace, July 2009), p. 8.

²⁵ See Craig Etcheson, *After the Killing fields: Lessons from the Cambodian Genocide* (Lubbock, TX: Texas Tech University Press, 2005), pp. 54-55; and John D. Ciorciari, “History and Politics behind the Khmer Rouge Trials,” in John D. Ciorciari and Anne Heindel, eds., *On Trial: The Khmer Rouge Accountability Process* (Phnom Penh: Documentation Center of Cambodia, 2009), chapter 1.

²⁶ Chheang, “Cambodia,” p. 7.

word...The Chinese side appreciates the long-standing, firm support of Cambodia for China on issues that concern China's core interests...²⁷

That statement captured some of the basic elements of the contemporary Sino-Cambodian entente. China provides economic aid and reliable political defense of Cambodia's sovereignty, and in exchange Cambodia provides access to resources and is deferent on issues of core concern to Beijing—namely the PRC's policies on Taiwan, Chinese dissidents and separatist groups, and perhaps now the South China Sea.

The Importance of Reciprocity

It is precisely this type of reciprocity that distinguishes patron-client dyads from relationships based on coercion or formal authority.²⁸ Despite highly asymmetric power resources, the Sino-Cambodian relationship is premised on a consensual exchange. China's limited military reach, the availability of "balancing" options, and its interest in convincing neighbors of its peaceful intentions all lessen the appeal of coercive strategies. There is little evidence that Beijing has attempted to compel Cambodian allegiance through economic threats and no evidence of military coercion. As it has done throughout the region, China has relied more heavily on inducement to pursue stronger ties with Cambodia. Beijing has used its economic largesse and political heft as attractive forces, becoming Cambodia's top investor and aid provider, as well as a key diplomatic friend.

As the literature on social exchange theory suggests, power inequality in reciprocal relationships does not necessarily translate into an exchange of benefits that favors the stronger state.²⁹ The effective rate of exchange depends on the value that each party attaches to the benefits that the other can provide. For the smaller partner, the net benefits, typically economic assistance and various forms of political or military

²⁷ Ministry of Foreign Affairs, People's Republic of China, "Cambodian Prime Minister Hun Sen Meets Yang Jiechi," July 10, 2012, <http://www.fmprc.gov.cn/eng/zxxx/t949689.htm>.

²⁸ John Duncan Powell, "Peasant Society and Clientelist Politics," *American Political Science Review* 64:___ (1970), pp. 411-25.

²⁹ Robert O. Keohane, "Reciprocity in International Relations," *International Organization* 40:1 (1986), p. 6, note 25.

protection, offset to some degree the risks of dependence and diminished autonomy. The stronger state typically earns access to resources and deference on certain diplomatic matters. It is this political deference that most typically invites critics to label the weaker party a “client” in the pejorative sense of the term.

The degree of policy deference that a small state feels compelled to “pay” for the benefits it receives depends on a number of factors. These include the value of the benefits provided by the stronger partner, the other forms of reciprocation at the weaker state’s disposal, and the international context of the interaction. When a great power is eager to build consensual friendships, its weaker partner may be able to extract considerable rewards while conceding little policy deference—or at least deference that carries low political costs. In such cases, an asymmetric bond can become quite strong without generating charges that the small state is a lackey.

The risk of diminished policy autonomy is a key reason why leaders of small developing states are generally wary of entering into close asymmetric relationships with great powers. Most such leaders preside over societies that have suffered from colonial rule and subsequent imperial intrusion, leading them to prize their sovereignty and understand the risks of dependence. Cambodia is a case in point. Throughout its history, Cambodia has struggled with foreign intrusion. Centuries of Siamese and Vietnamese encroachment were followed by seven decades of French rule. When Cambodia finally won its independence from France in 1953, it became the site of an elaborate proxy war marked by frequent foreign intervention and a decade of Vietnamese occupation. Why, then, have Cambodian leaders accepted closer ties to Beijing at a time when China’s relative power is rising and presents increased risks of dominance or dependency? The answer is twofold: China has been willing and able to provide economic and political benefits prized by the incumbent Cambodian leadership and, until quite recently, Beijing has not demanded costly forms of policy deference from Cambodia in return.

AN EXCHANGE OF BENEFITS

Any reciprocal partnership entails an exchange of benefits. Although China provides substantial economic aid to Cambodia, which reciprocates to some degree with policy deference, the bidirectional flow of benefits is more complex than a simple aid-for-influence swap. China also derives important economic benefits from the relationship, and the Cambodian government gets more than money for development—it gets assistance in a form that reinforces elite positions in the domestic political economy and buttresses the government against domestic and foreign critics.

The Forms of Chinese Patronage

Cambodian decision-makers have derived a number of benefits from their partnership with China. The most obvious are economic. Although China has invested heavily in economic links throughout Southeast Asia and beyond, its penetration in Cambodia has been particularly great and can best be explained by reference to the structure of Cambodia's domestic political economy, which enables China to operate in the country on favorable terms and makes Chinese investment practices particularly appealing to Cambodian elites. The relationship has also had related domestic political, diplomatic, and security payoffs for Phnom Penh.

Chinese Development Assistance

Chinese aid and investment have provided important benefits both to national development and the pecuniary and political interests of Cambodia's decision-making elites. Official Chinese aid is often difficult to disentangle from ordinary loans channeled through China's state-run banks, because China does not use standard international definitions of official development aid.³⁰ Volumes of Chinese financial assistance are also difficult to assess due to frequent double-counting in official announcements. Nevertheless, China clearly has become Cambodia's largest foreign investor and donor for large infrastructure projects.

³⁰ See May Tan-Mullins, Gile Mohan, and Marcus Power, "Redefining 'aid' in the China-Africa context," *Development and Change* 41:5 (2010), pp. 857–881.

Between 1994 and 2011, China was responsible for more than \$8.8 billion of approved investments in Cambodia—much larger than any other bilateral partner and approximately 36 percent of Cambodia’s total approved foreign investments during that period.³¹ Moreover, China’s share has risen over time. In 2011 alone, Chinese investment in Cambodia totaled \$1.9 billion, ten times the U.S. investment and more than double the combined ASEAN figure.³² Cambodia’s GDP during the same year was only \$13 billion, making clear the importance of the Chinese financial contribution.³³

China’s project-based lending—typically via infrastructure deals in which Cambodia borrows from China and then hires Chinese firms to lead the project—has also increased dramatically. The PRC’s largesse in Cambodia largely reflects the high degree of congruence between China’s comparative advantages as an investor and Cambodia’s very real development needs. Cambodian officials and international advisors agree that Cambodia’s path to sustainable growth and more equitable wealth distribution must include diversifying its domestic industry portfolio to include export-oriented agriculture and extractive industries. Both of these industries, however, require costly energy and infrastructure improvements.³⁴ Many such improvements have been funded by the PRC in recent years. Between 2009 and 2012, for example, China provided Cambodia a \$436 million soft loan for irrigation and agricultural development;³⁵ soft loans of \$73 million and \$52 million for expansions of the national Road to the outlying areas of Preah Vihear, Pailin, and Ratanakiri;³⁶ and several major

³¹ Suon Sophal, Council for the Development of Cambodia, “Cambodia: FDI and Government Policy,” p. 20, available at <http://www.adbi.org/files/2012.10.09.cpp.sess3.3.suon.cambodia.fdi.pdf>. South Korea was next at \$4 billion, and the European Union followed with \$3.6 billion.

³² “Cambodia’s ASEAN Help Leads to Chinese Aid.”

³³ World Bank, *Data: Cambodia*, available at <http://data.worldbank.org/country/cambodia>.

³⁴ Steve Heder, “Cambodia in 2010: Hun Sen’s Further Consolidation,” *Asian Survey* 51:1 (2011), p. 210.

³⁵ “China provide largest loan to Cambodia for agriculture, irrigation development,” *Xinhua*, July 17, 2012 (noting that several other states and organizations contributed much smaller amounts).

³⁶ “Cambodia inaugurates China-funded road,” *Xinhua*, Aug. 8, 2012; “China provides soft loan for Cambodia’s road development,” *TTXVN Vietnam*, May 21, 2009; and “China to continue helping Cambodia with infrastructure,” *Xinhua*, Mar. 12, 2011.

“Cambodia-China friendship bridges.”³⁷ Other major Chinese-funded projects include a \$3.8 billion beachfront property development project in Kampot, and eight hydroelectric dam projects worth \$1 billion.³⁸

The Chinese firms that typically manage PRC-funded projects tend to have ample experience in energy and infrastructure projects and are relatively efficient providers from a cost standpoint—especially since their projects are normally not “encumbered” by conditions pertaining to environmental protection, labor regulations, or human rights. China is also willing to undertake projects that other donors are not. For example, China is managing most of Cambodia’s hydroelectric dam projects, and a leaked U.S. State Department cable reports that some, including the Kamchay Dam in Bokor National Park, are “in areas that other donors explored and then dismissed, citing environmental and economic concerns.”³⁹

Although the quality of some Chinese infrastructure projects has been poor, even leading Hun Sen to complain in 2012 about crumbling Chinese-funded roads,⁴⁰ Cambodian officials are wary of Japanese and Western donors who work much more slowly and attach complex conditions to funding. In general, Cambodia welcomes China’s willingness to build quickly and with few environmental and social conditions.⁴¹ In June 2012, Cambodia announced that it was approaching China to fund a \$600 million extension of the trans-ASEAN rail line to Vietnam, citing problems with a “complicated” loan from the Asian Development Bank (ADB)—widely understood to refer to the ADB’s environmental and other safeguards.⁴²

³⁷ See, e.g., “Construction of 4th Cambodia-China friendship bridge begins in Cambodia,” *Xinhua*, July 6, 2011.

³⁸ “China top investor in Cambodia in 2008,” *Xinhua*, Feb. 5, 2009; and John Pomfret, “China’s muscular embrace of Cambodia,” *Washington Post*, Nov. 21, 2010.

³⁹ Unclassified cable from the U.S. Embassy in Phnom Penh, “Cambodia’s Race for Hydropower Continues,” Cable 08PHNOMPENH1003 (Dec. 18, 2008), ¶6, available at www.dazzlepod.com.

⁴⁰ “PM wants better roads,” *Radio Free Asia*, Oct. 11, 2012.

⁴¹ See *ibid.* ¶¶ 7, 22.

⁴² “China may fund Cambodia-Vietnam rail,” *Phnom Penh Post*, June 13, 2012.

The Cambodian government has also welcomed expanded trade. While Cambodia remains a minor trading partner for China—accounting for less than 0.1 percent of the PRC’s total two-way trade in 2011⁴³—the reverse is no longer true. Between 2001 and 2011, official Chinese exports to Cambodia soared from less than \$90 million to roughly \$2.5 billion—approximately one quarter of all Cambodian imports,⁴⁴ while official Cambodian exports to China rose from negligible levels to \$184 million over the same period.⁴⁵ In addition to its obligations under the ASEAN China Free Trade Agreement, China has enacted measures to reduce barriers to Cambodian goods, especially rice, and the two governments have announced a goal of 1 million tons of Cambodian rice exports to China by 2015.

Political Consolidation and the Neopatrimonial State

Cambodian elites have profited handsomely from Chinese economic engagement, both in pecuniary and political terms, because the political and economic systems in Cambodia are so closely intertwined. Kheang Un and Sokbunthoen So characterize Cambodia as a “neopatrimonial state” in which elements of a modernized bureaucracy are combined with personalized patronage networks, blurring the line between the public and private spheres.⁴⁶ Indeed, Hun Sen has achieved dominance in Cambodian politics largely through patronage relationships. His military, economic, and political levers of power are closely intertwined. Decisions are made by a relatively small number of elite officials and business tycoons connected closely to them through blood, marriage, and shared business interests. Many of the decision-makers are ethnic Chinese who have built some trust with Chinese counterparts due to cultural and linguistic affinity.

⁴³ Derived from data in Asian Development Bank, *Key Indicators 2012* (Manila: ADB, 2012).

⁴⁴ Asian Development Bank, *Key Indicators 2012: Cambodia* (Manila: ADB, 2012), p. 5.

⁴⁵ “Cambodia’s trade with China in 2011 up 73.5 pct,” *Xinhua*, Feb. 10, 2012 (citing a report from the Chinese embassy in Cambodia). These numbers almost certainly understate the true volume of trade due to the prevalence of illicit commerce in lumber and other commodities.

⁴⁶ Kheang Un and Sokbunthoeun So, “Land Rights in Cambodia: Now Neopatrimonial Politics Restricts land Policy Reform,” *Pacific Affairs* 84:2 (2011), p. 294.

CPP members control almost all aspects of the bureaucracy and security services, enabling them to command loyalty through the unequal distribution of public resources and selective application of the law. The CPP's bureaucratic grip on society – which has its roots in the 1980s – has also helped the party win over key elite constituencies and much of the general population, which in turn has given the CPP an important source of governing legitimacy and has helped diminish legislative and judicial checks on executive power, which are now extremely weak. The CPP also has used business licenses and lucrative government positions to win the allegiance of key elite constituencies, who channel funds back toward the top of the pyramid of patronage.⁴⁷

Managing this system is made easier by the fact that Cambodia's economy relies heavily on natural resource rents and foreign aid, which provide large revenue streams that government officials can distribute to preferred constituencies. To some extent, Cambodia is what Giacomo Luciani has called an "allocation state" – one that relies on the allocation of non-tax revenue to survive rather than the promotion and taxation of productive private economic enterprise.⁴⁸ Approximately half of the government's revenue comes from foreign aid alone.⁴⁹ Rents from natural resources and land concessions also provide substantial foreign exchange, though the precise volume of official and unofficial flows is difficult to estimate.

Foreign investment tends to be channeled through a group of what Steve Heder calls "economic mandarins," most of whom are ethnic Chinese. These include tycoons such as Ly Yong Phat and Lao Meng Khin.⁵⁰ Foreign investment – which is now enormous relative to the size of Cambodia's economy – flows through their private companies to the military and police forces, which are paid to secure (or sometimes obtain) land or facilities. It also flows back to civilian officials through bribes and kick-

⁴⁷ Un and So, "Land Rights in Cambodia," pp. 294-95.

⁴⁸ Giacomo Luciani, "Allocation vs. Production States: A Theoretical Framework," in Giacomo Luciani, ed., *The Arab State* (Berkeley, CA: University of California Press, 1990), pp. 65-84.

⁴⁹ U.S. State Department, *Fact Sheet on U.S.-Cambodian Relations*, June 13, 2012.

⁵⁰ Heder, "Cambodia in 2010," p. 209.

backs.⁵¹ Some of those funds are recycled through patronage networks to bolster the CPP's position, especially in advance of commune-level and national elections.

Hun Sen and the CPP enjoy genuine appeal in the countryside for delivering relative peace and stability—and more recently uneven but significant economic growth—to Cambodia. But their control over the flow of money through key patronage networks remains an important pillar of their political power. China has been more than willing to acquiesce in those arrangements. Chinese willingness to engage in corrupt practices has also strengthened the link, as Cambodian officials take payment from the Chinese for licenses, permits, and contracts. In 2011, Cambodia ranked 164th out of 182 states in the annual Transparency International Corruption Perceptions Index. Within Asia, only Myanmar was lower.⁵²

Chinese support has also helped abet another pillar of the CPP's power—repression of political dissent. Funcinpec has since receded as a viable opposition party in Cambodia, but Western governments and the populations of expatriate Khmers in Western states continue to support opposition parties. The liberal Sam Rainsy Party (SRP) rose as Funcinpec weakened and is now joined by the Human Rights Party as the principal opposition parties. The CPP has co-opted some of its opponents but has used violence and intimidation to weaken others—as in cases such as the murder of labor activist Chea Vichea. Despite such practices, and sometimes precisely when Cambodia has faced pressure for reform from Western and Japanese donors, China has taken symbolic steps to voice its political support for the CPP, most notably by building the Council of Ministers building in Phnom Penh beside the Prime Minister's office.

The relationship between a great power and a “friendly,” heavy-handed government in a smaller state is nothing new—the United States has forged many such ties. For the CPP, there are few if any alternatives to China. Little trust of Western

⁵¹ For a detailed account of how this system has functioned in the logging sector, see Global Witness, *Cambodia's Family Trees* (June 2007).

⁵² Transparency International, *Corruption Perceptions Index 2011*, available at <http://cpi.transparency.org/cpi2011/results/#CountryResults>.

governments exists in the ranks of the CPP, making those options unappealing. Vietnam is also not a viable alternative. Opposition parties have long sought to characterize the CPP as Vietnamese puppets—a charge deeply resonant in a country that was occupied for a decade by Vietnamese troops.⁵³ Opposition figures also have criticized CPP leaders for becoming too cozy with Thailand—a charge that has also been sensitive due to ongoing territorial disputes and a history of perceived Thai (and Vietnamese) encroachment on Khmer territory. The absence of other appealing patrons makes China a particularly attractive aid provider to the CPP as it manages its “allocation state.”

The Diplomatic Payoffs from Chinese Aid

In addition to helping keep the Cambodian power elite at the top of the food chain, the influx of Chinese aid and investment has helped them resist international pressure on a variety of governance issues. As Sophal Ear argues, “When Cambodia falls under pressure from international bodies to reform its human rights abuses, corruption, oppression of its people, or misuse of power, it turns to China for financial support.”⁵⁴ China has seized such opportunities. For example, the World Bank ceased lending to Cambodia in 2010 due to flooding and forced evictions of villagers in the area of a development project to fill the Boueng Kak Lake in Phnom Penh. Rather than address the remedy the situation, Cambodia simply turned to China to finance the project.⁵⁵

China’s large aid packages also have made it more difficult for Western donors and UN agencies to link annual aid packages to political reforms.⁵⁶ In early 2006, while Western and UN donor agencies pressed Cambodia to uphold its promise to draft and

⁵³ See “Opposition Slams Border Agreement,” *Radio Free Asia*, June 18, 2012 (noting Hun Sen’s rejection of opposition charges that he is a Vietnamese puppet); and A. Gaffar Peang-Meth, “Cambodians must join to oust Hun Sen,” *Pacific Daily News*, May 11, 2011.

⁵⁴ Ear, *Aid Dependence in Cambodia*, pp. 29-30.

⁵⁵ “Land Evictions Still the Main Risk,” *Business Monitor Online*, Sept. 13, 2011.

⁵⁶ Paul Marks, “China’s Cambodia Strategy,” *Parameters Journal* 30 (2000), p. 94.

enact an anti-corruption law, China delivered \$600 million in aid.⁵⁷ Cambodia's other donors soon followed, pledging a similar figure despite Cambodia's meager progress toward the anti-graft law.⁵⁸ Hun Sen lauded the PRC as Cambodia's "most trustworthy friend" and thanked the PRC publicly several months later for not lecturing him on governance and noting that "no condition was imposed, no benchmark was set" for the Chinese aid.⁵⁹ Cambodia's enhanced capacity to resist pressure from Western aid agencies and multilateral development banks may not be in the interest of the general Cambodian population, but it is certainly appreciated by CPP leaders and helps cement the Sino-Cambodian relationship.⁶⁰

Chinese aid has given Cambodia added leverage vis-à-vis the United States and other key bilateral donors fearful of China's strategic reach. In November 2010, U.S. Secretary of State Hillary Clinton said in a public meeting with Cambodian students "you don't want to get too dependent on any one country."⁶¹ Concerned about China's growing influence in Cambodia, she indicated at a joint press conference that the United States would add to its support for the UN-backed Khmer Rouge tribunal and lauded Cambodia's (dubious) "progress in countering corruption." She also said that the United States was "very, very interested" in exploring ways to retire roughly \$450 million in debt that Cambodia owes the United States from the early 1970s, when Washington lent money to the Lon Nol regime.⁶² Just three days later, China

⁵⁷ Amy Kazmin, "China boosts Cambodian relations with \$600m pledge," *Financial Times*, Apr. 10, 2006.

⁵⁸ Hannah Beech, "Cambodia Keeps Taking, Gives Little," *TIME*, July 22, 2007.

⁵⁹ "PM Hun Sen thanks China for not reprimanding Cambodia when giving aid," *Associated Press*, Nov. 1, 2006.

⁶⁰ Scholar Brantly Womack argues, "the international aid community feels that it loses leverage because of China's independent behavior. However, given the needs of Cambodia and the ignorance and arrogance of some international donors, the steadfastness of China's support is appreciated." Womack, *China Among Equals*, p. 241.

⁶¹ John Pomfret, "Clinton urges Cambodia to strike a balance with China," *Washington Post*, Nov. 1, 2010.

⁶² Jay Solomon, "Clinton Presses Cambodia on China," *Wall Street Journal*, Nov. 2, 2010; and "Clinton pushes for Khmer Rouge trials," *UPI*, Nov. 1, 2010. Clinton also said that the United States was keen to support the Khmer Rouge tribunal

announced that it would forgive \$4 million of debt owed to China from the Khmer Rouge era.⁶³

A leaked U.S. Embassy cable issued in January 2007 revealed clearly how China's interest in Cambodia has contributed to Cambodia's leverage with the United States:

As has long been the case, Cambodia remains something of a "sideshow" in which world and regional powers (China, Vietnam, Thailand, and the U.S.) vie for influence or, at the very least, compete to preempt others from gaining too strong a hold on Cambodia. The Cambodians, for their part, have long tried to play off these competing powers against one another in order to advance their own interests. In these equations, the role of China is pivotal, as it expands its influence in the region. In Cambodia, the Chinese have been particularly successful given USG reticence in the past to engage more energetically with the Cambodian government.⁶⁴

In recent years, the U.S. government has indeed increased its engagement. The United States is not the only country to court Phnom Penh with an eye toward countering Chinese influence. Japan has provided tens of millions of dollars to the Cambodian government in support of the Khmer Rouge tribunal,⁶⁵ along with other aid that some analysts perceive as part of a broader effort to balance Chinese political clout in Cambodia.⁶⁶

A Modest Military Dimension

In addition to economic and political support, patron-client relationships typically imply an exchange of security services; the patron offers protection, and the

⁶³ Chun Sakada, "China Forgives \$4 Million in Khmer Rouge-era Debt," *VOA Khmer*, Nov. 4, 2010.

⁶⁴ Unclassified cable from the U.S. Embassy in Phnom Penh, Cable 07PHNOMPENH16, "Scenesetter for PDAS Kathleen Stephens January 2007 Visit to Cambodia," Jan. 5, 2007, ¶1, available at www.dazzlepod.com.

⁶⁵ See Cable from the U.S. Embassy in Phnom Penh, "Friends of the ECCC or RGC?" Cable 07PHNOMPENH429 (Mar. 16, 2007) ¶ 2, available at www.dazzlepod.com.

⁶⁶ See John D. Ciorciari and Anne Heindel, *Hybrid Justice: The Extraordinary Chamber in the Courts of Cambodia* (Ann Arbor, MI: University of Michigan Press, forthcoming), chapters 1 and 3. See also Puy Kea, "Japan in Cambodia has China aid rival," *Kyodo News*, Feb. 9, 2011; "Japan in Cambodia," *Japan Times*, Feb. 27, 2011.

client helps its stronger partner project power or wage security campaigns. There is some realist, balance-of-threat logic to Sino-Cambodian security cooperation. Historically, both countries have sought to avoid encirclement by hostile neighbors. China has long been fearful of encirclement by rival great powers such as the United States and Soviet Union and their allies along the Pacific Rim, including the Indochinese states. Cambodia's strategic circle is defined primarily by the larger states flanking its western and eastern borders, Thailand and Vietnam. Border and maritime disputes with Vietnam and Thailand—most notably over the temple of Preah Vihear—give Cambodian leaders reason to seek external support.

The logic of counter-encirclement helps explain the emergence of the Sino-Cambodian relationship during Prince Norodom Sihanouk's royalist *Sangkum* regime in the 1950s and 1960s, as well as the unsavory alliance between China and the Pol Pot regime in the late 1970s, when China funneled extensive military aid and training to Cambodia to confront Vietnam. The contemporary Sino-Cambodian relationship is much more modest from a defense standpoint. The two states have no formal alliance or agreement on mutual defense, and their informal security ties are quite limited. This reflects the high perceived risks to both sides of entering into a robust military pact, which would compromise China's "charm offensive" in Southeast Asia, alienate Cambodia's neighbors, and undermine both the actual and apparent autonomy of the Hun Sen government.⁶⁷

Nevertheless, China has provided military aid to Cambodia and is now the largest foreign source of such assistance.⁶⁸ China provided Cambodia with \$60 million in soft loans to buy nine naval patrol boats, which arrived in 2007, and financed Cambodia's upgrade of the Ream Naval Base.⁶⁹ In 2011, China lent Cambodia \$195 million to purchase *Zhishengji-9* twin-engined light utility helicopters,⁷⁰ and in May

⁶⁷ Ciorciari, *The Limits of Alignment*, pp. 198-200.

⁶⁸ Chheang, "Cambodia," p. 9.

⁶⁹ Storey, *Southeast Asia*, p. 187.

⁷⁰ "China to supply Z-9 helos to Cambodia," *Jane's Defence Weekly*, Aug 22, 2011. These helicopters transport up to 8 troops and are typically used for search and rescue operations.

2012 the two states signed a military cooperation agreement to support military capacity building, including training for Cambodian military personnel.⁷¹

The supplies and training China has provided to the Cambodian armed forces are far from a level that would enable Cambodia to rival its neighbors, however. Even in the period between 2008 and 2011, when the Thai army posed a clear threat to Cambodian territorial interests and clashed with the Royal Cambodian Armed Forces (RCAF) over the temple of Preah Vihear, China did not intervene visibly. Perhaps this is due partly to the partnership China has enjoyed with the Thai military since the end of the Vietnam War. If Cambodian leaders seek strong Chinese protection against Thailand through arms or explicit diplomatic intervention, they have likely been disappointed.

Rather than attempting to arm Cambodia heavily, China has used military aid as a sign of political support. The clearest example occurred in April 2010, after the United States cancelled a shipment of 200 military trucks to Cambodia to protest Phnom Penh's deportation of 20 Uighur asylum seekers back to China. Less than three weeks later, China donated 257 military trucks to Cambodia to compensate Cambodia for the loss of the U.S. trucks. Cambodia's deputy defense minister Moeung Samphan said, "What Cambodia has requested, China has always provided us with whatever it could."⁷²

Some analysts have suggested that China's close ties to Cambodia and provision of military aid suggest an "implicit security guarantee."⁷³ Although the extent of that implicit assurance is unclear, China's political and economic support has offered Cambodia an additional layer of protection from encroachment or bullying by its larger immediate neighbors. Thai analyst Pavin Chachavalpongpun argues that China's ties with the Hun Sen regime have had the effect of "pulling the country out of the

⁷¹ "Cambodian Chinese defense ministers ink military cooperation pact," *Xinhua*, May 28, 2012.

⁷² Sopheng Cheng, "China gives 257 military trucks to Cambodia," *Associated Press*, June 23, 2010.

⁷³ See, e.g., Catherin E. Dalpino, "Consequences of a Growing China," *Statement before the Senate Committee on Foreign Relations Subcommittee on East Asian and Pacific Affairs*, June 7, 2005.

Vietnamese and Thai orbit.”⁷⁴ That is true indeed, but in the process Cambodia has drifted toward a Chinese orbit that is likely to have an even stronger gravitational pull.

The Myth of Unconditional Aid

A common refrain in analysis of Chinese relations with Cambodia—and many other states in the Global South—is that Beijing curries favor by providing unconditional aid. Cambodian officials often stress their appreciation for Chinese non-interference. “China talks less but does a lot,” Hun Sen declared in 2006 after receiving a \$600 million pledge of Chinese aid.⁷⁵ In September 2009, while opening a Chinese-funded bridge, he added: “China respects the political decisions of Cambodia. They build bridges and roads and there are no complicated conditions.”⁷⁶ Cambodian and Chinese officials repeat the mantra of non-interference at regular bilateral investment fêtes as ribbons are cut on new roads, bridges, and dams. In February 2012, Hun Sen lauded China at a groundbreaking ceremony for the China-funded expansion of a major national highway, stressing the “respect” shown by China’s leaders and that “China always responds to projects judged to be Cambodia’s priority.”⁷⁷

Chinese officials have likewise been keen to emphasize the extent to which it adheres to the norm of non-interference—a norm reified both in ASEAN diplomatic circles and in China’s Five Principles of Peaceful Coexistence. For example, at a bridge opening in 2011, PRC Ambassador to Cambodia Pan Guangxie said that “China supports Cambodia to develop its economy independently and with its ownership.”⁷⁸ To some degree, shared experiences of imperialism and consequent attachment to sovereignty norms have provided a basis for Sino-Cambodian friendship in the past.⁷⁹

⁷⁴ Pavin Chachavalpongpun, “ASEAN at 45: Still unsettled over China,” *Straits Times*, Aug. 10, 2012.

⁷⁵ Patrick Barta, “Cambodia Says No Strings Attached in Recent Chinese Aid,” *Wall Street Journal*, Sept. 6, 2012.

⁷⁶ Sebastian Strangio, “China’s Aid Emboldens Cambodia,” *YaleGlobal*, May 16, 2012.

⁷⁷ Hun Sen, Selected Impromptu Address.

⁷⁸ “Cambodia opens china-funded bridge for traffic,” *Xinhua*, Jan. 24, 2011.

⁷⁹ For an argument on the importance of the Five Principles in the evolution of the modern Sino-Cambodian relationship, see Sophie Richardson, *China, Cambodia, and the Five Principles of Peaceful Coexistence* (New York, Columbia University Press, 2007).

However, the rhetoric of unconditional lending and respect for sovereignty is often a thin veil for a reciprocal arrangement that shows ample evidence of an implicit *quid pro quo*.

The implicit conditions China attaches are quite different than the strings attached to grants and loans from the Bretton Woods institutions or major Western capitals. Loans from the World Bank, Asian Development Bank, and Japanese and Western donors typically feature numerous conditions and disbursement triggers pertaining to matters including project transparency, environmental and social assessments, labor rights, and broader economic policies. Chinese aid packages come without explicit policy conditions, but not without expectations of reciprocity. Claims on both sides to the contrary are insincere. The main difference between Chinese and Western aid is that the implicit conditions China attaches generally have been the types that CPP leaders are more willing to fulfill.

Preferential Access to Resources and Cheap Labor

Among the implicit conditions of Chinese aid are that Cambodian officials will deal with the PRC largely through bilateral channels and facilitate China's access to coveted resources. A leaked 2007 cable from the U.S. Embassy in Phnom Penh asserted:

Prime Minister Hun Sen frequently seizes on China's "no strings attached" attitude to criticize other donors who seek to tie aid to political and economic reforms—rather than the Chinese model of just tying assistance to greater and easier access to natural resources. China's persistent refusal to engage with other donors in Cambodia undermines the efforts of all donors to promote accountability and progress on Cambodia's toughest governance challenges. A number of ASEAN missions openly worry about China's increasing influence and the Japanese especially complain about China's "no strings" assistance.⁸⁰

The quotations around the words "no strings" were not accidental. As U.S. Ambassador Carol Rodley wrote in a separate cable, "many point to the Chinese access to mineral

⁸⁰ Unclassified cable for the U.S. Embassy in Phnom Penh, Cable 07PHNOMPENH926, "Encouraging Chinese Engagement with Cambodia's Donors," July 10, 2007, ¶2, available at www.dazzlepod.com.

and resource wealth as number one among a number of non-transparent quid pro quos.”⁸¹

Foremost among China’s resource needs is energy. In 2004-2005, the U.S. energy firm Chevron discovered hydrocarbon deposits in Cambodia’s coastal waters in the Gulf of Thailand and estimated the available oil to be between 700 million and two billion barrels. China competed for rights to drill in the six identified offshore blocks with oil and gas deposits. In 2007, Cambodia awarded exclusive exploration and production rights to one of the blocks to the state-owned China National Offshore Oil Company (CNOOC),⁸² which began drilling its first well in December 2011 and was proceeding on its fourth by August 2012.⁸³ Cambodia awarded the other five blocks to an array of bidders, two of which had close links to China. The oil these concessions will produce remains unclear, but China has been keen to establish a leading position in Cambodia’s fledgling oil industry. In late 2012, a Chinese state-owned firm also agreed to build Cambodia’s first oil refinery in partnership with the state-owned Cambodian Petrochemical Company.⁸⁴

China has also sought access to lumber, mining, and other resources. Many of the companies involved in logging in Cambodia are Chinese-owned or joint ventures, including the two holding the largest land concessions, Wuzhishan and Pheapimex, and the Chinese firm Green Rich, accused of illegal logging in 2004.⁸⁵ In Mondul Kiri in northeast Cambodia, Chinese firms have extensive concessions. Cambodian Interior Minister Sar Kheng reportedly said that the area around one Chinese gold mine and hemp plantation “is like a country within a country” where Cambodian police do not

⁸¹ Confidential cable from the U.S. Embassy in Phnom Penh, “Cambodia’s Year of China,” Cable 08PHNOMPENH1025 (Dec. 24, 2008), ¶ 9, available at www.dazzlepod.com.

⁸² Neil Gough, “CNOOC wins rights for Cambodian oil block,” *South China Morning Post*, June 9, 2007.

⁸³ “CNOOC to start drilling 1st oil well in Cambodia,” *China Daily*, Dec. 14, 2011; and “CNOOC’s drilling rig performing ‘well,’” *Shanghai Daily*, Aug. 23, 2012.

⁸⁴ “Cambodia, Chinese firms unveil 1st refinery project in Cambodia,” *Xinhua*, Dec. 28, 2012.

⁸⁵ Cable 07PHNOMPENH926, ¶ 5.

go.⁸⁶ This is an extreme instance of a more general phenomenon. Once high-level approvals are issued, Chinese firms are subject to few checks by local authorities, who often conspire in illicit or environmentally unfriendly activity in exchange for side payments.⁸⁷ This system, which to some degree puts Chinese firms above the law, offers relatively cheap and easy access to coveted resources while lining the pockets of some local Cambodian officials. Opposition to such arrangements has sometimes met with brutal responses. In 2012, environmental activist Chut Wutty was killed while investigating illegal logging in protected areas of the Central Cardammon Forest around a Chinese-built dam project.⁸⁸

Transportation infrastructure projects in Cambodia provide further profit opportunities for Chinese investment and construction firms, as well as longer-term promise as links connecting China to larger Southeast Asian markets.⁸⁹ China envisions an “M-shaped” engagement with Southeast Asia, or what has been described as a “One Axis, Two Wings” strategy including the Pan Beibu Gulf Economic Zone and Greater Mekong Subregion as the wings and the Nanning-Singapore Economic Corridor as the Axis.⁹⁰ Cambodia features prominently in China’s Mekong strategy.

China also has invested heavily in Cambodian hydropower, textiles, garments, agriculture (especially rubber), tourism, minerals, finance, and transportation. Chinese investors own approximately 90 percent of textile firms and nearly all hydropower plants in Cambodia, which sell electricity to the public utility, Électricité du Cambodge.⁹¹ When Chinese firms and their Cambodian business partners have

⁸⁶ Pomfret, “China’s muscular embrace of Cambodia.”

⁸⁷ This has been particularly apparent in the logging industry. See, e.g., Michael Sullivan, “As China Builds, Cambodia’s Forests Fall,” *NPR*, Jan. 29, 2013.

⁸⁸ According to several studies, China is the principal importer of illegal lumber from Cambodia. The killer was given a light sentence and freed almost immediately after his conviction. Khuon Narim, “Killer in Chut Wutty Case Could Be Free in Days,” *Cambodia Daily*, Oct. 23, 2012.

⁸⁹ See Jonathan Holslag, “China’s Roads to Influence,” *Asian Survey* 50:4 (2010).

⁹⁰ Zhiqun Zhu, *China’s New Diplomacy: Rationale, Strategies, and Significance* (London: Ashgate, 2010), p. 175.

⁹¹ Chheang, “Cambodia,” p. 15.

encountered opposition from local labor unions or human rights activists, the Cambodian authorities have responded swiftly and harshly. In February 2012, when workers protested for higher pay at Chinese and Taiwanese-owned garment factories in the eastern province of Svay Rieng, the local governor shot into the crowd and wounded three women. He was later fired, but not imprisoned.⁹²

Again, this appears to be part of an understood quid pro quo; China invests, and Cambodian authorities help minimize local impediments to quick project profitability, often to the detriment of ordinary Cambodian citizens.⁹³ Chinese investment has brought mixed social results, injecting much-needed capital but contributing to widespread land seizures and environmental degradation. These adverse consequences almost exclusively affect ordinary people, however. Government-linked elites reap the rewards of an economic system marked by low transparency and high corruption,⁹⁴ contributing to rapidly rising wealth at the top of the income distribution.⁹⁵ Pacts between local elites and foreign investors are hardly unique, but Sino-Cambodian investment practices are particularly unfettered and help give China an edge in seeking resources vis-à-vis many foreign competitors.

Modest Military Support

China derives much less substantial defense-related benefits from its contemporary partnership with Cambodia. Like Phnom Penh, Beijing has a major interest in avoiding strategic encirclement. For China, the relevant circle extends across

⁹² Andrew Higgins, "Land disputes in Cambodia focus ire on Chinese investors," *Washington Post*, Sept. 25, 2012.

⁹³ See Sigfrido Burgos and Sophal Ear, "China's Strategic Interests in Cambodia: Interests and Resources," *Asian Survey* 50:3 (2010).

⁹⁴ U.S. ambassador Carol Rodley argued that "lack of transparency in the [Sino-Cambodian] economic relationship and the decision-making process in general enables the politically connected to benefit from concessions at the expense of the Cambodian people and the environment." Cable 08PHNOMPENH1025, ¶ 14.

⁹⁵ According to the World Bank, in 2008 Cambodia's Gini coefficient was 0.379, and 10% of the population held 31.4% of national income. Those figures, the most recent available, are high in international perspective though roughly in line with the high figures in most Southeast Asian states. World Bank, *World Development Indicators 2012* (Washington, DC: World Bank, 2012), p. 74.

the Pacific Rim and Eurasian landmass and includes the PRC's geographic underbelly in mainland Southeast Asia and the potential dagger of its traditional rival, Vietnam. Territorial feuds in the South China Sea, Indo-U.S. rapprochement, and the U.S. "pivot" to Asia have contributed to perceptions in Beijing of a tightening ring of containment. Cambodia offers a potential breach in that ring.

Chinese dependence on the flow of goods and energy through the Indian Ocean and Malacca Straits has driven China's strategic interest in developing a blue-water naval presence in those areas. The Cambodian port of Kampong Saom offers a potential locus for the future projection of Chinese maritime power in the southern Asian littoral.⁹⁶

There is little indication that Kampong Saom will soon emerge as a significant hub for expanded Chinese naval activity or a part of a Chinese "string of pearls" in southern Asia, however. In late 2008, the Chinese People's Liberation Army Navy vessel *Zheng He* became the first PRC naval vessel to stop at Kampong Saom on a regional goodwill tour,⁹⁷ but a similar tour in April 2012 left Cambodia off the itinerary and chose Vietnam, Malaysia, and Brunei as its ports of call.⁹⁸ During the same period, the United States and others have sent a number of naval ships to Cambodian ports for more substantive military engagement. In 2010, Cambodia began annual joint Cooperation Afloat Readiness and Training (CARAT) exercises with the U.S. navy,⁹⁹ and in October 2012, three Japanese navy ships docked at Kampong Saom as part of a visit to expand naval relations.¹⁰⁰ Rather than abetting China's naval expansion, Cambodia is cooperating more substantially with China's main naval rivals.

⁹⁶ Ian Storey, "China's Tightening Relationship with Cambodia," *Jamestown Foundation China Brief* 6:9 (2006).

⁹⁷ "Chinese military vessel makes first ever visit to Cambodia," *Xinhua*, Nov. 5, 2008.

⁹⁸ "'Zheng He' oceangoing training warship sets sail for round-the-world tour," *China Military Online*, Apr. 16, 2012.

⁹⁹ "U.S., Cambodian naval forces to jointly conduct naval exercises next week," *Xinhua*, Oct. 20, 2012 (noting that the 2012 exercises will last for five days and feature the participation of the *USS Vandegrift* of the U.S. Seventh Fleet).

¹⁰⁰ "Japanese navy vessels have docked in Sihanoukville," *Xinhua*, Oct. 8, 2012.

Support for Core Chinese Political Concerns

Although China does not attach explicit conditions that infringe clearly on the Cambodian government's domestic political prerogatives, aid carries an implicit expectation that Cambodia will support Beijing on certain interests of core concern to Beijing. Cambodia has supported the one-China policy since 1997, when it closed the Taipei Economic and Cultural Representative Office in Phnom Penh and banned Cambodian officials from visiting Taiwan in an official capacity. Since then, CPP support for the policy has been resolute. At a 2010 meeting of sub-national Cambodian officials attended by the Chinese chargé d'affaires, Hun Sen elaborated on that policy by noting that Taiwan had repeatedly requested re-opening a representative office in Cambodia but reminding the officials that hoisting the Taiwanese flag in Cambodia was prohibited. He warned that any provincial governor violating that order would be removed immediately.¹⁰¹ Beijing's expectation of Cambodian support the one-China policy is clear; official Chinese statements and news reports on bilateral relations unfailingly follow descriptions of new aid programs with references to Cambodia's continued adherence to the one-China policy.¹⁰²

Cambodia has also supported China on other policy issues of key concern to Beijing, such as condemning the avowedly accidental 1999 NATO bombing of the Chinese Embassy in Belgrade,¹⁰³ refusing to grant a visa to the Dalai Lama and repressing Falun Gong activities in the country in 2002,¹⁰⁴ and withdrawing support for Japan's bid for a permanent seat on the UN Security Council in 2005.¹⁰⁵ CPP leaders have defended China's domestic economic development schemes as well, even at some cost to Cambodian citizens. In 2010, Hun Sen denied charges that the hydroelectric

¹⁰¹ Meng Chhai, "Cambodia Reiterates the Implementation of One-China Policy," *Reaksmei Kampuchea*, Aug. 10, 2010.

¹⁰² See, e.g., "Cambodia lauds China's great achievement," *Xinhua*, Sept. 28, 2009 (describing a speech given by Cambodian deputy Prime Minister and Minister of Interior Sar Kheng); and Chheang, "Cambodia," p. 8 (noting similar remarks by Hor Namhong in 2005).

¹⁰³ "Hun Sen condemns NATO attack on Chinese embassy," *Kyodo*, May 17, 1999.

¹⁰⁴ Chheang, "Cambodia," p. 9.

¹⁰⁵ Storey, *Southeast Asia*, p. 183.

dams China had built on the Mekong River in PRC territory had disrupted the river's flow and caused harm to the riparian communities in the lower Mekong.¹⁰⁶ The dams posed "no problems," he said, instructing his diplomats not to complain about the issue in regional forums despite assertions from NGOs that Chinese dams were partly responsible for depressed water levels that endangered downstream species and the livelihoods of local fishermen.¹⁰⁷

Cambodian officials have also been sensitive to protecting China from human rights critiques on Cambodian soil. Before the 2008 Beijing Olympics, activists sought to protest China's support for Sudan over Darfur by lighting an Olympic-style torch outside the Tuol Sleng Genocide Museum in Phnom Penh—a reminder of China's support for the Pol Pot regime. Scores of Cambodian police blocked them, pushing the protesters away from the site and accusing the protest leader, American Actress Mia Farrow, of "a political agenda against China."¹⁰⁸

In late 2009, just two days after Cambodia deported 20 Uighur asylum seekers to China, then PRC Vice President Xi Jinping arrived in Phnom Penh and announced a new \$1.2 billion package of grants and soft loans.¹⁰⁹ U.S. officials noted privately that those events "raise questions about the non-transparent quid pro quos often attached to China's 'no strings attached' assistance."¹¹⁰ When the U.S. government protested the move and canceled its planned shipment of surplus military trucks, China filled the

¹⁰⁶ "Cambodia denies China dam impact," *China Economic Review*, Nov. 19, 2010. Hun Sen blamed the changing course of the river on "emissions that changed the pattern of the rains" and admonished critics not to blame the dams, which "would be a mistake."

¹⁰⁷ Kurlantzick, *Charm Offensive*, p. 141. See also Save the Mekong Coalition *Letter to Mekong River Commission* (June 25, 2010), available at <http://eprf.probeinternational.org/node/8527>.

¹⁰⁸ Ker Munthit, "Mia Farrow confronts Cambodian Police," *Associated Press*, Jan. 19, 2008.

¹⁰⁹ Seth Mydans, "20 Uighurs are deported to China," *New York Times*, Dec. 19, 2009; and Sebastian Strangio, "China's soft power hardens in Cambodia," *Asia Times*, Jan. 12, 2010. A leaked U.S. cable indicated that Cambodian Deputy Prime Minister Sar Kheng informed UN Refugee Agency representative Giuseppe de Vincentis before deporting the Uighurs that Cambodia was in a "difficult position due to pressure from outside forces," which U.S. ambassador Carol Rodley interpreted as a reference to Chinese demands. Confidential Cable from the U.S. Embassy in Phnom Penh, "Ambassador Meets UNHCR to Discuss Uighurs," Cable 09PHNOMPENH913 (Dec. 14, 2009), ¶5.

¹¹⁰ Confidential Cable from the U.S. Embassy in Phnom Penh, "A Grateful China Rewards Cambodia," Cable 09PHNOMPENH956 (Dec. 22, 2009), ¶7.

shortfall by supplying 257. Shortly afterward, Hor Namhong said: “China has no influence on Cambodia at all. We accept all foreign aid if it is given without conditions.”¹¹¹ However, that aid did not appear unconditional; it looked instead like recompense for returning Uighur asylum-seekers over strong protests from the international community.

Although deporting the asylum seekers carried little domestic cost to the CPP and China covered for lost U.S. military aid, the episode did subject Cambodia to unwanted international criticism and thus bore some reputational cost.¹¹² Thus far, Cambodia has not set clear limits on the degree to which it will support Chinese policy interests, but the risks to the CPP of dependency and diminished autonomy are clearly mounting as the partnership takes on a more pronounced patron-client character.

THE RISING COST OF COOPERATION

Until relatively recently, both China and Cambodia appeared to be reaping substantial rewards from their relationship. The partnership also appeared to avoid unacceptable political costs for either party. Despite China’s past support for the Khmers Rouges, which both Chinese and Cambodian officials have been loath to discuss,¹¹³ ties to Beijing have generated relatively little domestic political controversy in Cambodia until quite recently. One reason for this was the bond established through King Sihanouk. When his son Norodom Sihamoni took the throne, his first overseas trip was to China. Even opposition leader Sam Rainsy, who has characterized Hun Sen as a

¹¹¹ Cheng, “China.”

¹¹² See, e.g., U.S. Department of State, *Statement on Cambodia’s Forcible Return of Uighurs to China* (Dec. 19, 2009) (asserting that “This incident will affect Cambodia’s relationship with the U.S. and its international standing); UNHCR, Press Release: *UNHCR deplores deportation of asylum-seekers before claims heard* (Dec. 19, 2009); “Forcible return of Uighurs sparks UN experts’ concern,” *UN News Centre*, Dec. 22, 2009 (noting critical reports form a pair of special UN rapporteurs).

¹¹³ In 2010, China’s ambassador to Cambodia acknowledged that the PRC provided food aid but insisted that “the Chinese government never took part in or intervened into the politics of Democratic Kampuchea.” Kong Sothananarith, “China Played No Role in Khmer Rouge politics: Ambassador,” *VOA Khmer*, Jan. 22, 2010.

Vietnamese puppet,¹¹⁴ has been loath to criticize the CPP's support for China's core policy concerns—instead reserving his critiques for corrupt economic deals involving Chinese investors and CPP officials.¹¹⁵ Another reason is that Cambodia's ethnic Chinese population has been comparatively well integrated into Cambodian society, and thus closer relations with China have not activated some of the local ethnic strains sometimes apparent in states such as Malaysia and Indonesia.

As ties have tightened, however, and as Cambodia's deference to Chinese policy concerns has become more apparent, both domestic and international costs have begun to rise. Sino-Cambodian relations have also begun to generate modest domestic political problems for the CPP. Cambodian analyst Lao Mong Hay, a prominent critic of the CPP, argues:

China has become more arrogant in Cambodia now... They behave more and more like the colonialists of the past...Cambodia has painted itself into the Chinese corner...It has been lured by the Chinese Yuan.¹¹⁶

Ties to China have become closely linked to the issue of land takings—one of the most sensitive topics in Cambodian domestic politics and a growing threat to the CPP in upcoming elections. According to LICADHO, a prominent Cambodian human rights group, more than 400,000 Cambodians have been victims of land grabs or evictions since 2003;¹¹⁷ many have been displaced by Economic Land Concessions granted by the Cambodian government to foreign developers.¹¹⁸ China has been the dominant foreign

¹¹⁴ See, e.g., Seth Mydans, "Troops Shoot at Mobs and Beat Protesters Again in Phnom Penh," *New York Times*, Sept. 10, 1998.

¹¹⁵ See open Letter from Sam Rainsy to Hu Jintao, Mar. 29, 2012 (translated by Sokunpanha You, on file with the author, noting Sam Rainsy's support for China's positions on Taiwan, the South China Sea, and other issues.)

¹¹⁶ Sebastian Strangio, "China's Aid Emboldens Cambodia," *YaleGlobal*, May 16, 2012.

¹¹⁷ Cambodian League for the Defense and Promotion of Human Rights (LICADHO), *Briefing Paper: Cambodia's Draft Law on the Management and Use of Agricultural Land* (Phnom Penh: LICADHO, July 2012), p. 6. See also "Cambodia's Economy: Not a complete stitch-up" *The Economist*, Sept. 29, 2012 (with an estimate of 300,000).

¹¹⁸ Under Cambodia, law, such concessions can be granted to companies for up to 99 years and for up to 10,000 hectares. German Ministry for Cooperation and Development, *Foreign Direct Investment (FDI) in Land in Cambodia* (Dec. 2009), p. 8.

recipient of such concessions, accounting for more than 186,000 of the roughly 360,000 hectares awarded to foreign investors by 2011.¹¹⁹

The Chinese-funded Boeung Kak Lake project in downtown Phnom Penh has been among the most controversial. In 2007, the company Shukaku Inc. was awarded a 99-year economic concession to the lake. The company's owners are Lao Meng Khin, a CPP senator and close personal friend of Hun Sen, and a number of Chinese firms.¹²⁰ The deal, made with little consultation with area residents, allowed Shukaku and other Chinese partners to begin filling the city's largest lake with sand to support construction of apartments and shopping malls. The sand displaced the lake's water supply and flooded homes in the area, while Shukaku representatives used a mix of threats and compensation offers to evict thousands of people living beside the lake.¹²¹ After a series of public protests and cessation of World Bank lending, the government set aside a parcel of land to house remaining families,¹²² but complaints that some families were excluded and that the new complex was flooded prompted new protests. The government repressed them, arresting and jailing several community leaders, which led to further demonstrations and drew criticism from human rights groups.¹²³

The CPP's political opponents have been keen to capitalize on public frustration with the adverse social and environmental effects of Cambodia's growing ties to China and the depletion of the country's natural resources. Parliamentarian Son Chhay of the liberal opposition Sam Rainsy Party said in 2010:

¹¹⁹ CDRI Cambodia, *Foreign Investment in Agriculture in Cambodia (Nov. 22-23, 2011)*, p. 11, available at http://www.fao.org/fileadmin/templates/est/INTERNATIONAL-TRADE/FDIs/Saing_Cambodia.pdf.

¹²⁰ The Chinese firms own a 50% stake. Laura Rena Murray, "Target Cambodia," *World Policy Journal* (Summer 2012).

¹²¹ World Bank, *Investigation Report: Cambodia: Land Management and Administration Project (Credit No. 3650 - KH)* (Nov. 23, 2010), pp. 30-33.

¹²² Tom Fawthrop, "Phnom Penh residents score landmark victory over proposed land grab," *The Guardian*, Sept. 14, 2011.

¹²³ See, e.g., Amnesty International, *Cambodia: Release mother imprisoned for housing rights activism* (June 3, 2013), <http://www.amnesty.org/en/news/cambodia-release-mother-imprisoned-housing-rights-activism-2013-06-03>; ADHOC, *Boeung Kak Lake Protesters Demonstrate Outside Prime Minister Hun Sen's House* (Apr. 22, 2013), <http://www.adhoc-cambodia.org/?p=3360>.

Chinese investors are aggressive business people who capitalize on Cambodia... They are given special rights by the government [that] invariably agrees with what [Chinese businesses] want... If the government doesn't take action and improve their management of laws and principles, Cambodia will lose its current resources and there will be no reason for other people to invest in the country.¹²⁴

Mu Sochua, an SRP representative, argues that "Cambodia is for sale," and "China is the biggest beneficiary of economic land concessions."¹²⁵ SRP spokesman Yim Sovann has similarly challenged the relationship, saying in August 2012:

Of course, it is good if the investors have enough capital, comply with the country's laws, as well as bring technology to the country. But if they just come to violate people's property rights, conduct illegal businesses by co-operating with some officials and adversely impact on the people or the environment, such as causing deforestation—the government should be mindful of this kind of investment.¹²⁶

He argued that Cambodia should specifically avoid some Chinese firms involved in displacement and deforestation: "Our people always suffer at the hands of these companies...because of the corrupt officials who conspire with [them]."¹²⁷

The SRP recently joined with the Human Rights Party to form the Cambodian National Rescue Party (CNRP). Although they hold just 29 of the 123 seats in the Cambodian National Assembly, the CNRP poses a non-negligible threat to the CPP's domestic hegemony in the upcoming 2013 national elections. As an apparent response to public concerns, Hun Sen announced a temporary ban on new land concessions in May 2012—a ban which he flouted by giving land to a trio of rubber companies just three weeks later.¹²⁸

¹²⁴ Sun Narin and Kounila Keo, "Building on Chinese's bill," *Phnom Penh Post (Lift)*, Oct. 6, 2010.

¹²⁵ Georgia Wilkins, "Call to stop firms accepting Cambodian land," *The Age (Australia)*, Apr. 16, 2012.

¹²⁶ May Kunmakara, "Opposition urges China checks," *Phnom Penh Post*, Aug. 17, 2012.

¹²⁷ May, "Opposition urges China checks."

¹²⁸ "NGOs Criticize Flouted Land Grant Ban," *Radio Free Asia*, June 12, 2012 (noting that critics considered the ban to be nothing more than a "campaign ploy").

The relationship recently has begun to carry more diplomatic costs as well. China's demands on Cambodian policy allegiance are growing. In a March 2012 meeting with Hun Sen, Chinese President Hu Jintao advanced a four-part proposal on how to build on the "Comprehensive Strategic Partnership of Cooperation" the two states established in 2010. The first three parts were straightforward, comprising increased governmental communication and official exchanges, trade and investment, and security and military cooperation. The fourth pillar of the plan merits special attention, however. Hu said:

China and Cambodia should manage to make multilateral coordination closer, strengthen mutual support, and strengthen communication, coordination and cooperation within the frameworks of the United Nations, East Asia cooperation, the ASEAN Regional Forum and the Greater Mekong Subregion Economic Cooperation to safeguard the common interests of the two countries and those of other developing countries.¹²⁹

In April 2013, Hun Sen and new Chinese President Xi Jinping agreed to establish an "inter-governmental coordination committee" and take other measures to boost cooperation, including steps to "enhance coordination and cooperation in international and regional affairs."¹³⁰ The term "coordination" is a step beyond any expressed rhetoric of the past and suggests China's interest in using its clout to shape Cambodian diplomacy on a wider range of issues.

One of those issues is China's growing economic and strategic interest in the South China Sea. Even after the tempestuous ASEAN ministerial meeting in July 2012, Cambodia continued to defend Beijing. China has long resisted "internationalization," which is coded language referring to the involvement of the United States and other

¹²⁹ Chinese Ministry of Foreign Affairs, *President Hu Jintao Meets with Cambodian Prime Minister Hun Sen* (Mar. 31, 2012).

¹³⁰ *Joint Press Communique between the People's Republic of China and the Kingdom of Cambodia* (Apr. 9, 2013), available at <http://www.globaltimes.cn/content/773724.shtml#.UboTBpzNlpM> (noting that "China appreciated Cambodia's long-term efforts in moving forward East Asian cooperation and promoting China-ASEAN relations").

non-claimant states in the negotiations.¹³¹ At the November 2012 summit, Cambodian foreign ministry spokesman Kao Kim Hourn announced that “ASEAN leaders decided that they will not internationalize the South China Sea issue from now on”—an assertion the Philippines promptly denied.¹³²

Cambodia’s support for China as 2012 ASEAN chair has brought criticism on Phnom Penh from its neighbors, forcing Phnom Penh to play diplomatic defense. Cambodia’s leaders are clearly sensitive to the risk of being perceived as Chinese clients and losing their independent freedom of maneuver. A reputation for doing China’s bidding will likely also hurt Cambodia’s efforts to exercise diplomatic leadership in ASEAN, the United Nations, and other forums. Cambodia’s relationship with China may have contributed to the weak support it garnered for a UN Security Council seat in October 2012.¹³³

Kishore Mahbubhani argues that the Chinese victory on the ASEAN communiqué was Pyrrhic, as it compromised a longstanding Chinese effort to accumulate goodwill in Southeast Asia.¹³⁴ Analyst Ralph Cossa similarly argues that the episode left China in a compromised position, “where essentially now the spotlight is shining on China's bullying of Cambodia and some of the weaker ASEAN countries.”¹³⁵ The CPP’s long-time political allies in neighboring Vietnam did not criticize Phnom Penh openly, but analysts agree that Hanoi has been upset.¹³⁶

¹³¹ See John D. Ciorciari and Jessica Chen Weiss, “The Sino-Vietnamese Standoff in the South China Sea,” *Georgetown Journal of International Affairs* 13:1 (2012), pp. 64-65.

¹³² Irwin Loy, “South China Sea Dispute Flares at ASEAN summit,” *Voice of America*, Nov. 19, 2012.

¹³³ Luke Hunt, “Human Rights Plague Cambodia’s UN Bid,” *The Diplomat*, Oct. 24, 2012. Some human rights advocates contended that the prevalence of land-grabbing—a phenomenon linked to Chinese investment—should bar Cambodia from winning a seat. See Global Witness, “Cambodia should not stand for UN council until land grabs and repression stop,” Oct. 17, 2012, available at www.globalwitness.org; and Glenys Kinnock, “Cambodia’s Brazen U.N. bid,” *New York Times*, Oct. 16, 2012. Cambodia received only 43 votes in the 2012 contest.

¹³⁴ Kishore, “Is China Losing the Plot in Southeast Asia?”

¹³⁵ William Gallo, “China Impacts ASEAN Unity on Sea Disputes,” *Voice of America*, July 19, 2012.

¹³⁶ See, e.g., Gallo, “China” (quoting academic Path Kosal).

In recent years, Beijing has added the South China Sea and disputed territories in the East China Sea to its list of “core interests” alongside Taiwan, Tibet, and Xinjiang.¹³⁷ As China’s definition of core interests expands and it demands Cambodian support on an ever-wider range of issues, the diplomatic costs of the relationship to Cambodia are bound to rise.

LOOKING FORWARD

For two decades, China has embarked on a “charm offensive” in Southeast Asia, and it has been as successful in building strong government-to-government ties in Cambodia as any state in the region. China has succeeded largely by supporting the centralization of state power and pouring resources into a political economy based in significant part on the allocation of funds through CPP-managed patronage networks. Hun Sen and the CPP have embraced the relationship, because they have perceived the terms of the deal as favorable, buttressing their financial and political positions without requiring too much fealty in return.

Since the late 1990s, Hun Sen has managed to maintain a relatively high degree of freedom from foreign interference by preserving multiple options and keeping doors open to key foreign states, including both China and its rivals, such as Japan, the United States, and Vietnam. In a confidential 2008 cable, U.S. ambassador Carol Rodley emphasized that “Cambodia is intent on developing an outward-looking foreign policy that not only ensures legitimacy in the world community but protects against entangling alliances.”¹³⁸ Hun Sen spent much of his career aligned against China, and Rodley asserts that “Hun Sen does not forget—the RGC inherently does not trust its big

¹³⁷ China has long identified Tibet, Taiwan, and Xinjiang as “core interests” but has added the disputed Senkaku/Diaoyu Islands and South China Sea in recent years. See “Senkaku Islands are “core interest” of China, Xi tells Obama,” *Kyodo News International*, June 11, 2013; Edward Wong, “Chinese Military Seeks to Extend Its Naval Power,” *New York Times*, Apr. 23, 2010.

¹³⁸ Cable 08PHNOMPENH1025, ¶ 6.

friends, including China...We expect, therefore, that Cambodia will continue to play its balancing act among great powers..."¹³⁹

Indeed, Cambodia's economy does depend to some degree on China, but its largest export market is still the United States,¹⁴⁰ and it has attracted investment, aid, and trade from a number of other sources inside and outside of Southeast Asia. A U.S. firm, Chevron, is likely to be the first to produce oil from the Cambodian deposits in the Gulf of Thailand.¹⁴¹ Vietnam has also promoted trade and investment in Cambodia, particularly in telecom, retail, and agriculture.¹⁴²

Thus far, Cambodia has been free to cultivate ties with China's rivals and has faced little pressure to enter into an unwanted military pact or to take positions that would carry heavy domestic political costs to the CPP. China was itself subject to external predation in the modern past, and Chinese leaders have long understood Cambodian concerns about dependency, which helps explain both the nature and success of its approach to Cambodia.

As China becomes more assertive and confident, however, it is demanding more of its Cambodian friends. China appears to be requesting diplomatic favors with increasing regularity and expanding its demands into more sensitive issues—namely the South China Sea disputes. China's expanding footprint in Cambodia has also raised opposition at home. Hun Sen—a master chess player known for his political cunning and strategic thinking—rose to power during a period of Vietnamese occupation and has spent much of his political career seeking to assert autonomy and control. He now has reasons to set limits on his country's relationship with China or even to reverse course, as the Myanmar generals have done in recent years by opening to the West and thus reducing their reliance on Beijing.

¹³⁹ Ibid. ¶ 7.

¹⁴⁰ Data from the Asian Development Bank, *Key Indicators 2012*.

¹⁴¹ May Kunmakara, "Cambodia hits oil revenue," *Phnom Penh Post*, Sept. 28, 2012.

¹⁴² "Courting the Khmer," *The Economist*, June 11, 2011 (arguing that "Cambodia is enjoying being fought over, and plays one off against the other").

The classic small-power game is not so much to avoid patron-client relationships—an effort that would often leave small powers wanting for aid and protection—but rather to make them work to one’s advantage. That requires cultivating ties to multiple great powers to build bargaining leverage and reduce a patron’s scope for dominance.¹⁴³ For more than a decade, Cambodia has enjoyed the fruits of engagement with many competing outside powers, and the country continues to have many willing suitors, but the material and political incentives of Chinese patronage are slowly drawing Cambodia toward an unbalanced foreign policy that threatens to close doors to the outside.

Arresting these trends will not be easy or automatic. As China’s role in Cambodia grows, Cambodia’s political and economic structures evolve in a manner that renders the country and its decision-makers more susceptible to Chinese pressure. Cambodia’s elites now enjoy an influx of resources that facilitate personal enrichment and near-term political entrenchment. If Cambodian leaders do not rebalance their external relations, the country could face dim prospects ahead. Chinese dominance would likely slow already sluggish governance reform, prompt mounting local unrest, and further impair Cambodia’s international standing. CPP leaders thus have ample reasons to resist some of the easy money available from Beijing and the troublesome aspects of patron-client relations that come with it.

¹⁴³ Ciorciari, *The Limits of Alignment*, pp. 21-22.