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Trends in Southeast Asia

"OLD" AND "NEW" CHINESE
BUSINESS IN CAMBODIA'S CAPITAL

MICHIEL VERVER

ISEAS YUSOF ISHAK
INSTITUTE

Trends in Southeast Asia

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FOREWORD

The economic, political, strategic and cultural dynamism in Southeast Asia has gained added relevance in recent years with the spectacular rise of giant economies in East and South Asia. This has drawn greater attention to the region and to the enhanced role it now plays in international relations and global economics.

The sustained effort made by Southeast Asian nations since 1967 towards a peaceful and gradual integration of their economies has had indubitable success, and perhaps as a consequence of this, most of these countries are undergoing deep political and social changes domestically and are constructing innovative solutions to meet new international challenges. Big Power tensions continue to be played out in the neighbourhood despite the tradition of neutrality exercised by the Association of Southeast Asian Nations (ASEAN).

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“Old” and “New” Chinese Business in Cambodia’s Capital

By Michiel Verver

EXECUTIVE SUMMARY

- China’s influence over economic and political affairs in Cambodia is undisputed. It is the biggest investor in Cambodia, adding nearly US\$5.3 billion between 2013 and 2017, especially into real estate development, the garment industry and the tourism sector.
- For Phnom Penh’s SMEs, “new” Chinese migrants are an increasingly important clientele, and raw materials, machinery, consumer goods and capital from Greater China have been vital resources. At the same time, they face competition from entrepreneurs from China entering the Cambodian market.
- For Cambodia’s elite entrepreneurs, known as *oknha*, China is an export destination for Cambodian timber and cash crops, and “new” Chinese investments provide business opportunities in the form of construction contracts and joint ventures in real estate and tourism development, industrial parks or the energy sector.
- Recent Chinese investments and migrants have reinforced Cambodia’s established politico-economic order, which is characterized by ethnic Chinese economic dominance as well as a divide between the business-state elite and the general population.

“Old” and “New” Chinese Business in Cambodia’s Capital

By Michiel Verver¹

INTRODUCTION

Ever since Hun Sen’s state visit to Beijing in 1996, ties between Cambodia and China—or more accurately, between Hun Sen’s ruling Cambodian People’s Party (CPP) and the Chinese Communist Party (CCP)—have only grown stronger. The state visit was a watershed moment. The Chinese had supported the Khmer Rouge regime (1975–78), while Hun Sen came to power under the auspices of China’s rival, the Vietnamese, who had pushed the Khmer Rouge forces towards the Thai border, and founded the People’s Republic of Kampuchea (PRK) (1979–89). The 1996 state visit not only signalled a rapprochement between China and Cambodia, but also China’s confidence that Hun Sen was Cambodia’s strongman in the making. The Chinese had invited Hun Sen but not Prince Rannaridh, whose Front Uni National pour un Cambodge Indépendant, Neutre, Pacifique, et Coopératif (FUNCINPEC) had formed an unstable coalition government with the CPP after the 1993 elections organized by the United Nations Transitional Authority in Cambodia (UNTAC). Perhaps encouraged by China’s backing, Hun Sen ousted Rannaridh in a *coup de force* in 1997. In June 2016, roughly two decades after Hun Sen’s state visit and around US\$3 billion in Chinese loans and grants later (Veasna 2016), warm ties were once again reaffirmed. Reportedly, as it had done in 2012, Cambodia demanded that ASEAN tone down its

¹ Michiel Verver is Assistant Professor in the Department of Organization Sciences, Faculty of Social Sciences, Vrije Universiteit Amsterdam, the Netherlands.

statement on China's disputed claim over the South China Sea, and a few days later China pledged another US\$600 million in loans and grants (Hutt 2016a).

Political interdependencies have emerged alongside the influx of Chinese investments, businesses and economic migrants since the 1990s. Cambodia's infrastructural development, including the construction of bridges, roads and hydropower dams, is largely undertaken by Chinese state-owned companies and financed by Chinese banks (Sullivan 2011). The majority of Cambodia's garment factories, which account for over three-quarters of total exports, are owned and managed by Chinese from "Greater China" (i.e., mainland China, Hong Kong, Taiwan and Macau) (Ear 2016). China is the biggest investor in Cambodia, adding nearly US\$5.3 billion between 2013 and 2017 (Hin 2019), and Chinese firms currently hold over forty Economic Land Concessions (ELCs) allocated for tourism development or the cultivation of crops such as rubber, sugar and cassava (LICADHO 2019). Officials hope that annual bilateral trade between the two countries will reach US\$10 billion in 2023 (Prak 2019). China's influence over economic and political affairs in Cambodia is undisputed, which leads Percival (2007, p. 41) to argue that "[i]f any modern relationship between China and a Southeast Asian country smacks of the old 'tributary system,' it is the one between Beijing and Phnom Penh".

Extant studies that examine China's recent re-engagement with Cambodia either consider the perspective of the political elite or of Cambodia's poor. Political scientists and observers are particularly interested in what the CPP gains from China's patronage in terms of power consolidation and financial rewards, and, vice versa, what is behind Beijing's rhetoric of unconditional aid and "Principles of Peaceful Coexistence", suggesting that China strives for a bigger say in ASEAN via Cambodia, access to Cambodian oil and gas reserves, or even a naval base at the Sihanoukville port (see, for example, Burgos and Ear 2010; Chanda 2002; Ciorciari 2015; Dahles 2013; Sullivan 2011). In addition, a number of sector-specific studies, including garments (Arnold and Toh 2010), hydropower (Heng 2015) and logging (Milne 2015), have revealed the ways in which Chinese investments and demand for natural resources affect Cambodia's rural and urban poor. These studies,

as well as a steady stream of reports by international watchdog Global Witness (2007 and 2015), expose opaque alliances between Cambodian and Chinese elites, and highlight resultant human rights abuses and environmental degradation.

In considering ways in which China's newfound assertiveness affects Cambodian society, the perspective of the domestic private sector is largely overlooked (for an exception, see Nyíri 2012). Yet, this perspective is intriguing for at least two reasons. First, the domestic private sector, especially in the capital Phnom Penh, reveals an internal division between the politically connected and the bereft. An exclusive group of tycoons enjoys privileges and protection from top CPP officials and owns the country's large and diversified business groups, while the majority of the private sector comprises of small and medium-sized enterprises (SMEs) that cope without political backing (Verver and Dahles 2015). Second, most entrepreneurs in Phnom Penh, tycoons and SME owners are children or grandchildren of Chinese migrants who came to Cambodia especially during the French colonial period (1863–1953). Overlaying the two begs the question of how different local entrepreneurs are differently embedded “in between” Chinese ethnicity and Cambodia's political economy, and how this position of “mixed embeddedness” (Kloosterman and Rath 2001) enables or constrains them to link up with and benefit from “new” Chinese investments and commerce in Cambodia.

In this analysis, I explore the relationship between the local business community in Phnom Penh, which is historically dominated by “old” Chinese immigrants and their descendants and “new” Chinese migration, business and investments. I do so from the perspective of the “old” Chinese, drawing on ethnographic fieldwork conducted in Phnom Penh between October 2010 and December 2011, and more recent secondary sources and updates on the topic. During this period, I interviewed entrepreneurs, their family members, employees and business partners; I talked to people working for the government, media, NGOs, research institutes and other civil society representatives knowledgeable on Phnom Penh's private sector dynamics or Cambodian society more broadly; and I visited individual businesses and business-related events (see Verver 2015).

The next section provides a history of the business activities and societal position of “old” Chinese migrants in Cambodia, while the ensuing empirical sections examine, for Phnom Penh’s SMEs and big business groups respectively, how “new” Chinese migration and capital have affected the business endeavours of the “old” Chinese. The last section discusses the implications for Phnom Penh’s ethnic Chinese and Cambodian society more broadly.

CONTEXT: THE “OLD” CHINESE IN CAMBODIAN SOCIETY

Most Chinese migrated to Cambodia during the French colonial period (1863–1953), although in the precolonial era a symbiosis had already emerged between the mainly agrarian Khmer and the trade- and commerce-oriented Chinese (Kuhn 2008). This “plural society” (Willmott 1967, p. 9) was further perpetuated by the French colonial administration, who actively promoted occupational and spatial separation of the Khmer, Chinese and Vietnamese residing in Phnom Penh. The French organized the Chinese through *congrégations* that represented the five dialect groups in Phnom Penh—Teochiu, Cantonese, Hakka, Hokkien and Hainanese—and that formed the basis for Chinese communal, economic and political life (see Edwards 2007; Willmott 1967).

The ethnic Chinese retained their dominance over the Cambodian economy during the post-independence rule of King Sihanouk (1953–70). In Phnom Penh lived some 135,000 Chinese in the early 1960s, or one-third of the population (Willmott 1967). The majority of Chinese families were not especially wealthy. They owned small boutiques or worked as shoemakers, carpenters, dentists, cinema owners, barbers or bakers, and relied heavily on informal familial and ethnic ties for labour and capital. Chinese small business owners carved out economic niches largely along dialect lines. Hainanese ran restaurants and hotels, Hokkien controlled hardware, Hakka owned bakeries, and Cantonese concentrated on carpentry and mechanics, while Teochiu were found in most other economic niches (Willmott 1970). In the countryside, Chinese grew cash crops such as vegetables and pepper, and Chinese merchants

bought surplus rice, sold commodities and lent money to Khmer peasants (Willmott 1981).

A smaller group of wealthy Chinese business magnates was either active in trade or engaged in revenue farming. The latter was exceptionally profitable. Activities like gambling, opium farming, pawning and fisheries were subcontracted by the royal family to business people at an annual fee (Osborne 2004). These contracts almost entirely went into the hands of Chinese entrepreneurs, who had strong connections to the Khmer throne, access to extensive regional kinship networks to round up capital and credit, and a local network of sub-farmers and agents—again mostly Chinese—to manage the revenue farming operations (Cooke 2011; Muller 2006). Cantonese traders in Phnom Penh, who were linked to fellow Cantonese in the Vietnamese twin-city of Saigon-Cholon, controlled the rice, pepper and salt trade (Willmott 2012). The Teochiu, however, gradually erected a network of wholesalers and retailers that spanned Cambodia's cities and villages. The Teochiu outnumbered the earlier Hokkien and Cantonese settlers, and came to dominate the Cambodian economy in the post-colonial period (Willmott 1967).

The civil war and the subsequent Khmer Rouge regime of the 1970s left Cambodia destructed. After the Khmer Rouge overtook Phnom Penh—which had swollen to approximately 2 million people during the civil war—on 17 April 1975, they emptied the city overnight and forced people into rural labour camps. In less than four years, an estimated 1.5 to 2 million Cambodians died from starvation, exhaustion, diseases and execution (Heuveline 1998). The ethnic Chinese were hit particularly hard as they were persecuted for being urban dwellers, capitalists or Chinese, labels which were often conflated (Edwards 2012). Many ethnic Chinese fled Cambodia through Thai border camps and found final refuge in France, Australia, or North America (Wijers 2011), while those who stayed behind were forced to “become Khmer” in terms of housing, dress, language, and food (Edwards 2009). When the Vietnamese army invaded Cambodia late in 1978, Kiernan (1986) estimated, half of Cambodia's ethnic Chinese population had died.

The Vietnamese restored basic state institutions and assured relative political stability from 1979 to 1989. Vietnamese antagonism towards

China as well as ethnic Chinese capitalist activity led to repression and discrimination, and Chinese culture and language were forced underground (Gottesman 2003). Businesses were initially repressed, but because state enterprises failed and as Hun Sen—a pragmatist more than a devoted communist—became prime minister in 1985, Chinese small-scale businesses were increasingly tolerated (*ibid.*). Markets were unregulated, and the petty trade that emerged at the Thai border between Teochiu from Phnom Penh and Bangkok effectively “amounted to state-sanctioned smuggling” (Slocomb 2003, p. 113). In the final analysis, the Vietnamese left Cambodia a small but functioning economy.

The 1990s onwards have seen the steady ascent of Hun Sen’s CPP, which grew out of the Vietnamese-backed regime. Under Hun Sen, the economy was liberalized, state enterprises privatized, and ethnic and religious freedom of expression constitutionally assured. At the same time, by placing loyal individuals in key state, military and business positions, and by distributing favours to reinforce this loyalty, the upper echelon of the CPP erected an all-pervasive patronage-based political economy (Hughes and Un 2011; Springer 2010; Verver and Dahles 2015). Hun Sen has been manoeuvring the international stage in a similarly pragmatist fashion. Benefitting from foreign investments and donor money from Asia and the West, he has managed to curb Western demands for democratization, transparency and “good governance”, while exploiting increasing economic opportunities and “unconditional” aid extended from China.

Hun Sen’s rise has paralleled the revitalization of Chinese enterprise and cultural life. Since the 1990s, the Teochiu trading networks of the 1980s expanded, ethnic Chinese from around Asia came in to trade or invest, and Phnom Penh’s ethnic Chinese ventured into a wide range of economic niches. Chinese New Year was celebrated again for the first time in 1991, and the famous Duanhua School in Phnom Penh reopened its doors in 1992 (Willmott 1998). At the same time, almost all ethnic Chinese in contemporary Phnom Penh speak Khmer, and most self-identify as Khmer more than Chinese. Arguably, Chinese business and culture “has become disembedded from a definable Chinese community and, over the last two to three decades, re-embedded in Phnom Penh’s

socio-economic sphere, which is largely made up of Cambodian Chinese entrepreneurs” (Verver 2012, p. 319).

Hun Sen’s rise also witnessed a re-emergent divide between small and big business. Cambodia was deprived of human capital after the Khmer Rouge, and material and financial resources have been similarly scarce. Corruption permeates society, and so SME owners shun state institutions in general and rent-seeking officials in particular. The modal firm is small, family-owned and operated, financially self-reliant and technologically ill-equipped (Slocomb 2010). At the same time, a small group of tycoons has been co-opted by Hun Sen and other CPP top officials, and runs large and diversified business groups active in the most lucrative economic niches. These tycoons carry the title of *oknha*, which was once bestowed upon prominent officials surrounding the king, but since 1994 is awarded to business people who make financial contributions in excess of US\$100,000 to national development projects (and in excess of US\$500,000 since 2017). The *oknha* receive benefits in business—including import monopolies, public contracts and land concessions—in return for loyalty and financial contributions to individual officials and the CPP party as a whole (Verver and Dahles 2015).

Migration from China to Cambodia largely ceased after decolonization in 1953, and only resumed towards the end of the twentieth century. Aside from tourists, “new” Chinese migration since the 1990s includes petty traders and service entrepreneurs, private investors, garment factory managers, teachers, journalists and sub-contractors to infrastructural projects financed by the Chinese state (Nyíri 2014). The differences between the “old” and the “new” Chinese are vast. The “old” Chinese trace their roots to the coastal provinces of South China, while the “new” Chinese are largely from the Shanghai region, Hong Kong and Taiwan. The “old” Chinese originally spoke one of the southern Chinese dialects (mainly Teochiu), while Mandarin is the mother tongue of most “new” Chinese. Most fundamentally, the “new” Chinese have not been subjected to the turbulent history of Cambodian society, which fundamentally changed the “old” Chinese community. These differences are also reflected in Cambodian popular lexicon. The “new” Chinese are labelled *cendaekook*, which translates into “dry land Chinese” but

broadly refers to recent migrants and temporary residents from Greater China, whereas the “old” Chinese are referred to as *kmae-cen* (Khmer-Chinese), *coul kmae* (literally “entered the Khmers”) and *kmae yeung* (“we Khmer”, indicating attachment to the nation) (see also Edwards 2009). In the following sections, I use the broad label of “Cambodian Chinese” to refer to the “old” Chinese.

FINDINGS: “OLD” AND “NEW” CHINESE BUSINESS IN PHNOM PENH

Looking at SMEs and the *oknha* business groups respectively, the ensuing sections explore linkages, collaboration and competition between Phnom Penh’s Cambodian Chinese entrepreneurs and “new” Chinese traders and investors.

Small- and Medium-Sized Enterprises

For SMEs in Phnom Penh, “new” Chinese engagement with the Cambodian economy has been instrumental in a number of ways. To begin with, the “new” Chinese migrants represent an important clientele for service providers and retailers in Phnom Penh. Many “new” Chinese in Cambodia work as managers, technical staff and foremen in garment factories, and many others work for Chinese (state-owned) companies that build roads, bridges or hydropower dams in the Cambodian provinces. These professionals come to Phnom Penh on weekends, and settle in areas such as around Preah Monivong Boulevard, a main boulevard in Phnom Penh’s city centre. The area houses Chinese restaurants that, according to a Chinese community insider, are owned and visited by “new” Chinese, but shunned by most Cambodian Chinese, who are used to a different cuisine and hardly mingle with the “new” Chinese migrants. Yet, Cambodian Chinese have opened up stores and hotels in the area that cater to the “new” Chinese. As a hotel manager, who speaks Mandarin because he spent his youth in Beijing where his father worked for the Cambodian embassy, explains: “Mandarin is becoming popular because there is so much investment coming in from China, a lot. Chinese come to invest in garment, real estate, import-export, shipping. That’s why we

should learn the Chinese language. That's why I joined here, why they hired me in sales and marketing.”

Another interviewee, Kimsun,² owns a computer shop in the Preah Monivong Boulevard area, and has benefited from “new” Chinese who come to buy or have computers repaired in his shop. Growing up in the anti-Chinese climate of the 1980s, Kimsun never learned Mandarin. He elaborates:

In the beginning, I didn't speak Chinese at all, but some years ago a lot of Chinese customers started coming here. Every weekend my shop is full of Chinese people. They work for the garment factories and come to this area to buy food or computers. They stay in the hotels and apartments here, upstairs [from his shop] also. Now I can speak a little Mandarin, not much, and one of my guys [his staff] also. I did not go to Chinese school. This is my school.

Kimsun displays his company's name in Khmer, English and Chinese on his storefront, and he has a Chinese shrine in the corner of his shop to ensure good luck in business. Some interviewees argue that such Chinese paraphernalia, as well as Chinese appearance and language use, attract customers. Popular understanding in Phnom Penh, as expressed here by a younger generation Cambodian Chinese, is that “Chinese work hard and sell goods for a small profit margin. That's why people want to buy at Chinese shops.” Kimsun, however, downplays the relevance of his Chinese background. It is customary to display the company name in Chinese next to Khmer and English, he argues, and concerning the Chinese shrine:

² Names of interviewees have been changed to ensure anonymity. Actual names of business people do appear throughout this article (in the next section), but only where information is derived from publicly accessible sources such as newspapers or websites, not where information is derived from fieldwork.

You see it in every shop, even if the owner is 100 per cent Khmer, and most business people in Phnom Penh are *kmae-cen* anyway. It's decoration that we copy from each other. Actually, I don't know the meaning of the little shrine. I never pray in the morning; I cannot fix a computer by praying.

Recreated economic links between Cambodia and China have not only generated a clientele of "new" Chinese customers for local service providers and retailers, but also allow Cambodian Chinese entrepreneurs to establish new trading connections with China, especially in import. Kimsun, for example, imports his computers from Singapore and Hong Kong. In line with the above, Kimsun argues that shared Chinese background is of minor importance in these trading partnerships:

They are traders who secure themselves. They don't feel like I am Chinese and then they trust me, they think whether I am a real businessman or not. My suppliers in Singapore and Hong Kong, they sometimes send me goods first [before payment]. They trust me, not because I am Chinese, but because I import from them for a long time already.

In contrast to Kimsun, many other entrepreneurs who have experience importing from Chinese-speaking countries do highlight the significance of "being Chinese", and especially of speaking Chinese. One interviewee, for example, imports children's toys from China, and whenever he goes there, he brings along his wife, who studied Mandarin and speaks it fluently. When she bargains in Mandarin, he ascertains, the price for a shipment of toys is much lower than for those who "just press the calculator" to negotiate the price.

While retailers and wholesalers import products such as computers and toys from China, production firms in Phnom Penh depend on Chinese raw materials and packaging material (the latter of which, due to high electricity costs, is hardly produced in Cambodia itself). Lina and Dara, a brother and sister who own and manage a rice cracker factory and a jelly sweets factory together with their elder brother, import packaging material, machinery and raw materials from China. While rice and corn,

the main ingredients for the rice crackers, are grown domestically, Dara estimates that they import 90 per cent of the raw materials for the jelly sweets from China. “I would like to buy more here so we can make the Cambodian economy stronger, but it’s really hard to find.” Lina and Dara are from a Teochiu background and speak both Teochiu and Mandarin. They learned both languages secretly at home in the 1980s; Teochiu from their parents and Mandarin from a private teacher. In the 1990s, Dara, the youngest among the siblings, studied Mandarin in China for one and a half years while living with relatives there. His parents wanted him to, not because of business opportunities per se, but because “my grandparents are Chinese people so they want the next generation to speak Chinese. In my generation there are a lot of Cambodians who studied in China.”

Lina and Dara go to China regularly to do business and visit family members, who produce cutlery for the US and European markets. Their family members have introduced them to entrepreneurs in China over the years, which provided them a strong partnership with a company that makes their machines as well as provide strong connections to suppliers of raw materials. “All around the world”, Lina argues, “Chinese are successful business people. They work hard and keep their mind on the business. In China, I got to know many of them and we get on well with each other.” Dara adds:

Chinese think that if you have the same background you can help each other. Every time we go to China for business, we visit the family also. If we don’t visit for a long time, we will lose them, but we are still close. [...] Chinese are smart to keep good relationships; they go out and know more people for doing business and sharing experience.

To a large extent, whether SMEs in Phnom Penh are able to develop trading partnerships with China depends on existing connections in China, and particularly family connections. This is the case for the import of machinery and raw materials as much as consumer goods. The bulk of consumer goods from China enters the Cambodian market via “new” Chinese traders, but by employing family connections,

Cambodian Chinese families also import Chinese goods. Three brothers, for example, have teamed up with their niece in Hong Kong, who is a representative for a Chinese food company, to import food products such as bottled sauce. She sends samples of products to them, and if the brothers think there is a market for the products in Cambodia, she sends larger shipments. One of the brothers explains:

I think it is important for Cambodian businesses to look at Chinese products. The whole world uses Chinese products and if we look at the price and their resources, we cannot compete so we have to import. It's easy to trust our family and she knows about the products, so she can arrange it for us.

While it is not uncommon for Cambodian Chinese to import from China, the experience of the typical entrepreneur is better represented in the following quote, by an interviewee who owns two small guesthouses and imports detergents that he resells to local hotel and catering firms:

More and more Chinese from the mainland are doing business here. They have family here, associations, the embassy, so there is communication. It is beneficial for those [local entrepreneurs] who have relationships and can do business with them, but not for us. We don't have any connection to China, and we import from Singapore, Malaysia and Thailand, not China. We are the young generation of Chinese who settled in Cambodia, and we think of ourselves as Khmer, not Chinese. The only thing is that we can still speak the language.

Clearly, then, as a journalist observes, due to the disruptive Khmer Rouge regime and its aftermath, “most connections that were once there haven't been passed on from one generation to the next”.

While some local entrepreneurs benefit from “new” Chinese customers and import connections, and while for many others the “rise of China” has largely gone unnoticed, yet others face new competition from the “new” Chinese. Take the case of Mr Lok, who imports and sells the two kinds of textile—silk and embroidery—needed to make

traditional Cambodian wedding dresses. The silk is produced in Cambodian provinces, mostly by women who weave silk as a side activity to farming, whereas the embroidery textile is imported from around Asia and from Europe. Mr Lok is a prominent wholesaler for the two kinds of textiles. Together with his wife and two children, he runs a business with two locations near Phnom Penh's two largest indoor markets, Psar Olympic and Psar Orrusey. The family has a vast stock of textiles, which they sell to market vendors that run small booths in the two markets. Mr Lok is in his late fifties and of full Teochiu descent, but he never learned Teochiu or Mandarin. He does speak Thai, however, which he picked up in the early 1980s when, like so many entrepreneurs of his generation, he was active in petty trade along the porous Thai-Cambodian border. After importing a variety of cheap goods for a few years, which his wife sold in Phnom Penh, Mr Lok befriended a Thai Teochiu supplier, who offered to supply him the more expensive embroidery textile on credit.

The family built their business from there, which required two things. First, they established themselves within the domestic silk trade, which is characterized by reciprocal relationships within a pyramid structure of weavers, middlemen, wholesalers and market vendors (Dahles and Horst 2012). Second, to assure a diversified supply of embroidery textile, which is vital as the quality and price of embroidery textile differ greatly between producing countries, they forged trading partnerships abroad, beyond their existing connections with the Thai. On the invitation of a distant family member who had fled the Khmer Rouge to France, Mr Lok started visiting French and Italian factories to purchase upmarket textile. Since the 2000s, he also imports cheaper embroidery textile from China, and has been to exhibitions in China a number of times. Due to language barriers, however, Mr Lok had a hard time bargaining and settling transactions with potential Chinese suppliers. He brought along his son-in-law, who speaks English, when visiting exhibitions or factories abroad, but in China he could not be of much assistance as people expected them to speak Mandarin.

Since the 2000s, middlemen from China have been coming to Cambodia to sell embroidery textile themselves. On the one hand, this is a blessing as Mr Lok can now stay in Phnom Penh and buy directly

from the middlemen. His daughter Theory explains: “There are many factories in China. They [the Chinese middlemen] come to us with samples so we can see and order with them. We can order what we need, and if we want to change the pattern or colour, we inform them.” On the other hand, the “new” Chinese also mean new competition. After all, individual market vendors can now buy directly from the middlemen from China rather than having to go through Mr Lok. “Cambodia is now a free market. The Chinese can also come to our country and bring in their products.” The family, however, is not anxious about their competitors. The Chinese only have cheap embroidery on offer while their assortment is very diverse as they import from a range of countries. More importantly, Mr Lok has co-opted a lot of market vendors by means of an informal yet effective arrangement; he rents out market booths, which he bought over the years, or provides credit to individual market vendors, compelling these vendors to purchase the textile from him.

In two respects, the story of Mr Lok and his family is illustrative of Cambodian Chinese entrepreneurs active in Phnom Penh’s SME sector. First, a localized Teochiu identity is considered more important than a supposed pan-Chinese regional identity in doing business (Verver and Koning 2018). Mr Lok acknowledges that his Teochiu background has been crucial in his friendship with the Thai Teochiu in the 1980s, but he downplays his Chinese background: “I think my business has grown not because I have Chinese blood, but because of my luck, smartness and hard work.” Daughter Theory adds: “In my family we cannot speak Chinese anymore. Our kinship seems to be lost, so we speak Khmer.” At the same time, Theory does take pride in her family’s Chinese roots: “Chinese in Cambodia never become beggars, they are hard working. Chinese are patient with their business even though they face many problems, and they run small businesses even if they make little profit.” While talking to Theory in her market store, her mother was minding the conversation, and interfered by saying that “these days, the Chinese are much more appreciated than before. Cambodians all want to marry a Chinese because then they marry into a business family”. Accounts like these illustrate that “Chineseness” takes on a specific meaning within the Cambodian context, and in a manner that does not necessarily imply a

pan-Chinese ethnic affinity being extended to “new” Chinese migrants from Northeast Asia.

Second, the story of Mr Lok and his family indicates that, despite the inflow of “new” Chinese migrants and investments, the Cambodian Chinese have reclaimed their dominance over Phnom Penh’s SME sector. A younger-generation entrepreneur named Kosal, who manages a mattresses production, retail and wholesale business owned by his parents, for example, said: “so far there are only a few companies that produce mattresses, all Cambodians, but we’ll wait and see. There were a couple of companies that came in from China, but it didn’t work out for them. In the end they quit and we bought their machines.” As is the case for Mr Lok, Kosal’s parents have developed their international network through connections with family members and Southeast Asian Chinese more than “new” Chinese from Northeast Asia. Kosal has a granduncle in South China who supplies the raw materials. “All my dad does is be on the phone with my granduncle in China. And once a year we visit him and he takes us to exhibitions to look for new material.” While Kosal’s granduncle supplies the raw materials, they buy machines and chemicals from a Singaporean businessman who visited Phnom Penh in 1997 looking for investment opportunities and trading partnerships. Domestically, Kosal’s family has secured their market position by building up a steady clientele of local buyers. These include individual customers who come to their store, but the bulk of the mattresses is either sold to middlemen who resell in the provinces or to hotel and condominium developers in Cambodia’s urban areas. Like Kosal’s family, both the middlemen and developers are mostly Cambodian Teochiu.

It seems that for many local Cambodian Chinese entrepreneurs, the “new” Chinese active in trade, service or production in Phnom Penh since the 1990s do not pose a substantive threat. When the Vietnamese left Cambodia in 1989, the Cambodian Chinese were slowly recovering, while hampered by resource scarcity, a lack of capital and political insecurity. They had set up home-based businesses that required little investment, including grocery stores, bakeries, cafés and mechanics workshops, or produced rice wine and sausage rolls, while trade was largely restricted to the Thai-Cambodian border area. Petty traders from China were quick to exploit the demand for cheap, Chinese-made

consumer goods and, to a lesser extent, tried their luck in the service and production sectors. It was only gradually that Cambodian Chinese accumulated the material, financial and social capital to embark on more capital-intensive and durable business ventures. As the cases of the textile and mattresses businesses indicate, the Cambodian Teochiu developed their own connections to Chinese suppliers—often through family links—and forged a tight-knit local network of traders and both urban and rural shopkeepers that now controls a wide range of sectors. As Pál Nyíri (2014) points out, many “new” Chinese traders and service entrepreneurs have returned to China since the 2000s, both because living standards in China increased and because the Cambodian Chinese reasserted their dominance over the Cambodian economy.

At the same time, more recent evidence (albeit largely anecdotal) suggests that local entrepreneurs are increasingly experiencing competition from the “new” Chinese (Cheng 2018). This is especially so in the coastal town of Sihanoukville, which is turning into a Chinese enclave comprising Chinese tourists and Chinese-owned tourism businesses such as casinos, restaurants and shops (Po and Heng 2019; Sim 2019). Yet, “new” Chinese influences are also felt in Phnom Penh. In what seemed an attempt to protect local SMEs against the “new” Chinese, in August 2019 the government signed a decree stating that ten categories of jobs (including hairdresser, tuk-tuk driver and mechanic) were off limits for foreigners. Remarkably, the ban was lifted two months later (Soth 2019). In any case, there certainly is a substantial number of “new” Chinese active in Phnom Penh’s SME sector. As a journalist for a local Chinese newspaper notes:

The newcomers are not just in garments, this is a misunderstanding. Many of them import all kinds of things from the mainland, and once they have set something up, they invite more people or bring their families from the mainland. Some also marry Cambodians and speak Khmer already. Although Cambodia is poor, some of them still prefer Phnom Penh because it’s so easy to do business. There are few restrictions here, they can start right away, and they have connections in China.

Oknha Business Groups

The most prominent among Phnom Penh's *oknha* also benefit most from “new” Chinese investments. For example, Oknha Lao Meng Khin, a CPP senator, and his wife Choeung Sopheap, reportedly a close friend of Hun Sen's wife Bun Rany, have a reputation of bringing in Chinese investment (Bahree 2014). Their business portfolio includes a Special Economic Zone (SEZ), the highly controversial Boeung Kak Lake development project in Phnom Penh, which implicated the eviction of thousands living along the lake, as well as mining activities, power plants, and ELCs. In all of these they collaborate with Chinese investors. Lao Meng Khin and Choeung Sopheap—dubbed the “power couple” in a 2007 WikiLeaks cable from the US embassy in Phnom Penh—speak Mandarin and several Chinese dialects (WikiLeaks, 9 August 2007).

Another prominent *oknha*, Ly Yong Phat, has similarly strong connections with the regional Chinese. He is especially active in his home province of Koh Kong—Ly Yong Phat is locally known as the “king of Koh Kong”—in western Cambodia, where he owns hotels, casinos, an SEZ, vital infrastructure including a 1.9-kilometre bridge that links Koh Kong and Thailand, facilities for water and electricity supply, and a disputed sand-dredging business. His sugar plantation in Koh Kong, which he co-owned with a Taiwanese company before selling his shares to a befriended Thai Chinese sugar mogul in 2010, is notorious for human rights abuses and land grabs taking place in and outside the concessionary land (Pellechi 2012). A CPP senator and special economic advisor to Hun Sen, he “boasts to visitors that he was personally appointed to develop his home province” (WikiLeaks, 9 August 2007). As such, Ly Yong Phat is also linked to plans, which have yet to materialize, by Chinese firms to develop a 400-kilometre railway linking iron ore mining operations in western Cambodia to a new port in Koh Kong (Hunt 2013). He is also granted the contract to build a massive new sports and entertainment complex on the Chroy Changvar peninsula outside Phnom Penh, meant to host the 2023 Southeast Asian Games and financed by the Chinese government. Ly Yong Phat presumably holds dual Cambodian and Thai citizenship, and speaks Khmer, Thai, and Chinese dialects. He seems to cherish his Chinese roots. According to a company brochure, he became

president of Cambodia's Chinese Hainanese Association in 1992, and senior advisor of the Ly Chinese Family Association in 2005 (L.Y.P. Group n.d.). He even has plans to build a Chinatown as part of a satellite city he is currently developing outside Phnom Penh (Khy 2013), perhaps in an attempt to revive the capital's Quartier Chinois of the colonial period.

Tycoons like Lao Meng Khin and Ly Yong Phat keenly manoeuvre their Cambodian and Chinese identities. On the one hand, they rely on their ties to Hun Sen and top CPP and military officials for preferential treatment and to secure their business ventures. On the other hand, they employ their Chinese background, language abilities and established connections in China, Taiwan and Hong Kong to attract investments. The *oknha* thus bridge regional ethnic Chinese business networks and Phnom Penh's highly politicized business sphere, while pocketing large sums of money in the process (no small part of which, of course, flows back to their political patrons).

Although, according to the son of an *oknha*, "new" Chinese investors "definitely give priority to the local ethnic Chinese", the role of shared Chinese background must not be overstated. Many prominent *oknha*, most of who grew up in the 1970s and 80s and are now in their sixties, hardly speak Chinese, have no established network in China, Taiwan or Hong Kong, and self-identify as Khmer. One *oknha* interviewee, for example, said that although Cambodians tend to assign officialdom to Khmer and business to Chinese, "actually it is the same. In government people also have Chinese blood, in business people also have Khmer blood.... I don't know much about my Chinese background. I'm Cambodian, not Chinese anymore. I feel *kmae*, not *cen*." Partly, such statements reflect the actual blurring of ethnic boundaries in Phnom Penh. Partly, perhaps, the fact that the *oknha* owe their wealth to privileges and protection provided by "Khmer" political patrons urges the *oknha* to foreground their Khmer identity and downplay Chinese identity. As a Phnom Penh-based historian argues, "they have no stake in displaying Chineseness, on the contrary. And they grew up in a time when Chinese were discriminated."

Irrespective of Chinese language abilities and identification, the *oknha* manage to attract Chinese investments and joint venture with Chinese companies. In some cases, it is all too evident that business deals

between Cambodian Chinese *oknha* and “new” Chinese investors spring from CPP patronage more than shared ethnic background. A deal between Pheapimex—owned by the earlier-mentioned Lao Meng Khin and Choeung Sopheap—and the Chinese firm Jiangsu Taihu International, who joint-ventured to develop an SEZ, was purportedly sealed on one of Hun Sen’s visits to China (Global Witness 2007, p. 77). Indeed, a number of *oknha* who are also CPP senators, including Lao Meng Khin, have joined Hun Sen on trips to China. Another example is a US\$8 million loan to build a palm oil processing plant, which was obtained by Oknha Mong Reththy, who lived in the same Buddhist pagoda as Hun Sen in their teenage years and who now owns a wide range of agri-businesses. The US\$8 million was borrowed by the Cambodian government from a state-owned Chinese bank, and in turn lent to Mong Reththy, who argued this was “to save the company paperwork” (Kimsong 2001). A last noteworthy example is Oknha Try Pheap, who owns a logging syndicate that exports timber to Hong Kong, catering to Chinese demands for luxury *Hongmu* furniture. In return for exclusive logging rights and export permits, and even the rights to all “illegally” logged timber confiscated by the Forestry Administration, Try Pheap allegedly pays a US\$1 million monthly “tax” to Hun Sen’s family (Milne 2015). Unsurprisingly, instances like these only reinforce notions in Phnom Penh that the *oknha* are mere proxies of Hun Sen. Moreover, these instances suggest that connections to the CPP are more vital than “new” Chinese connections for the *oknha*, and that, in fact, the CPP orchestrates the link between *oknha* and “new” Chinese investors.

Well-aware of the importance of local political embeddedness (see O’Neill 2014), “new” Chinese investors who lack established connections often turn to the various chambers of commerce. These include the Chinese Chamber of Commerce in Cambodia (which is closely tied to the Chinese Embassy), the China, Hong Kong and Macau Expatriate & Business Association of Cambodia (the name of which, due to Cambodia’s official support for the One-China Policy, conceals the de facto inclusion of Taiwanese in the association), and the Cambodian Chamber of Commerce (which is also referred to as the “*oknha* club” in Phnom Penh). A representative of the latter explains that many investors do not approach the chamber but pick “the wrong partners” for

collaboration: “Especially the Chinese, they have connections, but the wrong ones. They know some three- or four-star generals and they think they can invest in whatever they want. They invest a lot but it’s all wasted on drinks and karaoke bars, and then they go back home with nothing.” Members of the chamber, contrarily, are “good partners for investors” as they are “straightforward” and “have proven themselves”, according to the representative. He holds that the chamber redirects foreign investors to local *oknha* “in a fair manner”, depending on what the investor is looking for and “without benefitting anyone”. Other interviewees disagree, including a businesswoman whose father is an *oknha* and used to be a member of the chamber: “He stopped because he didn’t like it, they’re not really helpful actually. Mostly they [the board, which is made up of the most prominent *oknha*] share whatever investment comes in. Often the president takes it all.”

Successful collaborations between *oknha* tycoons and regional investors, whether established via the CPP, the chambers of commerce, or other connections, reveal a basic arrangement. The foreign partner brings in investment, technical expertise and skilled labour, while the *oknha* provides the land—which foreigners are not allowed to own in Cambodia—and political *khnormg* (“backing”). An elite insider adds:

The Chinese want to joint venture with us because we know how to process documents, deal with tax, find the location. It should be a joint venture, otherwise it’s not a success for them. They look for the right person, and normally they look for someone who speaks Chinese.

It is through this arrangement that plantations and production facilities have been set up, and—as an employee of a logistics company ascertained—that cargo is unloaded at the Sihanoukville and Phnom Penh ports while customs turns a blind eye. It is also this arrangement that has fuelled much of Cambodia’s real estate boom over the last decade. Condominium complexes, office towers and satellite city megaprojects have mushroomed in and around Phnom Penh (see, for example, Percival 2012) despite warnings of a real estate bubble caused by the discrepancy between the construction frenzy and the limited growth of the private

sector and middle class. “New” Chinese prove especially eager to invest in Cambodian real estate, allegedly more so as a result of Xi Jinping’s corruption crackdown in China coupled with Cambodia’s reputation as a safe-haven for money laundering (Hutt 2016a).

The number of *oknha* has mushroomed, from an estimated 20 in 2004 to more than 700 in 2014 (Odom and Henderson 2014). Less prominent *oknha*, who do not rely on such strong political backing as the *oknha* mentioned above, often manage to link up with “new” Chinese investors because of their expertise in particular sectors. The family of Vuthy, which he thinks is “one of the biggest families” in Cambodia, is among them. When Cambodia opened up in the 1990s, the family started focusing on the construction sector. They made sure to set up complementary businesses that cater to the construction of warehouses and factory buildings. In Vuthy’s words:

Most of them are in construction; trading materials and construction itself. One of my uncles is in steel, my father is in construction, another aunt and uncle are the importer and sole distributor for [a renowned brand of] paint. So our parents do steel, coating, roofing, construction, different things.

Vuthy and his cousins are currently being prepared to take over their parents’ businesses, while they have also set up novel businesses themselves using their parents’ capital.

Throughout the 1990s, the family mainly acquired construction contracts from local, mostly Cambodian Teochiu, business people. The family built warehouses and factories for local tycoons who, for example, own sugar or rubber plantations or are active in logging or petrol and gas. New business opportunities arose when, around the turn of the century, Northeast Asian garment manufacturers came to Cambodia to exploit the low duties imposed by the United States and EU on imports from Cambodia. Cambodia, in the words of a garment sector representative, effectively became “one big processing zone” for manufacturers. Drawing on their established expertise and network, Vuthy’s family acquired contracts from foreign manufacturers—mostly from Greater China—who came looking for reliable local construction firms. They

built many of the garment factories located at the outskirts of Phnom Penh and along the highway to the Sihanoukville port. Because the “new” Chinese often have factories built within SEZs or on concessionary land owned by Cambodian tycoons or CPP officials, acquiring construction contracts also required them to reinforce their position within Phnom Penh’s business-state elite. One of Vuthy’s uncles carries the title of *oknha*, indicating that he is indeed part of this elite. On the supply side, “new” Chinese involvement has similarly led them to embark on new projects. The family previously imported steel from China and Vietnam, but more recently started importing from Taiwan, and joint ventured with a Taiwanese company to set up a facility in Cambodia specializing in steel structures, as such assuring the quality of raw materials and the transfer of technology in fabrication and design.

Vuthy’s family nurtures its Chinese background because Chinese identity and language facilitate business arrangements locally and regionally. Vuthy considers his Chinese background “pretty much a push for starting up your own business”. Before they attended renowned universities abroad to study engineering, architecture and business management, Vuthy and his cousins went to the Duanhua Chinese school in Phnom Penh.

At home all our parents spoke Khmer or Teochiu with us, but I have a broken Teochiu now, very basic. Some of our parents speak Mandarin also, but not so well because during the Vietnamese [period] they didn’t have a chance to speak it.... Most Chinese parents in Cambodia would send their children to Chinese school to learn Mandarin. At school they never teach Teochiu in Cambodia, always Mandarin. It’s Chinese in the morning and general [Cambodian curricular] education in the afternoon.

The school belongs to the Teochiu dialect association, and the school compound also houses a Teochiu temple. Every year during Chinese New Year, Vuthy’s father and uncles invite Duanhua’s dancing squad, which performs lion and sword dances. “We invite them to bless the business. It’s pretty expensive, but all the money goes to the association.”

The case of Vuthy’s family illustrates that the *oknha* benefit greatly from “new” Chinese investments and industry in Cambodia, especially

if they cater to the garment and real estate sectors where much of this investment is concentrated. At the same time, families who do not speak Mandarin face more barriers (as was also observed for SMEs in the previous section). In the family of Phally, who is also in construction and whose father carries the *oknha* title, they do not speak Mandarin. The family fled to Canada before the Khmer Rouge takeover of 1975, and growing up in Montréal, Phally and her siblings learned Khmer, French and English, but not Mandarin. Since her father came back to Cambodia in 1990 to establish a construction company, they have largely relied on public contracts for the construction of roads, bridges, drainage systems, and railroads, which are issued by Cambodian ministries or municipalities, but financed and overseen by the Asia Development Bank, World Bank or Agence Française de Développement. They have secured these public contracts through their father's ties to officialdom, which he cements on the golf course, and his children's knowledge needed to meet the donors' demands, including formal contracting, tendering procedures and the French and English languages. The family has hardly done business with “new” Chinese—only “some import”—and Phally feels that although “we came from China also, the mentality is not the same, we have been educated in different ways”. As Western donor money is increasingly replaced by Chinese investments and aid, however, Phally is considering learning Mandarin, if only because Chinese investments represent a “huge” opportunity.

DISCUSSION: IMPACTS OF THE “NEW” CHINESE ON CAMBODIAN SOCIETY

Phnom Penh's SME owners and *oknha* have engaged with “new” Chinese investments and economic migrants in different ways. For SME owners, “new” Chinese migrants are an increasingly important clientele, and raw materials, machinery, consumer goods, and capital from Greater China have been vital resources for many of their business ventures. For the *oknha*, China is an export destination for Cambodian timber and cash crops, and “new” Chinese investments provide business opportunities in the form of construction contracts and joint ventures in real estate development, industrial parks or the energy sector. Arguably, then, the

“old” Chinese play an important role in facilitating the inflow of “new” Chinese capital and goods. For Phnom Penh’s “old” Chinese business community, the economic rewards of comprador capitalism (Yoshihara 1988), that is, of bridging “new” Chinese capital and the Cambodian economy, is substantial, which has also spurred the revitalization of Chinese language and cultural expression in the city.

This conclusion merits a few caveats. First, under the broad umbrella of “Chineseness”, actual business exchanges among “old” and “new” Chinese often rely on family connections (among SMEs) or CPP matchmaking (among the *oknha*) more than shared Chinese ethnicity per se. Second, many local firms, big and small, have hardly been affected by the “new” Chinese presence. Most entrepreneurs do not have the connections to benefit from “new” Chinese investment and trade, nor do the “new” Chinese pose a threat to the competitiveness of many local businesses. Third, the “new” Chinese frequently bypass the “old” Chinese. Petty traders from China go at it alone selling their products in Phnom Penh, and large-scale infrastructural projects are wholly financed and executed by Chinese state enterprises.

That being said, the impacts of “new” Chinese investments, businesses and migration on Cambodian society are undisputed, and Phnom Penh’s business community offers a valuable window into these impacts. It can be argued that “new” Chinese involvement reinforces Cambodia’s established politico-economic order, which is characterized by ethnic Chinese economic dominance as well as a divide between the business-state elite and the general population. This order existed during Sihanouk’s rule and rapidly re-emerged in the post-conflict 1980s and 1990s. Indeed, as pointed out by Slocomb (2003, p. ix), in the early 1990s “the traditional patterns and inequalities of Cambodian society had largely reasserted themselves”. Cambodian Chinese—mostly of Teochiu descent—were quick to reclaim economic control over the SME sector as well as within the elite, and in doing so, built legacies of Chinese language, business culture, and ethnic, kinship and political ties. Although not fundamentally altering Cambodia’s political economy, in two ways the “new” Chinese have further perpetuated it.

First, “new” Chinese involvement propels the revival of ethnic Chinese economic dominance, culture and language in Cambodia.

By sending teachers and donating books and money, China supports Chinese schools in Cambodia (see Marks 2000), including the earlier-mentioned Duanhua school, which is now the largest overseas Chinese school with 15,000 students (Strangio 2014). Chinese investors, white-collar workers and tourists are omnipresent, Chinese identity has come to stand for business success and prosperity, Phnom Penh's otherwise bustling markets come to a standstill during Chinese New Year, and even Hun Sen has encouraged Cambodians to emulate Chinese-style wealth (Phorn 2012). A newfound cultural confidence holds sway especially over younger generation Cambodian Chinese, many of whom speak Mandarin and have been spared the discrimination and atrocities of the Cold War. Without doubt, "new" Chinese migration, investment and Sino-Cambodian political amity have contributed to this "*identité recomposée*" (Tan 2006).

Second, "new" Chinese involvement in Cambodia has augmented the divide between the elite and the general population. By channelling aid and investment into Cambodia via the *oknha* and in accordance with Hun Sen's development agenda, Chinese private and public investors have provided Hun Sen the resources to oil the patronage system. Although a portion of Chinese investments and goods enter Cambodia through the effort of small-scale entrepreneurs—either "old" or "new" Chinese—without ties to the elite, these efforts are dwarfed by large-scale infrastructural and real estate projects, ELCs and mining concessions, and garment or tourism sector investments. Phnom Penh's business-state elite benefits from these investments by way of financial rewards, political consolidation and expanded business portfolios, while for the majority of Cambodians these investments entail land evictions, the loss of rural livelihood, or low-paid jobs in the garment or construction sectors. The private sector divide between the *oknha* and SME owners, then, is symptomatic of a society-wide divide between the elite and ordinary Cambodians.

In conclusion, it is worthwhile considering the societal challenges posed by these developments. To begin with, it remains to be seen what the effect of "new" Chinese commercial influence on the position of Chinese culture and identity in Cambodia will be. On the one hand, the relentless exploitation of Cambodia's natural and human resources is

generally blamed on Hun Sen's government and only sporadically on China or Chinese companies (Ciorciari 2015). Indeed, especially when compared to other countries in Southeast Asia, anti-Chinese sentiments have historically been limited in Cambodia (Willmott 1981). On the other hand, it is reported that such anti-Chinese sentiments are on the rise due to alleged unethical behaviour of Chinese tourists and the "takeover" of Sihanoukville (Wright 2018). It is unlikely, however, that negative sentiments directed at the "new" Chinese will also affect the "old" Chinese. Ethnic boundaries between Khmer and the "old" Chinese have blurred due to intermarriage, cultural and religious exchange, and the assimilation policies of the 1970s and 1980s. Moreover, despite popular notions that business is the preserve of Chinese, Cambodians of Chinese descent are also represented in government and civil society. For these and other reasons, it is unlikely that "new" and "old" Chinese identities will be conflated in public discourse.

The growing divide between chiefly exploitative elites and exploited local communities certainly is problematic, and may indeed backfire on members of this elite, including the *oknha*. In 2013, the CPP faced its worst electoral performance since 1998. It fell back from ninety to sixty-eight seats in the National Assembly, whereas the opposition—united under the leadership of Sam Rainsy and his Cambodia National Rescue Party (CNRP)—won fifty-five seats despite electoral "irregularities" and a CPP-dominated National Election Committee. In the aftermath of the elections the CNRP boycotted parliament and protesters took to the streets, but the storm settled. In the run-up to the 2018 elections Hun Sen turned increasingly authoritarian, banning the CNRP and forcing critical media to close. The CPP eventually claimed all national assembly seats in what were widely considered sham elections. Observers of Cambodia are worried as few reassuring scenarios are available (see Hutt 2016b). It is unlikely that the SME owners of this study will instigate political change. Although they have to put up with rent-seeking officials and are excluded from the get-rich-quick opportunities enjoyed by the *oknha*, they are served by political stability and are relatively well-off. Cambodia's rural and urban poor, however, are increasingly disillusioned as a result of displacement and indebtedness, persistent corruption, poor education and health care, and few opportunities for upward socio-

economic mobility. As the excesses of Hun Sen-style authoritarianism spread across Cambodia and with generational succession changing the demographics of the electorate (Eng and Hughes 2017), people seem “no longer willing to accept Pol Pot’s nightmare as a benchmark” (Strangio 2014, p. 259) for CPP legitimacy.

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