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Cambodia: A Country for Rent

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Not that it should have been a surprise, but China was the only major country that declined to join the international criticism of Cambodia's prime minister, Hun Sen, as he ensured that he would run effectively unopposed in the parliamentary elections on July 29, 2018, turning them into a sham and largely dismantling what remained of Cambodia's democratic structures. Among Hun Sen's actions was the arrest and imprisonment on transparently ridiculous charges of Kem Sokha, the leader of the Cambodian National Rescue Party (CNRP), the only opposition party capable of challenging his rule. That occurred just after midnight on September 3, 2017, when some one hundred armed police descended on Kem's Phnom Penh home and hauled him off to a rural prison near the Vietnamese border, where he remained for a year before being released on bail to await trial. With the only other Cambodian opposition figure of national stature, Sam Rainsy, living in enforced exile, Hun Sen had no credible challenger in the elections. His party won all 125 seats in the National Assembly.

There were other acts of brazen and undisguised repression that provoked the disapproval of much of the world apart from China. Cambodia's main English-language newspaper, *The Cambodian Daily*, which had done good professional reporting on the country for twenty-four years, training a generation of Cambodian journalists in the process, was closed down on dubious charges of tax evasion. NGOs, including the National Democratic Institute, which is affiliated with the Democratic Party in the US, were expelled from the country. Most important, perhaps, Hun Sen's compliant Supreme Court, two months after Kem's arrest, dissolved the CNRP and banned 118 of its senior figures from politics for five years.

The purpose of this repression is obvious. Kem and his party had performed well in parliamentary elections six years ago despite the ruling party's efforts to manipulate them, including the occasional unsolved murder and attacks on

opposition rallies. In 2017 the CNRP received 44 percent of the vote in local elections, compared to 49 percent for Hun Sen's Cambodian People's Party. Given the widespread disaffection with Hun Sen and his corrupt cohort, especially among younger voters, many Cambodian and foreign observers believed that if the July 29 vote had been free and fair, Kem might well have won, thereby unseating Hun Sen after thirty-three years in power.

Among the problems of Cambodian democracy is that the country is not strategically important enough for the United States and the international community to take effective measures against Hun Sen's violations of Cambodia's laws. Still, as in the past, there has been plenty of international condemnation, especially from the countries that over the years have been Cambodia's most important providers of aid and investment. The US announced a ban on visas for officials "involved in undermining democracy in Cambodia," and Congress made its annual aid package—worth about \$75 million a year—conditional on Kem Sokha's release and the reinstatement of the CNRP. Japan and Australia criticized Hun Sen's turn toward dictatorship, though Japan, maintaining a policy of "engagement" with Cambodia, did not withdraw aid or impose sanctions. The EU complained about the "further effort to restrict the democratic space in Cambodia."

Of potentially greater impact, the EU created a commission of inquiry to determine whether Cambodia should continue to receive the preferential tariff arrangement that it enjoys as a Least Developed Country, which, if withdrawn, would do great harm to the country's economy, given the importance of its growing export industries, which send some \$6 billion worth of goods, mostly clothing and footwear, to the EU annually.

China, however, not only demurred but explicitly backed Hun Sen's consolidation of power. As a Foreign Ministry spokesman in Beijing said hours after Kem Sokha's arrest, China "supports the Cambodian government's efforts to protect national security and stability." It's noteworthy that the formal charge against Kem and the CNRP was complicity with the United States in an effort to overthrow the Cambodian government, in what Hun Sen has long referred to as a "color revolution." By supporting what was effectively a coup by Hun Sen, China was at least indirectly approving his tendency to accuse the United States of undermining "national security and stability," which is how it characterizes American criticism of China's human rights record.

In January 2018, two months after the CNRP was dissolved, China's premier, Li Keqiang, came to Phnom Penh and signed nineteen new bilateral agreements, including several showy new infrastructure projects. In June China's defense minister, Wei Fenghe, made an official five-day trip to Cambodia, praising Hun Sen as a "loyal friend" and, according to Cambodian officials, pledging \$100 million in aid to Cambodia's military. These protective measures by China took on an especially Orwellian cast when the US and Europe withdrew the combined \$13 million they had pledged to enable Cambodia's election commission for the July 29 vote, on the grounds that it "cannot be seen as legitimate." In response, China, which doesn't have elections, stepped in with a promise of computers, printers, ballot boxes, voting booths, and monitors to ensure that the elections would "run smoothly, fairly, transparently, and with accountability," thereby announcing its support for Hun Sen's efforts to make them look like a genuinely democratic exercise.

There was a time when Western sanctions and criticism would have been at least of some concern to Hun Sen, given his country's long-term dependence on foreign aid. But China's replacement of the West as Cambodia's most important foreign partner, financier, chief investor, and friend have effectively made him immune from that pressure and, indeed, insultingly defiant of it. "Hun Sen... welcomes and encourages the US to cut off aid," a pro-government newspaper reported after Washington withdrew its support for the Cambodian election commission. "Cutting US aid won't kill the government but will only kill a group of people who serve American policies."

China has had a similar effect in other countries in Southeast Asia. Following the military coup in Bangkok five years ago, which was denounced by the US and Europe, China strengthened its relationship with Thailand. And China has grown closer to the Philippines, in part because of its silence on the extralegal executions carried out by the government of President Rodrigo Duterte. But even compared to these countries, Cambodia represents a signal success for China in two ways: one is its competition with the United States for power and influence throughout Asia, the other its promotion of authoritarian practices over liberal-democratic ones.

A turning point, according to the Cambodian economist Chan Sophal, came after the donors' conference in 2006. Since the UN-sponsored political reconstitution of the country in 1992–1993, the main Western countries and Japan, plus

representatives of the numerous NGOs that operate in Cambodia, have held an annual meeting in Phnom Penh to determine the amount to pledge to the country for the following year. With Hun Sen in attendance, the donors would complain about corruption, Hun Sen would promise to do something about it, and then the pledges would be made, generally around \$500 million or more, which would make up about half of the government's budget.

In 2006, Chan told me, “the pledges came to \$600 million. The next day, China, which did not attend the donors' conference, announced that it would give \$601 million”—the added million an indication of China's move to occupy the paramount position among the country's foreign supporters.

China's decision to back Hun Sen's government reflected a major shift in international alliances. Hun Sen was a commander in the army of the Khmer Rouge, the radical Maoists whose four years in power, from 1975 to 1979, resulted in the death by starvation, disease, or execution of an estimated one fifth to one quarter of the Cambodian population. Hun Sen, probably afraid of a Khmer Rouge purge, defected to Vietnam in 1977. When the Vietnamese invaded Cambodia in 1979 and established a puppet government in Phnom Penh, he was named foreign minister, and in 1985, at the age of thirty-two, became prime minister. Vietnam and the Soviet Union backed his government. China, the United States, and the other countries of Southeast Asia continued to recognize the Khmer Rouge as Cambodia's legitimate government, despite its responsibility for the deaths of millions. China provided arms and money to the Khmer Rouge forces concentrated along the Thailand–Cambodia border, essentially assuring the group's survival, which led Hun Sen famously to call China “the root of everything that is evil.”

In 1993 came UN-sponsored elections, won by a royalist figure, Norodom Ranariddh. But as recounted by Sebastian Strangio in his excellent book *Hun Sen's Cambodia* (2014), Hun Sen refused to accept the election results. His supporters formed a secessionist state in seven of the country's provinces, leading Ranariddh, in what seems now to have been a historic mistake, to agree to a power-sharing arrangement. Theoretically the two men were co–prime ministers in a coalition government, but the very intelligent and ruthless Hun Sen, who controlled the largest armed force in the country and much of the bureaucracy, which had been installed by Vietnam, held effective power.

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n 1996 Hun Sen went to China, and the special relationship that has existed between him and a succession of Chinese leaders began. He was deeply tainted by his previous collaboration with Vietnam, historically Cambodia's main enemy, and his alliance with China enabled him to reduce that taint. It also gave him leverage back home. A year after his trip to China, the power-sharing arrangement broke down entirely. Hun Sen's forces went on the attack, seizing the airport and sending tanks into the streets of Phnom Penh. Ranariddh, recognizing defeat in what was essentially a military coup, fled the country for two years, leaving Hun Sen alone in power. The West responded by suspending all but humanitarian aid, at a time when that aid was crucial to the day-to-day operations of the Cambodian government. China stepped into the breach, offering aid, interest-free loans, military equipment and training, and high-level visits with Beijing officials. In 2000, Hun Sen, in exchange, broke off relations with Taiwan, accepting Beijing's claim on the island as a province of China.

That has been the pattern ever since. A detailed report commissioned by the State Department last year concluded that China's "financial diplomacy" amounted to \$9.1 billion in aid and investment in Cambodia between 2000 and 2016. Another \$3 billion or so has been added since. China has built or is building eight "Cambodia-China Friendship" bridges across the Mekong River, plus more than 1,200 miles of new roads. The agreements signed in January 2018 during the highly publicized visit of Chinese prime minister Li Keqiang included a financial commitment to build a new airport in Phnom Penh, a highway between it and the coastal resort city of Sihanoukville, and the construction of Cambodia's first communications satellite. China has also built hydroelectric power stations on the Mekong, which are highly controversial because of their environmental impact but have helped provide a reliable source of power for Cambodia.

No doubt China's aid and investment have helped Cambodia's rapidly growing economy, which has undergone 7 percent annual growth between 1995 and 2017. Cambodia is no longer the devastated, death-stricken wasteland created by American bombing and Khmer Rouge rule. Phnom Penh is now like other Southeast Asian capitals, a buzzing city choked with traffic and crowded with tourists, restaurants, nightclubs, luxury hotels, condominiums, and office buildings. Across the country, more than 800,000 workers are employed in the country's clothing- and footwear-manufacturing industries. Six million tourists visit every year, a seventh of them from China, bringing in nearly \$4 billion in

revenue. Even critics of Hun Sen acknowledge that during his years in power Cambodia has enjoyed enough stability to make this development possible.

China has reaped political benefits from its investments. In 2012, the year of Clinton's visit, Cambodia blocked the Association of Southeast Asian Nations from opposing China's claims to the South China Sea. It did so again in 2016, after an international tribunal ruled that China's claims were invalid and its construction of artificial islands there illegal. In turn, China's protection of Hun Sen has given him impunity for his increasingly blatant violations of human rights. One feature of Hun Sen's rule has been a scorching rhetorical animosity against the United States—a mirror image of his regular expressions of praise and gratitude toward China. China matches every American criticism of Cambodia with a compensating gesture of support. In 2011, for example, Cambodia deported to China twenty members of the Muslim Uighur minority whose asylum applications were being reviewed by the UN high commissioner for refugees, ignoring American and European entreaties not to do so. In protest, the United States canceled a delivery of 200 trucks that it had promised to the Cambodian army. Within a few weeks, China sent 257 trucks, as well as 50,000 military uniforms.

There have been other such tit-for-tat incidents. In mid-2018 the US Treasury Department announced that it was freezing the assets of General Hing Bun Heang, the vice-chairman of the armed forces and commander of Hun Sen's personal bodyguard, charging him with directing "multiple attacks on unarmed Cambodians over the span of many years." After the announcement, *The Phnom Penh Post*, the main English-language paper in Cambodia still in business, printed a photograph illustrating Hing Bun Heang's handiwork: a former legislator in the newly dissolved CNRP badly bloodied by his elite unit. The paper also published the text of a letter in which Hing Bun Heang threatened to "hit back at any American who does not respect the sovereignty of an independent country and has ambitions to invade my country and even supports and incites the traitors who exist in Cambodia." The reference was to the imprisoned Kem and his alleged conspiracy with the US to launch a revolution.

The American sanctions against Hing Bun Heang were announced on June 12. On June 19, China's defense minister, Wei Fenghe, who was on his five-day visit to Cambodia, announced China's grant of \$100 million to the Cambodian military, including Hun Sen's bodyguard. A few days after that, Human Rights Watch issued a 213-page report, "Cambodia's Dirty Dozen: A Long History of Rights

Abuses by Hun Sen’s Generals,” which listed twelve other leaders of the armed forces who have acted to “protect the continued rule of Hun Sen” even as they have “amassed large amounts of unexplained wealth.” These are the men on whom China has bestowed its \$100 million in military aid.

When Cambodians talk about China’s presence in their country, they inevitably invoke Sihanoukville, the coastal city on the Gulf of Thailand about one hundred miles southwest of Phnom Penh. Once a sleepy place with pretty coves, sandy beaches, restaurants, and guesthouses catering to local people and European backpackers, Sihanoukville is being transformed into a kind of Chinese Miami Beach. Cambodians call it Macau II because of the proliferation of splashy luxury hotels, each with a casino.

The number of construction projects in Sihanoukville seems disproportionate to the size of the city, whose population is about 150,000—though perhaps not disproportionate to the vast number of potential visitors from China. The road from the center of town toward the coast is lined with bulldozed terrain covered with luxury high rises, casinos, and resorts at various stages of completion. Large signs in front of these sites identify the Chinese companies constructing them. Much of the work is being done by imported Chinese laborers. According to the *The Phnom Penh Post*, citing government figures, fifty-two casino licenses were granted in Sihanoukville in 2018, bringing the total to 152. By contrast, Las Vegas has 104 operating casinos.

The development is still in its early stages, but the center of Sihanoukville already has a neon glimmer to it. There are a dozen or so casinos in operation, with names like the Holiday Palace, the Fortuna, and the Golden Sand. On a night in early July, the typical customer at the baccarat table in the Golden Sand seemed to be a young Chinese man wearing a T-shirt and shorts, rough-looking, smoking, and cradling stacks of \$100 bills in his palm, betting upwards of \$1,500 per hand.

Who are these men, and where does their money come from? *The Phnom Penh Post* recently published quotations from a memo to the central government written by the governor of Sihanoukville province, complaining that the city is becoming a playground for the Chinese mafia. In an earlier report, the paper cited the Cambodian director of the local tourist board to the effect that everything—the charter flights bringing group tours from China, the buses that

take the visitors from the airport to their hotels, the restaurants where they eat and the casinos where they gamble—is owned and run by Chinese businessmen.

“They bring the money in,” a *tuktuk* driver in the center of town told me, speaking of the Chinese, “but then they take it out.” Liberal intellectuals warn that Cambodia is becoming what Sophal Ear, a Cambodian-born economist who teaches at Occidental College, describes as “a wholly owned subsidiary of... China”—a semi-colony. “For too long Cambodia has been viewed as a country not for sale, but for rent,” he wrote in a recent article. “And right now, the renter is China.”

North of Sihanoukville is the coastal province of Koh Kong, where in 2008 the Chinese-owned Tianjin Union Development Group was awarded a ninety-nine-year lease to create a huge tourism center, with an initial investment reported at nearly \$4 billion. As in Sihanoukville, the aim is to give tourists another major destination besides the temple complex at Angkor Wat, which draws more than two million visitors a year and has turned the nearby town of Siem Reap into one of Asia’s great attractions.

There are undoubtedly advantages to this influx of money and tourists, which is expected to grow exponentially. But it is axiomatic in Cambodia that where there is money there are payoffs, kickbacks, and bribes. A study of Koh Kong by the Center for Advanced Defense Studies (C4ADS) in Washington, D.C., found that the Chinese company developing the project paid essentially nothing to Cambodia for the 89,000-acre concession, other than a \$1 million deposit made in 2008—little more than \$10 an acre. The concession is more than three times the size allowed by Cambodian law and includes 20 percent of Cambodia’s entire coastline. The project, the report said, also “exemplified the secrecy that shrouds many of China’s infrastructure projects throughout the Indo-Pacific region,” which, in plain English, means that nobody really knows where the money comes from, exactly how much of it there is, and who is getting it.

What is known is that the concept has expanded and become part of China’s Belt and Road Initiative, Beijing’s plan to build a vast transportation network throughout Asia, with China at its center. The Koh Kong project now includes plans not only for hotels but also an international airport and a deep-water port. The C4ADS report notes that, though there has been no indication that China is seeking to use the new port for its navy, it would certainly fit with the country’s rapid naval expansion. “Maritime infrastructure investment is inherently dual-use

and is capable of furthering both legitimate business activities and military operations,” the report concluded.

Moreover, Chinese investment generally brings with it pressure to agree with China on important issues and to deflect attention from its human rights abuses. In 2016 a Chinese company acquired a 67 percent stake in the Greek port of Piraeus, providing a needed infusion of cash into the Greek economy. A year later, Greece blocked a statement from the EU criticizing China for its harsh crackdown on dissidents. Even if China never develops plans to put Cambodia to military use, the two countries have a mutual interest in promoting authoritarian values and suppressing liberal-democratic ones.

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