

CHAPTER III

THE DEPENDENCY OF CAMBODIA TO CHINA

The dependency of Cambodia to China is the most important reason for Cambodia to become a proxy state even though it was never admitted in public. As a less developed country, Cambodia is still depending on foreign assistance especially coming from superpower country. China came with tremendous amount of money in Cambodia for its political and ideological interests and Cambodia stayed with its economic interests. But still covering almost all aspects, Cambodia depends on China. The strings attached rules became so real as the implementation of the *real politik*.

Cambodia's dependency to China covering several aspects such as politics, economy, culture, and military. In politics, Cambodia put its own trust on China's policies. In terms of economy, Cambodia depends on aid, investment, loan and bilateral trade. Culturally, Chinese influence has grown in Cambodia significantly. In military context, the distribution of military equipment in Cambodia from China is significant.

A. China's interests in Cambodia

Cambodia has built intimate relations with China since long time ago. The Third Indochina War became an important record for their close relationship. Cambodia has been one of China's allies for decades. Chinese interest in this one of the poorest countries in Southeast Asia is nothing new. This powerful ally has

nature of Cambodian government. China already supported Cambodia during the Khmer Rouge era. China was a sort of big brother that time, Pol Pot openly followed Maoist ideals (inspired by the Great Leap Forward, and the Cultural Revolution). China felt so protective of his "pupil" that when Vietnam invaded Cambodia in 1979, China even launched an offensive against Vietnam in an attempt to dissuade it from involvement in Cambodia. The invasion resulted in a more than a decade-long civil war. During this period, Chinese-Cambodian relations shrank to a minimal level, although China was consistently campaigning for an independent Cambodia at the United Nations.³⁸

The end of Vietnamese occupation in 1989 marked a new era in Sino-Cambodian relations as well. China played a huge role in shaping the new, modern Cambodia. After the first elections in 1993 Cambodia obtained huge amount of donations from various actors of the international community: United States, European Union, Japan, China and later on World Bank, International Monetary Fund and Asian Development Bank all gave a helping hand to rebuild the devastated economy.³⁹

One of the points of Cambodia's foreign policy is dependent on foreign aid or donor countries (U.S., Australia, Japan, and China) although recently Cambodia has definitely moved towards China. Countries such as the United States provide the requirements for transparency in Cambodia's governance while

³⁸ C. A. Thayer & R. Amer "Vietnamese foreign policy in transition", *Singapore ISEAS*, 1999, p. 105.

³⁹ Battak Sakha Cambodia-China "All will come from China" or "China is the most reliable

China has never asked about the reward earned for the financial support and large-scale investment. Hun Sen is a pro Vietnam leader. But this time he was referring to something more concrete that is foreign aid. Relations between Cambodia and friendly donor countries cannot be compared with devotion by Cambodia to China.⁴⁰

Biedermann's statement on China has never asked about the reward earned for the financial support and large-scale investment is somewhat arguable. Although China did not ask for any particular requirement, but in certain case, it can embrace Cambodia to be in line with its foreign policy. For example in the ASEAN summits held recently, Cambodia had successfully imposed the failure of joint communiqué in order to accommodate China's will. Moreover, Cambodia did not get along with ASEAN's interests prioritized the desire of its members (Philippines and Vietnam) in which these countries are not "friendly" partners for Cambodia.

It never happened before until China claims aggressively its historical territory. It has never been so easy for a dependent country like Cambodia to pick a choice amid the conflict involving countries which are similarly important. However, something does not come for free and the donor must get payback. The reciprocal relationship between China and Cambodia is seemingly intense. This is not only in the context of politics and economy they have been involved and shared but also other aspects which great impact on their relationship.

⁴⁰ Zeynep Biedermann, "Cambodia today or is China eating America's lunch in Southeast Asia?"

Although China's existence in Cambodia is not too surprising, its significant roles in the context of politics and economy inside Cambodia recently are interesting to glance at. China has been significantly contributing toward the development of Cambodia politically and economically. On the one hand China still needs Cambodia to promote its political interests inside and outside the region as Cambodia becomes an ASEAN member. Inside the region, China needs Cambodia's additional support for "One China" policy in recognizing Taiwan as part of People's Republic of China. While outside the region, in special case of ASEAN, Cambodia turns into a proxy state of China which represents the interests of its more powerful ally.

As a matter of fact, the Cambodian economy is tied to China. Trade, aid, and investment become prominent needs for this dependent country. Especially for aid and investment, the amount which has been provided by the Chinese is very large. Cambodia expects the funds flow smoothly from China. China earns agricultural, livestock, textile, and garment products from Cambodia, also relies on oil imports as one of the bilateral trade implementation, while China's exports mostly rely on advanced products with technological supports. Cultural and military aspects have turned to be Chinese focus. China's culture has spread within Cambodian people. Moreover, China considerably trusts Cambodia as strategic partner. It aims to strengthen the presence and influence of China in South East Asia. The most important thing is to balance the US influence as a basic implementation of balance of power

Table 1: China's Interests in Cambodia

Aspect	Interest	Priority
Economic	Secure Natural Resources	Medium
	Expand export market	Low
Political	Enhance regional security	High
	Seek support for "One China" policy	High
Strategic	Seek support at global arena	Medium
	Balance the US influence	High
Ideological	Spread Chinese culture	High

Source: HENG, Pheakdey (2012). Journal of Current Southeast Asian Affairs

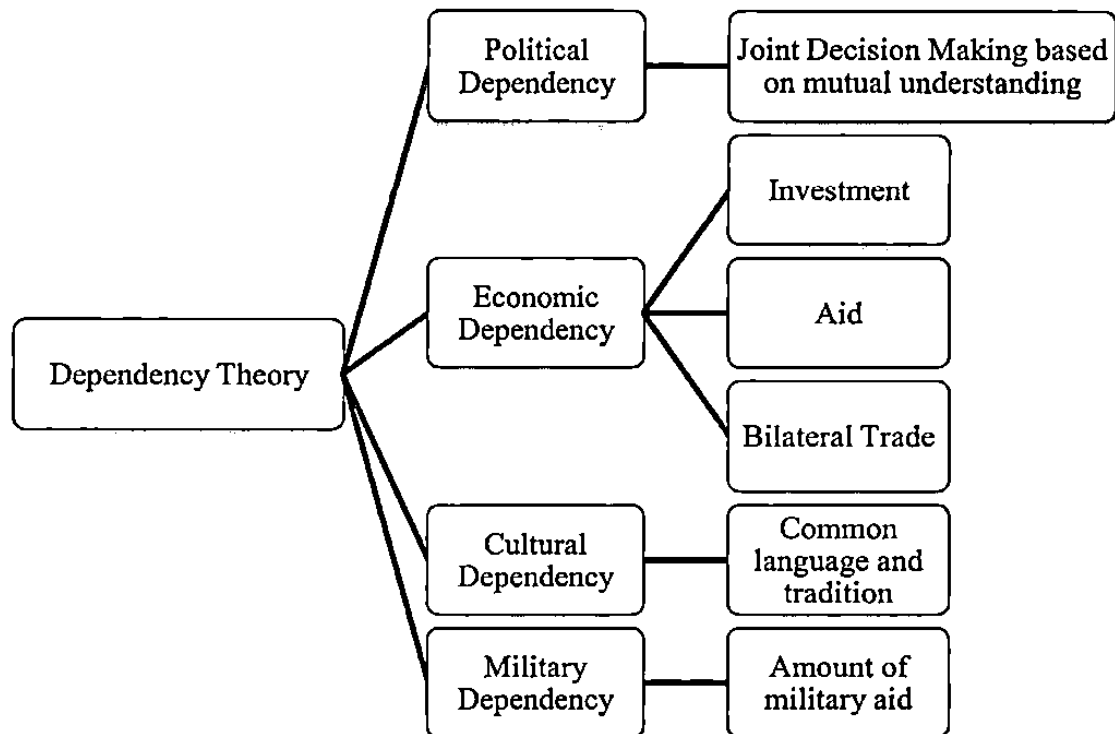
Chinese interests in Cambodia in terms of politics, strategy, and ideology are high. China has focused on four major aspects representing their interests in Cambodia. It consists of economic, political, strategic, and ideological aspects. Heng Pheakdey (2012) points out that the highest concerns of Chinese interests in Cambodia are from political and ideological aspects rather than economic and strategic aspects. In politics, China seeks Cambodia's support for "One China" policy or reunification of Taiwan as part of PRC. While strategically, China tends to spread its influence and tries to keep the domination in Asian region in order to balance the US influence. The close partner of US in Southeast Asia is Philippines whereas China balances it by embracing Cambodia as its crony. In ideological context, China aims to spread Chinese culture within Cambodia's society through language. Chinese language is the main language that is widely used in Cambodia.

B. Cambodian Dependency to China

The increasing Chinese influence in Cambodia, based on hundreds of millions of dollars in loans, investments and economic aid that flows with no "strings" attached rule, only makes it more difficult for donors to push for reform and development. While stronger countries came with wads of money to pay, the Cambodia's governments and authorities will be more easily to play (*ibid.: no page*). No strings attached rule means giving someone something needed without asking anything in return. Strings attached rule is expectation of taking something in return after giving great assistance. Or in other words, there are specific requirements that must be paid for what he has given.

China stated that using no strings attached rule in establishing the relation with Cambodia as a measure. The facts have shown that no strings attached rule statement from China is more on political statement. It has always been strings attached rules embodied like China-Cambodia ties. Some say the rule is only adopted by China but is also nearly the same for Cambodia. No country is willing to do something for the benefit of another country without any commensurate reward. Ear's opinion about no "strings" attached rule is also slightly refutable. China used positive diplomacy to influence Cambodia to obtain its interest in ASEAN summits recently. Cambodia's loyalty to China as well as becoming a

Figure 2: The Dependency of Cambodia to China



B.1. Political Dependency

There is so much evidence showing that China's politics and diplomacy worked effectively in Cambodia. Following the past decade, Hun Sen has cultivated ties with China, which has become a major source of foreign assistance and investment in Cambodia, including a reported \$800 million in aid and loans in the past two years. In August 1997, China granted US\$6 million in assistance to Cambodia to build hundreds of wells, and interior minister Sar Kheng visited China to discuss cooperation "on security issues", even though the outcome of these discussions was never made public. And a few days later, Hun Sen

announced that the Taiwanese representative office in Phnom Penh was being shut down, despite Taiwan being one of Cambodia's major investors.⁴¹

Politically, Cambodia is China's ally. Cambodia in particular, Prime Minister Hun Sen individually, has become one of ASEAN's strictest adherents of the "One China" policy and a vocal supporter of China's 2005 anti-secession law that Hun Sen describes as "highly necessary to the cause of China's national reunification".⁴² Also, in dealing with its political resistance, China can always count on Cambodia's full cooperation. For instance, in December 2009, upon Beijing's request, Cambodia decided to return 20 Uighur asylum seekers to China, ethnic minorities from the restive province of Xinjiang despite protests from international. Beijing granted Cambodia 1.2 billion USD in a few days earlier on help-more than the cumulative total in 17 years earlier.⁴³

In April 2012, during his visit to Cambodia President Hu Jintao promised millions of dollars of aid and loans right before the ASEAN summit that was chaired by Cambodia. In return, he requested that the South China Sea dispute not be discussed during the meeting. Experts believe that Cambodia's membership in ASEAN is important for China to engage Cambodia in shaping regional actors to serve the interests of China.⁴⁴

⁴¹ Julio A. Jeldres. *The Royal House of Cambodia*. Michigan: Monument Books, 2003.

⁴² People's Daily Online (2005), "Cambodian PM Calls China's Anti-Secession Law Highly Necessary", 17 March, online: <http://english.peopledaily.com.cn/200503/17/eng20050317_177201.html> (November 2012).

⁴³ Chun Han Wong. "U.S. Faces China Hurdle in Cambodia", *The Wall Street Journal*, November 2012, *no page*.

⁴⁴ Heng Pheakdev. "Cambodia-China Relations: A Positive-Sum Game?". *Journal of Current*

The experts' views are definitely true regarding the importance of Cambodia for China as a member of ASEAN. China cannot be involved directly in ASEAN internal affairs. There must be a country that can represent the interests of China in ASEAN and Cambodia is the key actor. China can be involved indirectly through Cambodia's connection.

Before the ASEAN Summits like AMM held, President Hu Jintao displayed diplomacy along with economic incentives. China aimed to manage the dispute in South China Sea with other claimants such as Philippines and Vietnam. Cambodia's appointment as a host of ASEAN meeting has brought China to find one possible way. Hu Jintao as China's representative left Cambodia with the warranty that Cambodia would follow China's preference and keep the South China Sea issue off the official agenda of an ASEAN Summit convening in Phnom Penh.⁴⁵

It shows that the intervention of China has significantly affected Cambodian government on making the decision. There is a big question about the sovereignty of Cambodia. Cambodia has gained its independence long time ago. But Cambodia is still overshadowed by the participation of foreign country in its domestic affairs. Cambodia will never become a full independence country if a foreign country such as China is still associated with the government personally.

There are three main interests that influence Cambodia's views on its relationship with China in this contemporary politics. However, it needs to be

⁴⁵ Robert Sutter and Chin-hao Huang. "China-Southeast Asia Relations: Hu Visits Cambodia as South China Sea Simmers", *Comprehensive Connection*, 2012, no page.

Cambodia seeing this country is still ongoing process in development. Cambodia is one of the poorest countries within ASEAN. There is no way Cambodia can stand without supports from a powerful country.

B.2.1. Investment

According to the Council for the Development of Cambodia (CDC, the highest decision-making body of the government for private and public sector investment), foreign direct investment (FDI) inflows are seen as a main driver of economic development and liberalization in Cambodia. After the restoration of peace and stability in 1993, Cambodia started to receive inflow of FDI and has since been a popular destination for foreign investors from China, South Korea, the United States, Malaysia and Thailand due mainly to its unexplored natural resources, low labour costs and attractive investment incentives. The investment projects approved rose steadily, with an annual average of 640 million USD from 1994 to 2005, and 5.3 billion USD from 2006 to 2010. By September 2011 China's accumulative FDI had reached 8.8 billion USD, making it the largest investor in the kingdom, 1 followed by South Korea (4 billion USD), Malaysia (2.6 billion USD), the United Kingdom (2.3 billion USD) and the United States of America (1.2 billion USD).⁴⁷

There is no significant change on the quantity of the investments from China year by year (See Table 2). China is still becoming top investor for Cambodia followed by Korea and Malaysia. It shows that China consistently contribute to the inflow of FDI in Cambodia. With such investments, China certainly received huge advantage. While Vietnam is far away from China's position. This country cannot surpass 1000 USD and seemingly China still becomes priority for Cambodia. In 2011, total numbers of investors from China

⁴⁷ Heng Pheakdey. "Cambodia-China Relations: A Positive-Sum Game?", *Journal of Current Southeast Asian Affairs*, 31, 2, 57-85, 2012, p. 60-61.

reached the highest accession. The numbers will be increasing in the years ahead due to the demand and subordination of kingdom.

Table 2: Top Investors in Cambodia (Jan 1994–Sep 2011, in million USD)

Country	2006	2007	2008	2009	2010	2011 (Jan-Sep)	1994-2011	
							Total	Rank
China	717	180	4,371	893	694	1,147	8,866	1
South Korea	1,010	148	1,238	120	1,026	134	4,027	2
Malaysia	28	241	3	7	167	231	2,609	3
UK	4	26	6	6	11	2,222	2,378	4
US	62	3	672	2	36	144	1,285	5
Taiwan	48	40	22	27	92	69	827	6
Vietnam	56	139	21	210	115	246	812	7
Thailand	100	108	74	178	2	0	746	8
Singapore	12	2	52	273	37	0	636	9
Russia	278	0	103	235	0	0	618	10
Total	4,440	2,656	10,889	5,859	2,691	5,674	39,886	-

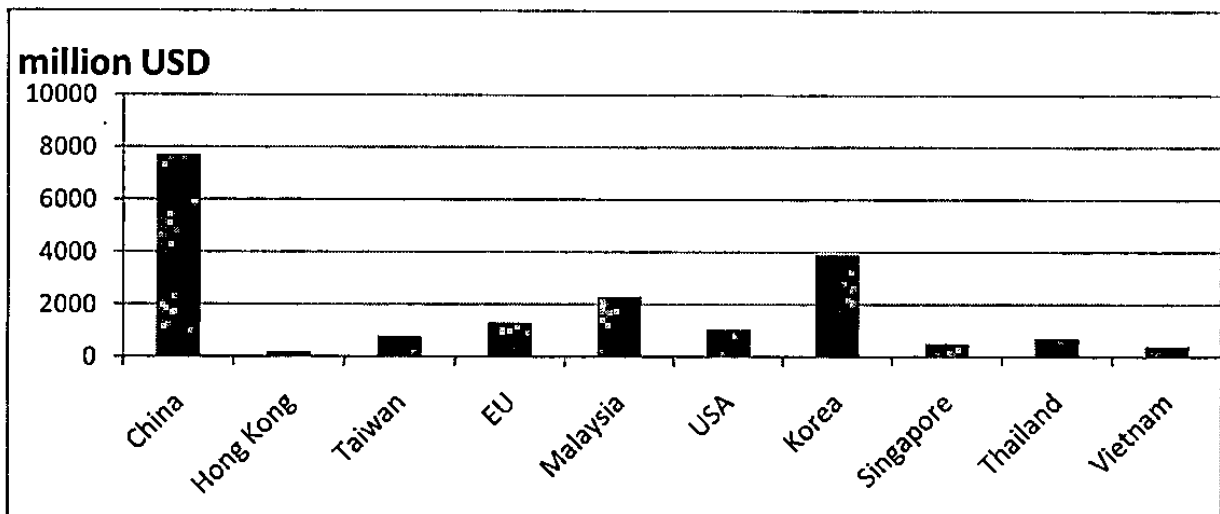
Source: Cambodia Investment Guide, Council for Development of Cambodia 2012.

Investments from China are strategic, advantageous, and a large portion of which directly contributed to the basic infrastructure development and poverty reduction of the country. In terms of the country of origin of investors to Cambodia, China ranked top, followed by South Korea and Malaysia (See Figure 1). Investment from China was distributed among many sectors, including garments, textiles, industrial parks, infrastructure, and hydropower. During 1994-2010 reached 7.7 billion USD.⁴⁸ Traditionally invested heavily in small-scale manufacturing and the garment sector, China has now become a leading investor

⁴⁸ Ngov Penghuy. "ASEAN Economic Integration and Cambodia's Industrial Policies", *Ritsumeikan International Affairs*, Vol.10, 2011, p. 67-94.

in natural resources and the energy sector. It also invests diversely in large-scale infrastructure, agriculture, tourism, telecommunications and construction. An estimated 23 Chinese firms are exploring mineral resources, five are constructing hydropower dams, and hundreds more are investing in the garment industry.⁴⁹

Figure 3: Approved Investments by Country/Region: 1994-2010 (Million USD)



Source: Council for the Development of Cambodia

B.2.2. China Aid to Cambodia

China began to provide aid to foreign countries including Cambodia in 1953. Aid program formerly addressed to Communist countries such as North Vietnam but then expanding to other countries. Cambodia has received the largest amount of aid given in terms of relative values in ratio to population of a country.⁵⁰ China has also been a major source of foreign assistance to Cambodia. In 1999 China gave Cambodia 218.3 million USD (200 million USD in interest free loans and 18.3 million USD in foreign assistance guarantees), one of the

⁴⁹ Heng Pheakdey. "Cambodia-China Relations: A Positive-Sum Game?", *Journal of Current Southeast Asian Affairs*, 31, 2, 57-85, 2012, p. 60-61.

⁵⁰ *Asian Survey*, 1999, 39(12), 12-13. *Journal of Current Southeast Asian Affairs*, 1999, 18(2), 1-10.

largest aid packages that it had ever given to any country at the time.⁵¹ China became Cambodia's biggest donor in 2009, pledging 257 million USD, compared to 214 million USD from the EU, and 113 million USD from Japan.⁵²

Table 3: Disbursement to Cambodia (in million USD) for Selected Years and Countries

Country/ Organization	1995	2000	2005	2010	2011 (est.)	1992-2011	
						Amount	% of total
World Bank	29.6	32.69	37.83	56.91	95.97	795.07	6.6
ADB	37.86	51.13	89.39	76.285	149.72	1,209.15	10
EC	28.88	27.94	23.65	34.19	55.78	687.37	5.7
Japan	112.40	106.02	111.66	146.02	120.63	2,081.28	17.2
China	3.12	2.61	46.63	138.15	210.73	863.70	7.1
US	45.14	17.60	43.25	60.36	57.20	779.84	6.4
France	62.23	27.80	24.44	23.20	19.96	554.68	4.6
Germany	13.89	12.22	27.29	35.30	44.40	360.07	3
Total	513	456	609	1,074	1,235	12,131	100

Source: Heng Pheakdey own compilation from the Cambodian Development Effectiveness Report 2007 and 2011.

From 1992 to 2011, China's accumulative official development assistance (ODA) reached 0, 86 billion USD or 7.1 percent of total ODA, making it the second-largest bilateral donor, behind only Japan. Chinese financial assistance consists of three categories: grants, interest-free loans and concessional loans, most of them planned for infrastructure projects. 24 out of 34 Chinese-funded projects listed are concessional loans. Concessional loan provided to poorest countries with lower interest rates and longer repayment periods than typical or

⁵¹ Long Kosal. "Sino-Cambodia Relations", *Cambodian Institute for Cooperation and Peace Working Paper*, No.28, July 2009, p. 8.

⁵² Heng Pheakdey. "Cambodia-China Relations: A Positive-Sum Game?", *Journal of Current Southeast Asian Affairs* 21, 2, 57-85, 2012, p. 60-65.

standard market or multilateral loans, i.e. less than market interest rates and extended grace period also known as a soft loan (CDC, 2011).

Aid and loans from China mostly provided for any projects in Cambodia. The government of this country put its major concern on dam project. Dams are source of electricity for majority people in Cambodia. The Electricity becomes very important because it is one of the most crucial things on living. This project will not be finished completely without Chinese assistance in form of million dollars given. It will spend much cost to build dam in infrastructure project.

Table 4: Terms of Loans from China Compared to from Other Donors (for Most Projects)

Country/Organization	Interest rate	Repayment period	Grace period
China	2-3%	15-20 years	5-7 years
ADB	1.2%	30 years	8 years
World Bank	1.2%	40 years	10 years
Japan	0.01%	40 years	10 years

Source: Heng Pheakdey's compilation from interview with officials at the respective institution. China's figures were quoted from *China's Foreign Aid Policy Paper* 2011.

China's aid is also known for its lack of transparency. The public does not know the exact information about how the money is utilized and the projects is not disclosed.⁵³ Because China's aid lacks transparency, there is no the exact information where the money flows so there are worries concern about corruption.

⁵³ Heng Pheakdey. "Cambodia-China Relations: A Positive-Sum Game?", *Journal of Current Southeast Asian Affairs*, 31, 2, 57-85, 2012, p. 65.

China's aid and assistance cannot be separated from political context. The no strings attached rules implied by China is far from reality. There will be no aid and assistance coming from powerful country with no particular interest inside of it. China's aid does come with strings attached which are political interests. Several cases such as deportation of asylum seeker (Uighur) and the failure of ASEAN summit on discussing South China Sea are a small part of a great part of China's agenda by giving aid and assistance. The China still becomes the biggest donor for Cambodia after Japan in years ahead. For this reason, Cambodia has no power to refuse China's order for its interests in soft diplomacy way.

B.2.3. Bilateral Trade

According to the International Monetary Fund, since 2002, China has ranked among Cambodia's top five trading partners—bilateral trade was worth 2.72 billion USD last year compared with just 76 million USD in 1996.⁵⁴ In 2002, Sino-Cambodian trade volume gained 0, 27 billion USD, up 15% from 2001, according the Ministry of Foreign Affairs of the People's Republic of China sources. China's exports to Cambodia including textiles, steel, electric devices, metals, machinery and building materials, and its imports from Cambodia are rubber, plywood, panels, and furniture.⁵⁵

The growth of trade between China and Cambodia is the highest vis-à-vis the bilateral trade between China and compare with any ASEAN country. Driven by imports of garment raw materials, machinery, motorcycles, cars, foodstuffs,

⁵⁴ Chun Han Wong. "U.S. Faces China Hurdle in Cambodia", *The Wall Street Journal*, November 2012, *no page*.

⁵⁵ Robert Ross. *Five Principles of Chinese Foreign Policy*. Indiana: Author House, 2008, p. 477

electronics, furniture, medicines and cosmetics, Cambodia–China trade tripled to 2.5 billion USD in 2011 from 791 million USD in 2009. However, Cambodia’s exports (mainly agricultural products, rubber, fishery, timber and textiles) to China remain minimal, standing at 184 million USD by the end of 2011.⁵⁶

Cambodia has become one the important bilateral trade partners for China in ASEAN. China’s target is to spread the economic market to the entire region especially in Southeast Asia. The prominent target of China is to import raw materials from Southeast Asian countries. Moreover, China is now becoming an industrial country. There are no plentiful natural resources such as oil that can be utilized. This country should able to maintain good relations with them. For Cambodia, the agricultural products are the superior products. Cambodia has sent huge amount of these products to China. After all, China actually a country who received huge benefits from the bilateral trade with Cambodia.

The bilateral trade growth between China and Cambodia is valued from 1.44 billion USD in 2010 to 2.49 billion USD in 2011.⁵⁷ Thailand and the United States continue to be Cambodia’s top trading partners, but China is predicted to surpass both countries in the next decade. China and Cambodia have already pledged to double the trade amount to 5 billion USD by 2017 from 2.5 billion USD in earlier years.⁵⁸

⁵⁶ Heng Pheakdey. “Cambodia–China Relations: A Positive-Sum Game?”, *Journal of Current Southeast Asian Affairs*, 31, 2, 57-85, 2012, p. 61.

⁵⁷ Ngov Penghuy. “ASEAN Economic Integration and Cambodia’s Industrial Policies”, *Ritsumeikan International Affairs*, Vol.10, 2011, p. 67-94.

⁵⁸ Heng Pheakdey. “Cambodia–China Relations: A Positive-Sum Game?”, *Journal of Current Southeast Asian Affairs*, 31, 2, 57-85, 2012, p. 61.

There will be significant trade amount in 2017 that China has promised before. This is probably as a part of China's political and economic agenda at once in Cambodia. In a short time within 5 years, China could pledge to double amount from 2.5 billion USD to 5 billion USD. Any country would never guarantee such thing if it is not based on something behind. China will be much easier to compromise with Cambodian government with many ways in many things.

Table 5: Cambodia's Top Import and Export Partners 2007–2010 (in Million USD)

Export Partners	2007	2008	2009	2010	Total 2007-2010
1. United States	2,363.1	1,970.9	1,552.8	2,183.6	8,070.4
2. Hong Kong, China	17.1	839.9	1,646.3	20.4	2,523.6
3. Canada	189.2	292.0	195.8	346.6	1,023.6
4. Germany	298.3	138.1	108.8	294.6	839.8
5. United Kingdom	211.7	155.7	179.7	315.0	862.2
6. Singapore	76.7	113.3	482.3	143.3	815.6
7. Vietnam	186.8	169.3	115.5	118.7	590.4
Import Partners					
1. Thailand	1,491.1	696.9	464.8	2,574.4	5,227.2
2. China	969.4	934.9	881.3	1,482.0	4,267.6
3. Singapore	482.2	303.8	209.0	2,436.1	3,431.0
4. Hong Kong, China	673.3	589.6	484.2	645.4	2,392.5
5. Vietnam	1,145.2	471.0	493.5	507.2	2,616.9
6. South Korea	309.6	229.4	209.1	214.9	962.9
7. Indonesia	134.0	96.2	145.5	239.5	615.3

B.3. Cultural Dependency

There are now about 500,000 Chinese and Chinese-Cambodians living in the country, according to the Chinese Association in Cambodia. The cultural influence from China has not attracted enough attention to but it is prominent and can be witnessed in many aspects of Cambodian society, including but not limited to language and education, food and eating, media and entertainment, and beliefs and festivals. For example, Chinese New Year is one of the biggest celebrations in Cambodia, with up to 80 percent of Cambodian people celebrating it every year.⁵⁹

Like most of countries with Chinese ethnic, there are only moderate numbers of people who celebrate it. But in Cambodia, 80% means almost all of the people participate in Chinese New Year. Many people in Cambodia have absorbed Chinese culture and tradition. It is very rare as if the Chinese has integrated with the hearts of Cambodian people. This country does not seem afraid that Chinese culture would shift existing indigenous culture in Cambodia.

Although Chinese New Year is not officially recognized as a public holiday, a number of schools, markets, businesses and government ministries are closed during this event. Mandarin is the second most popular language in Cambodia after English. As mentioned above, there are approximately 56 schools offering Chinese-language classes to some 30,000 students nationwide.⁶⁰

⁵⁹ Xinhuanet (2012), "Cambodian PM Sends Greetings on Chinese New Year", 21 January, online: <http://news.xinhuanet.com/english/china/2012-01/21/c_131372059.htm> (21 June 2012).

⁶⁰ Xinhuanet (2011), "Chinese Language Going Popular: Cambodia's Chinese Association", 8 September, online: <http://news.xinhuanet.com/english/world/2011-09/08/c_131026650.htm>

All Cambodians respect the celebration of Chinese New Year. They show their respect by closing most of business activities in Cambodia. It is like a country with Chinese culture and Cambodian culture itself appears less prominent. Chinese language is the second language which is commonly used in Cambodia. So the people of Cambodia meet Chinese language everyday and absorb the essence of the language that mostly contains Chinese value.

B.4. Military Aid Dependency

China and Cambodia have tight military cooperation is known as the largest military provider in Cambodia. The military aid came along in various forms. Somehow the military equipment was much needed by Cambodian government in regard to security matter. In fact China has distributed multiform of military equipment. But this was not the only form of military aid provided. China has granted million dollars to Cambodia for military purpose.

In December 1999 China donated construction materials worth 1.5million USD, including new barracks, ten jeeps, ten ambulances, and parachutes for the Cambodian armed forces.⁶¹ After the armed conflict in 1997, China granted USD 2.8 million in military aid and has since then continued supplying various types of military logistical support and training. In 2004, China provided a USD 60 million loan to Cambodia to purchase six naval patrol boats.⁶²

Their military cooperation has tightened ever since until recently. China has generously granted certain amount of money and equipment for military

⁶¹ Paul Marks. China's Cambodia Strategy, in: *Parameters: U.S. Army War College*, Vol 30. Issue 3, 2000, p. 92-108.

⁶² Chheang Vannarith. "Cambodia: Between China and Japan", *Cambodian Institute for Cooperation and Peace Working Paper*, No. 31, 2009, p. 9.

purpose. It figured that Cambodia is one China's closest partner in Southeast Asia. In addition, China's interests flourished since the dependency of Cambodia to China increased.

C. The Impact of the Cambodian Dependency to China

Assistance from developed countries considered will cause dependency and new problems for developing countries. According to some expertise, the theory of dependency emphasize on the interactions between the periphery and the centre state built under the system of capitalism. The Periphery state is the labour while the centre state is the producer. It explains how Karl Marx's theory is implemented. The Dependency of Cambodia to China causes the intervention in which Cambodia will not be able to decide everything on its own. This made Cambodia becomes an underdeveloped state until now. The penetration of China in Cambodia is quite strong so that it keeps the continuity of dependency. The dependency of Cambodia to China is difficult to eliminate. This would be perfect as what China expected in order to keep its political interest.

Cambodia is an agrarian country because the main products are from agricultural sector. If Cambodia keeps its specialty here then it cannot compete with Chinese industrial products. This is one of the reasons Cambodia remains less developed. The huge benefit is only for the producer or China in this context. As Andre Gunder Frank points out the development of the centre state will cause poverty. The development in China is the other reason that Cambodia's poverty is

D. The Penetration of China in Cambodia

Foreign penetration is part of the dependency of the periphery to the developed countries. Foreign penetration dependence becomes evident when one country dependent to more powerful state almost covering all aspects. The penetration of China to Cambodia includes political, economic, and cultural penetration. The presence of foreign penetration in a country indicates the weakness of the state and its government. This means the government of the periphery is easy to set up and intervened. Foreign penetration of the most significant and visible is the economic penetration.

Foreign penetration shapes the pattern in order to make the periphery state more reliant again to the central state. Penetration by China to Cambodia is very real. In economic terms, penetration by China conducted technical and technological. China made several branches or subsidiary companies or multinational companies in Cambodia. The target is in the Cambodian workers whose wages are relatively low. So the job is available for it. The company also would not want to have to bring in advanced technology from the home country of China. So if these companies want to compete, at least the central states bring original technology from there. Also, economic assistance from China requires recipients to buy goods and services from donor countries.⁶³ (Mas'oed, 1990: 240-248).

According to the experience of many countries, including Cambodia's periphery, the opportunity for foreign cultures and to be influenced by Chinese

⁶³ Moechtar Mas'oed, *Umu Hubungan Internasional Disiplin dan Metodologi*. Jakarta: LP3ES

culture made many members of the community to change the value. Political and cultural penetration can also take place through of material or symbolic packages, such as books, television programs, newspapers, magazines, and movies. Or it could also take place through the person who is the bearer of a foreign culture. For example, the young men who came home studying in China can bring elements of Chinese culture, such as the way of thinking and acting, ideology, values, consumption patterns, and so on.⁶⁴

There is a significant dependence of the periphery to the center, pushing the central state, to penetrate the periphery in terms of politics, economy, and culture. The presence of foreign penetration in the country is a form of weakness of the state and government. This means that the less-developed state is easy to set up and partially control. Center state creates a pattern that the periphery state will always be dependent on it. Thus, the centre state will more easily maintain any diplomacy as its political interests.