

DEVELOPMENT IN SIHANOUKVILLE UNDER CHINESE INFLUENCE

Mr. Tom Alexander Buehler

A Thesis Submitted in Partial Fulfillment of the Requirements
for the Degree of Master of Arts in International Development Studies
Common Course
Faculty of Political Science
Chulalongkorn University
Academic Year 2018
Copyright of Chulalongkorn University

บทคัดย่อและแฟ้มข้อมูลฉบับเต็มของวิทยานิพนธ์ตั้งแต่ปีการศึกษา 2554 ที่ให้บริการในคลังปัญญาจุฬาฯ (CUIR)

เป็นแฟ้มข้อมูลของนิสิตเจ้าของวิทยานิพนธ์ที่ส่งผ่านทางบัณฑิตวิทยาลัย

The abstract and full text of theses from the academic year 2011 in Chulalongkorn University Intellectual Repository (CUIR)
are the thesis authors' files submitted through the Graduate School.

การพัฒนาในสี่ทวิลล์ภายใต้อิทธิพลจีน

นายทอม อเล็กซานเดอร์ บีห์เลอร์

วิทยานิพนธ์นี้เป็นส่วนหนึ่งของการศึกษาตามหลักสูตรปริญญาศิลปศาสตรมหาบัณฑิต
สาขาวิชาการพัฒนาระหว่างประเทศ ไม่สังกัดภาควิชา/เทียบเท่า
คณะรัฐศาสตร์ จุฬาลงกรณ์มหาวิทยาลัย
ปีการศึกษา 2561
ลิขสิทธิ์ของจุฬาลงกรณ์มหาวิทยาลัย

Thesis Title DEVELOPMENT IN SIHANOUKVILLE UNDER
 CHINESE INFLUENCE
By Mr. Tom Alexander Buehler
Field of Study International Development Studies
Thesis Advisor Associate Professor NUALNOI TREERAT, Ph.D.
Thesis Co Advisor Associate Professor WASANA WONGSURAWAT,
 Ph.D.

Accepted by the Faculty of Political Science, Chulalongkorn University in
Partial Fulfillment of the Requirement for the Master of Arts

..... Dean of the Faculty of Political
 Science
(Associate Professor AKE TANGSUPVATTANA,
Ph.D.)

THESIS COMMITTEE

..... Chairman
(Assistant Professor NARUEMON THABCHUMPON,
Ph.D.)

..... Thesis Advisor
(Associate Professor NUALNOI TREERAT, Ph.D.)

..... Thesis Co-Advisor
(Associate Professor WASANA WONGSURAWAT,
Ph.D.)

..... External Examiner
(Assistant Professor Dr. Wasan Panyagaew, Ph.D.)

ทอม อเล็กซานเดอร์ บีห์เลอร์ : การพัฒนาในสีหนุวิลล์ภายใต้อิทธิพลจีน. (DEVELOPMENT IN SIHANOUKVILLE UNDER CHINESE INFLUENCE) อ.ที่ปรึกษาหลัก : รศ. ดร.นวลน้อย ตรีรัตน์, อ.ที่ปรึกษาร่วม : รศ. ดร.วาสนา วงศ์สุวรรณ

สี น ห นู วิ ล ล ี (Sihanoukville)

คือเมืองตากอากาศชายฝั่งทะเลในประเทศกัมพูชาที่กำลังพัฒนาไปอย่างรวดเร็ว เนื่องจากได้รับเงินลงทุนทางอุตสาหกรรมเป็นจำนวนมากจากนักลงทุนจีน ทำให้เกิดธุรกิจอสังหาริมทรัพย์ขึ้นมากมายในประเทศ อันส่งผลโดยตรงต่ออัตราการเจริญเติบโตทางเศรษฐกิจของประเทศ และคุณภาพชีวิตของประชากรที่อาศัยอยู่ในเมืองแห่งนี้ ซึ่งประเด็นที่กล่าวมาข้างต้นยังไม่เป็นที่พูดถึงในทางวิชาการเท่าใดนัก และยังไม่ถูกนำมาวิเคราะห์ในแง่ของเหตุผลและผลกระทบอย่างเป็นจริงเป็นจัง ในส่วนของทฤษฎีที่นำมาปรับใช้ในงานวิจัยเพื่อแสวงหาเหตุผลของการลงทุนจากต่างประเทศไปพร้อมกับการวิเคราะห์ผลกระทบที่นำไปสู่ความไม่เสมอภาคและไม่เท่าเทียมกันในสังคม ได้แก่ ทฤษฎีเสรีนิยมใหม่ ทฤษฎีโลกาภิวัตน์ และทฤษฎีการลงทุนโดยตรงจากต่างประเทศ โดยงานวิจัยเชิงคุณภาพฉบับนี้เก็บข้อมูลโดยใช้วิธีการสัมภาษณ์คนในพื้นที่และบุคคลที่เกี่ยวข้องกับการเปลี่ยนแปลงครั้งนี้

กัมพูชาเป็นประเทศที่ดำเนินนโยบายทางเศรษฐกิจแบบเปิดเสรีการลงทุนโดยตรงจากต่างประเทศ ก่อให้เกิดการกระตุ้นอัตราการเจริญเติบโตทางเศรษฐกิจไปอย่างรวดเร็ว ซึ่งในปัจจุบัน ประเทศมหาอำนาจทางการเงินและทางเศรษฐกิจอย่างสาธารณรัฐประชาชนจีน ตัดสินใจเข้ามาลงทุน เพราะเล็งเห็นว่าเป็นเมืองยอดนิยมในด้านการท่องเที่ยว และมีศักยภาพมากพอที่จะพัฒนาให้เติบโตมั่งคั่งได้

ในส่วนของผลกระทบทางด้านประชากรในพื้นที่ได้รับผลประโยชน์จากการลงทุนจากจีน อัตราการเพิ่มขึ้นของมูลค่าอสังหาริมทรัพย์ที่สูงขึ้นเป็นประวัติการณ์ แต่ในขณะเดียวกันกลับพบว่า ธุรกิจต่างๆ จำนวนมากในเมืองเป็นของนักลงทุนชาวจีนแทบทั้งสิ้น ซึ่งทำให้เกิดผลกระทบทางด้านลบตามมาเช่นกัน อาทิ การเสียโอกาสในการจ้างงานสำหรับคนท้องถิ่น ปัญหาสิ่งแวดล้อมเมืองอันเนื่องมาจากการเปลี่ยนแปลงทิวทัศน์ของตัวเมือง นอกจากนี้ สาขาวิชา การพัฒนาระหว่างประเทศ ลายมือชื่อนิสิต

ปีการศึกษา 2561

๗

.....
ลายมือชื่อ อ.ที่ปรึกษาหลัก

.....
ลายมือชื่อ อ.ที่ปรึกษาร่วม

.....

6181212824 : MAJOR INTERNATIONAL DEVELOPMENT STUDIES

KEYWORD

D:

Tom Alexander Buehler : DEVELOPMENT IN SIHANOUKVILLE UNDER CHINESE INFLUENCE. Advisor: Assoc. Prof. NUALNOI TREERAT, Ph.D. Co-advisor: Assoc. Prof. WASANA WONGSURAWAT, Ph.D.

The coastal city of Sihanoukville in Cambodia is undergoing rapid change caused by massive Chinese industrial and real estate investments. Why Sihanoukville is the target of these investments and how these recent developments are affecting the local Cambodians has not been studied so far. Theories of neoliberalism, globalization, and foreign direct investment were used to examine the reasons for investments and conflict theory to analyze the impacts and the consequences of increasing inequality. The research used a mainly qualitative design, including interviews with people involved in the changes.

Cambodia strongly welcomes foreign direct investments and at the same time urgently needs investments stimulating development. China, on the other hand, has the financial power and strong economic interests to invest in Cambodia. Sihanoukville is often chosen for these activities because it has promising growth prospects and a very liberal investment regime.

Locals often do not profit from the investments. Rents and property prices are exploding. Chinese own the majority of the businesses now, employing their own compatriots there, and often disrespecting local law. These issues are not adequately addressed by the local government and thus foster anti-Chinese sentiments.

However, if the Cambodian government would ensure stricter compliance with law and put the wellbeing of the population above other interests, the long-term effects of the current transformation could improve the livelihoods of all. This also applies to other countries in the region, who could benefit from Chinese investments if a strong state would insist on sustainability and inclusiveness of their rapid growth.

Field of Study:	International Development Studies	Student's Signature
Academic Year:	2018	Advisor's Signature
		Co-advisor's Signature

ACKNOWLEDGEMENTS

The work was the last part of my one-year study course at Chulalongkorn University, which turned me into a more mature, adult person. The hard but rewarding work, the time pressure, the ups and downs of coping with a new and very different environment - all this made up a very rich year for me and my professional development. I deeply enjoyed my studies and the involvement with the broad variety of topics this course offers.

I would like to thank my professors, each of whom managed to motivate the students with their respective commitment. The knowledge conveyed to me during my studies is priceless. I hope that in the future, many more students will be inspired by this course to make the world a better place thanks to the education they were given at this university.

Furthermore, I would like to thank all employees of the MAIDS office, especially Akkanut Wantanasombut, who accompanied us during the first part of our studies and answered all our questions.

When writing my thesis, many people helped me. I would like to express my special thanks to my thesis committee, consisting of Ajarn Naruemon Thabchumpon, Ajarn Wasan Panyagaew, Ajarn Wasana Wongsurawat, and my advisor, Ajarn Nualnoi Treerat.

I would also like to thank Veng Seang Hai and Sothy Lek, who helped me to establish contacts during my field work and helped me with specific questions about Cambodia.

Furthermore, I would like to thank all interview partners who supported me with their expertise. I especially wish the interviewees in Sihanoukville all the best for the future and hope that they will maintain their optimism.

Last but not least, I would like to thank my parents. Mom, Dad, this study would not have been possible without you. For this I am deeply grateful to you!

Tom Alexander Buehler

TABLE OF CONTENTS

	Page
ABSTRACT (THAI)	iii
ABSTRACT (ENGLISH).....	iv
ACKNOWLEDGEMENTS	v
TABLE OF CONTENTS.....	vi
List of Figures	ix
Introduction	1
Introduction to the problem.....	1
Research questions	4
Objectives of the research	4
Conceptual framework.....	5
Conflict theory and inequality.....	5
Neoliberalism	7
Globalization	8
Foreign Direct Investment	9
Expected Outcomes	10
Research methodology.....	12
General information.....	12
Interviews.....	13
Research scope and limitations	15
Significance of the research	15
Ethical issues	16
Literature review	17
Historical background.....	17
The development of the role of China in Southeast Asia, the cultural context and China's business culture	18
Tourism in Cambodia	20

Tourism in Sihanoukville and the history of immigrants	21
Foreign Direct Investments in Cambodia	22
Development Assistance in Cambodia	24
Chinese investments in Sihanoukville	26
Impact of Chinese investments on the local population in terms of inequality, prices and quality of life	27
Why Chinese invest in Sihanoukville.....	29
Introduction.....	29
Physical infrastructure as an investment opportunity and development prerequisite	32
Overcapacity and slowing economy in China.....	37
Special Economic Zones - Sihanoukville as the ‘small Shenzhen’?.....	38
The Chinese Belt and Road Initiative in Sihanoukville.....	42
Tourism and immigration – Sihanoukville as the ‘new Macao’?	43
Geostrategic considerations	46
The role of the Cambodian government: Laws and regulations	47
Money laundering.....	51
Conclusion	53
Effects of the investments on the locals	59
Introduction.....	59
Economic changes	60
Employment.....	60
Rising prices.....	64
Taxes.....	65
Other findings related to economic changes	66
Evictions	67
Responsibility of the Chinese businesses towards the workers and the local community	69
Crime	71
Environmental and health issues	73

Socio-cultural identity	76
Conclusion	77
Conclusion and Recommendations	81
Conclusion	81
Recommendations	88
Personal reflection and further research	91
Appendices	94
REFERENCES	158
VITA	160

List of Figures

	Page
Figure 1: Satellite picture of Sihanoukville, December 2017	3
Figure 2: Satellite picture of Sihanoukville, November 2018	4
Figure 3: Map of Sihanoukville	30
Figure 4: Map of Southern Cambodia	32
Figure 5: Constructions on Poulowai Street	45
Figure 6: Chinese businesses in Sihanoukville	59
Figure 7: Garbage at Occheutal beach.....	73
Figure 8: Uncollected garbage in Otres.....	74

List of Abbreviations

ASEAN	Association for Southeast Asian Nations
BRI	Belt and Road Initiative
CCCC	China Communications Construction Company
CCHR	Cambodian Center for Human Rights
CEO	Chief Executive Officer
CIIDG	Cambodia International Investment Development Group
DAC	Development Assistance Committee
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GGR	Gross Gaming Revenue
GNI	Gross National Income
IMF	International Monetary Fund
NGO	Non-governmental Organization
ODA	Official Development Assistance
OECD	Organization for International Cooperation and Development
PRC	People's Republic of China
SEZ	Special Economic Zone
TEU	Twenty-foot Equivalent Unit
UN	United Nations
VAT	Value-added tax

Introduction

Introduction to the problem

Cambodia is a country in Southeast-Asia with an estimated population of 16 million citizens (Central Intelligence Agency, 2019). With a gross national income (GNI) of 1,230 US\$, it has achieved a lower-middle income status, but still remains one of the poorest countries in Asia.

Sihanoukville, a coastal city, is one of the main tourist destinations in Cambodia. It is situated in the province Preah Sihanouk, with a total population of approximately 286,000. The city plays a role in China's Belt and Road Initiative, which was announced in 2013 by China's President Xi Jinping. The initiative is China's development strategy to connect Asia, Europe and Africa with six economic corridors and three sea economic passages in order to promote trade and economic cooperation (Thorne & Spevack, 2017, p. 12). This encompasses both investments in hard infrastructure such as roads, pipelines, ports, and in soft infrastructure, for example the conditions supporting economic activities.

The Belt and Road Initiative is supposed to create 'win-win' situations for everyone. In Sihanoukville, the Sihanoukville Special Economic Zone and an expressway linking the city with Phnom Penh, which is currently under construction, are funded by the Belt and Road Initiative.

The cityscape changed a lot during the last three years, mainly through massive investments by large Chinese companies, some of which are state-owned. Those investments mainly go in real estate, for example in the construction of hotels, condos and casinos; and in industry, especially in the Sihanoukville Special Economic Zone. The transformation of the city becomes clear as soon as one enters Sihanoukville. Chinese signs can be seen everywhere, and construction sites are spread all over the city. Apart from tourist hotels, a large number of casinos have been built in the last three years, targeted to Chinese tourists and Chinese residents of Sihanoukville, which is now even called the 'New Macao' by the media. With 88 registered casinos in January 2019, Sihanoukville has in fact already more than twice as many casinos operating than Macao (41) ("Gambling," 2019; Kimsay, 2019a). This is an extreme

increase, compared to 15 registered casinos at the end of 2015 (Kotoski & Sokhorng, 2017).

In the wake of the new Chinese influence, tourism in Cambodia in general has witnessed changes. While in the past most tourists came from Cambodia and Western countries, the majority of visitors is now Chinese. As Chinese have other interests than – for example – Western tourists, tourism offers change. Since Sihanoukville is one of Cambodia's main tourist destinations, those changes have important consequences.

The local community is the first to feel these changes. Land and rent prices are exploding. Local property owners profit, while many local residents can no longer afford the prices, which creates conflicts and divides locals.

The thesis examines in which ways the Chinese investments affect Sihanoukville, including social impacts on the local community. While China proclaims that it wants to support development in the countries participating in its Belt and Road Initiative, it is unclear how this promise is fulfilled in Sihanoukville, given the recent developments in the city. The thesis therefore examines the motivation for Chinese companies to invest in the city and identifies general patterns of Chinese investments. Also, the motivation for the Cambodian government to welcome these foreign investments is analyzed. Closely linked to Chinese investments in Sihanoukville is a substantial increase of Chinese immigrants who have quickly assumed a dominating role in many aspects of the economy and everyday life in Sihanoukville. The resulting effects on the residents and the local economy are also examined.

As the changes have only occurred during the last three years and the effects are only now becoming clear, there is little existing literature on the issue. Current studies and research on the changes in Sihanoukville are non-existent. Since Chinese investments under the Belt and Road Initiative have only just begun, it is important for the countries concerned to understand the background and the potential consequences of these investments. For them, the thesis might provide useful insights and a basis for their future decisions with regard to accepting Chinese investments or not.

The pattern of large-scale Chinese investments in less developed areas can also be observed in other regions. Based on the example Sihanoukville, the thesis contributes to the debate on whether Chinese foreign direct investments have a developmental effect, as suggested by China, and whether other types of investments might be more beneficial to the countries.

Results are obtained through primary and secondary data collection and fieldwork, where the focus lies on interviews and observations. Theories of conflict, of neoliberalism, globalization and Foreign Direct Investment (FDI) are applied and interconnected to analyze China's involvement in Sihanoukville and to gain new knowledge.



Figure 1: Satellite picture of Sihanoukville, December 2017



Figure 2: Satellite picture of Sihanoukville, November 2018

Research questions

- **Why are Chinese companies investing in Sihanoukville?**
- **Which effects do these investments have on the locals?**

Objectives of the research

During the last years, huge investments flowed into Sihanoukville, some of them related to the Belt and Road Initiative, others not, such as hotels and casinos, bringing with them Chinese equipment and Chinese workers. These changes had effects on the social and economic situation of the local population. The research examines the reasons for Chinese investments in developing countries, by using Sihanoukville as an example, and shows how these investments impact the local community. Reasons for Chinese investments in Sihanoukville are studied by examining the surrounding circumstances attracting such activities and by taking a closer look at ongoing investments in the city to identify patterns of Chinese investments.

When identifying the nature of the effects on the population, the research concentrates on the question how the locals are affected by these changes, and if they reduce or further aggravate existing inequalities. Inequality is assessed by asking who is benefitting from the investments and who is not, for example in terms of employment opportunities, income or living conditions. In order to find this out, interviews with involved and affected people were carried out.

Conceptual framework

Conflict theory and inequality

A conflict in the sense of this research is defined as a clash of interests, objectives, and values between different social groups that are or seem to be incompatible with each other.

In a situation of transformative changes, as they are taking place currently in Sihanoukville, conflicts are to be expected. In particular, the massive immigration of Chinese who prefer to remain among themselves in a separate community in Sihanoukville, creates feelings of hostility. When large numbers of foreigners, i. e. Chinese immigrants, are changing a city and its social fabric so profoundly, conflicts are bound to break out. In the case of Sihanoukville, these conflicts are closely related to the issue of inequality.

“Inequality is the difference in social status, wealth, or opportunity between people or groups” (*Inequality*, n.d.).

To measure social inequalities, two main ways can be used: Measuring the inequality of conditions and measuring the inequality of opportunities.

Inequality of conditions includes the distribution of income, wealth, and material goods. On the lower level, inequality of conditions can be illustrated by showing that the poor people in Sihanoukville live in cheap self-made huts which makes the people vulnerable to climate conditions, such as heat and floods, while the rich live in new houses, with proper water and energy supply. In the bigger picture, inequality of

conditions can refer to the city-level by comparing the poor to the rich, to see if they are both benefitting from the transformation in Sihanoukville.

An example to measure inequality of opportunities is the level of education, which refers to the unequal distribution of life chances across individuals.

For the examination of social inequalities, two main theories can be used – functionalist theories and conflict theories.

Functionalist theorists see inequality as important for a society. They claim that important positions in a society should be rewarded more, as they require more training. Therefore, a society which is based on the capabilities of its members, engenders different social classes.

Conflict theorists see social classes coming into existence because groups with power are dominating less powerful groups. Powerful groups try to stay in their position and to gain even more power. They hinder societal progress and repress the powerless people (Crossman, 2019).

In the research, a conflict theorist approach is used.

The conflict theory was established by Karl Marx, who says that any society is in a persisting conflict, because resources are limited, and people compete for them. He implies that the social order is not maintained by consensus and conformity, but by domination and power.

An example of conflict would be limited space. As land prices increase, landowners try to get the maximal profit of their land. They sell the country, on which the poor lived before. On that land, expensive apartments or hotels are built – this leads to conflicts between the poor, landowners, and new inhabitants.

Social inequality as a problem exists in three dimensions – structural conditions, ideological supports, and social reforms.

Structural conditions such as wealth, poverty and power lead to social inequality between individuals and groups of people. They can be objectively measured.

Ideological supports encompass the ideas and assumptions within a society which support social inequality. This includes, for examples, public policies and dominant values.

Social reforms influence social inequality. They can be brought about by protest groups and social movements (Chappelow, 2019).

The focus in the research are structural conditions in terms of inequality. They are important when it comes to changes due to investments - as conflicts and tensions abound already in Sihanoukville, it is important to examine the factors behind.

Neoliberalism

When the term 'neoliberalism' as an economic philosophy came up in the 1930s, it was understood as a compromise between capitalism and socialism. It was meant to illustrate the contrast to the 19th century laissez-faire liberalism, which relied solely on market forces and refrained from state intervention in the economy, leading to exploitation and monopolies. These effects were to be mitigated through neoliberalism, whose supporters wanted the state to intervene and support economy, but only to the minimum degree necessary to ensure functioning economic activities. The state should make sure that no monopolies develop, and the markets function properly.

But in the course of the following decades, the meaning of neoliberalism changed: Nowadays it is understood as a return to the old liberalism. It stands for the exclusive trust in the forces of the free market.

Milton Friedman and Friedrich August von Hayek, the most influential representatives of neoliberalism, argued that free markets automatically lead to optimal conditions. State influence should be reduced to a minimum and political regulations are not needed. Under such conditions, individuals can act freely, and the economy develops freely in a competitive environment. Economic growth is fostered by free trade, free global investment and free movement of capital (Metcalf, 2017). This is achieved through the main principles of neoliberalism: privatization,

deregulation, trade liberalization, tax reduction, minimizing the role of the government, cutting social programs and imposing austerity (Harvey, 2007, p. 2).

Neoliberal principles are also being implemented in Cambodia. For example, many economic activities are deregulated, and taxes for foreign investors are reduced in order to attract Foreign Direct Investment.

The research examines if neoliberal agendas are a reason for Chinese investments in Sihanoukville and whether they have an impact on social inequality. Aspects of inequalities are examined by looking at the locals' perspective to see if citizens get displaced from Sihanoukville because of missing regulations and the privatization of land. It is examined if allowing the free market to decide has negative impacts on the locals, i.e. if it possibly increases rent and land prices in the city.

Deregulation and the privatization of land are examined, too, to find out if they play a role in increased Chinese tourism investments, and how they affect inequality.

The aspect of trade liberalization is important with regard to Sihanoukville. The Sihanoukville Special Economic Zone attracts Chinese investments, with possible side-effects on tourism investments.

Globalization

The rise of China as a strong regional power or even a world power has only been possible due to the process of globalization in the last few decades. In the context of this thesis, understanding the role of China in a globalized world economy can help to understand China's role and intentions in Cambodia. Globalization is an ongoing process that involves interconnected changes in the economic, cultural, social, and political spheres of society (Cole, 2018). It is mainly an economic process, where different economies get more and more interdependent.

According to the IMF, the four basic aspects of globalization are trade and transactions, capital and investment movements, migration and movement of people, and the dissemination of knowledge (IMF, 2000).

While globalization was mainly associated with Westernization during the 1990s and early 2000s, it is nowadays a stage of complex hegemony, where different influences are located in the East as well as in the West (Kofman & Youngs, 2008, p. 3).

Especially China has become a major global player with an increasing political and cultural influence (Kofman & Youngs, 2008, p. 10). In the most recent past, the changing global power structures have favored this trend - with the US withdrawing from the global stage and the European Union struggling hard to define its role in the world.

The main driver of globalization is neoliberalism; globalization can thus be seen as the effect of, and the move towards global neoliberalism (Wikan, 2015).

Globalization as a theory is used in the research to examine if this is one of the factors behind Chinese investments in the city.

Foreign Direct Investment

Foreign direct investment (FDI) is the term used to describe long-term investments made by an individual, a company, or a government, in business interests in a foreign country (*Glossary of Foreign Direct Investment Terms and Definitions*, n.d., p. 7).

Typically, FDI goes from developed to developing countries where it is often an important driver of economic development and modernization because it leads to an increasing national income and to job creation (*Overview - Foreign Direct Investment for Development*, 2002, p. 3). Traditionally, investors channeled FDI in the primary sector (Nam, 2018, p. 40). Then, in the 1980s, the service sector received the majority of FDI, and with the growing expansion of the tourism sector in many developing countries, this has become an important target for FDI, too.

Attracting FDI has been Cambodia's main development strategy. Cambodia had an economic reform in the late 1980s, shifting the country from a centrally planned economy to a market-oriented economy. One of the reasons for this shift was to attract foreign investors (Sothan, 2017, pp. 2–3). The FDI policies are based on the 1994 law on Investment. They permit a very liberal foreign investment regime, offering manifold incentives to investors. These include, for example, the possibility

of 100 percent ownership of companies in the country, tax holidays of up to eight years, duty-free import of capital goods, and unrestricted use of capital gains. From the nearly 2 billion US\$ FDI flowing into the country in 2017 alone, China was investing 1.44 billion US\$ (U.S. Department of State, n.d.-b).

In the tourist sector, FDI mainly take place in the hotel and restaurant business (Nam, 2018, p. 40). Therefore, it is helpful for the research to analyze these investments and their effects on the economic situation of the locals in Sihanoukville. This can help to explain potential changes in inequality among the population.

In the industrial sectors, FDI are implemented in the special economic zones created in Sihanoukville. The purpose of these zones is to provide companies with favorable conditions to set up their production plants, i. e. by offering them infrastructure, favorable tax provisions and many other incentives.

The theories used for the research are interconnected. Neoliberalism is the main driver of globalization. Foreign Direct Investments are part of the international capital movement, and thus of globalization. To attract FDI, neoliberal principles are often implemented, as seen in Cambodia. The combination of these influences can cause rising disparities, thus increasing inequality.

Expected Outcomes

It is expected to find a combination of reasons why Chinese invest so heavily in Sihanoukville. As the investments concern various sectors of the economy, there must be different motivations behind them. Before the background of globalization and the fact that FDI are a common means of furthering development, it is expected that the policy of welcoming FDI would play a major role in attracting Chinese investments.

Since rapid changes and rapid economic growth in developing countries generally go hand in hand with certain costs – for social coherence, for the environment, for the well-being of the population, for worker's rights, or for customs and traditions, to cite some examples – it is expected that this applies to Sihanoukville, too. And since the

transformation is taking place at such a rapid pace, the effects are expected to be very pronounced.

In terms of inequality it is expected to find that the fruits of the investments in terms of money are restricted to a rather small circle of beneficiaries, probably the local political elite, the local property owners, due to the building boom, and the Chinese investors. This would increase inequality, as the gap between rich and poor would widen. In general, this would lead to dissatisfaction among those groups of the population not benefiting from the fruits of the investments, and this can also be expected in Sihanoukville.

In combination with the fact that there is already a big and rapidly growing Chinese community in Sihanoukville, which forms an enclave and is neither interested in mingling with the locals nor in respecting their rules and values, this might be a breeding ground for conflicts. However, due to the traditionally calm and peaceful nature of the Cambodian people, based on its history, culture and religion, it is difficult to assess how these conflicts might manifest themselves. But basically, it can be expected that they pose a threat to social cohesion in the city and to good relations with the Chinese community.

The researcher assumes that Chinese investments, both under the Belt and Road Initiative and by private Chinese companies, are motivated by global neoliberal trends, creating an environment in Sihanoukville without restrictions to speak of, i.e. an environment of low to non-existing regulation, of very liberal economic policies welcoming foreign investors with all types of incentives and of non-existence of basic labor rights.

It is expected that the local Sihanoukville population does not immediately benefit from the Chinese investments, as neoliberal policies generally serve the interests of the free market and thus of the investors, but not of the weaker members of society. If all groups, including the poor and the low-skilled, should profit, this would require more regulation, stricter state intervention and a focus on distributing economic benefits evenly. Cambodia, however, has in the recent past not shown signs of such

policies, but on the contrary is characterized by high corruption, the rule of elites and negligence of the provision of good education and of other basic public services.

These would be the expected results for the immediate future. The long-term effects, however, might be more positive, provided that the investments trigger real and sustainable development in the country and provided the state will then assume a stronger role, serving the interests of the entire population.

Research methodology

General information

A mixed methodology is used to carry out the research, with primary and secondary sources - however, the focus lies on qualitative methods.

The philosophy of research is predominantly interpretivist, as it is important to understand the context of what the Chinese investments mean for the people living in Sihanoukville.

In the macro-picture, reasons for Chinese investments are analyzed under the aspect of increasing globalization, foreign direct investment, and neoliberalism.

To examine the micro-picture, interviews were carried out to see how the investments described and the associated changes impact the local community. This is to determine if the Cambodians are benefitting from the investments or if their effects are making their lives more difficult.

Grounded theory, an approach to the collection and analysis of qualitative data, will be used to formulate a new theory by analyzing interviews, observations, and other empirical data. Data collection and evaluation alternate until new evaluations do not yield new findings.

Interviews are also coded, to gain reliable information on the changes.

The theoretical assumptions are based on the results of the literature review. In general, the assumptions are rather limited, since findings are mainly gained through field research.

Data are collected through interviews, content analysis and other researches as well as relevant literature and quantitative data.

In the context of the field research, interviews were carried out and observations were made to answer the research questions.

Interviews

Interviews are important to understand the context of the changes brought about by Chinese investments in tourism in Sihanoukville. They have an open-end nature in order to get a comprehensive picture. This is important to understand and to establish how living conditions have changed and to understand why Chinese companies invest in Sihanoukville.

With an interview-based research, data are produced from interview questions. Therefore, the questions must not be too theoretically loaded (Hill & Meagher, 1999). Interview statements were cross-checked with other data to build a strong argument and gain evidence.

- **Unstructured interviews with locals**

These interviews serve to gain insight into the changes, to compare the situation today and in the past, to examine whether locals are benefiting from the changes, and to identify changes in terms of inequality. The interviews were conducted with locals working in tourism and in other sectors of the local economy.

Some of the interviews were carried out with the help of an interpreter.

- **Unstructured interviews with hotel owners or manager**

Hotel owners or managers catering to Western and Cambodian tourists were carried out. Their purpose was to analyze the current situation and compare it to the past, to gain insights in the perspective of hotel owners, and to analyze the effects of Chinese investments on the local hotel industry.

- **Elite interviews with local politicians**

Interviews were conducted with Tang Sopheak Krisna, the Minister of Tourism in Sihanoukville and Yun Min, former governor of the Sihanoukville province. The intention was to gain insight into the changes from a political perspective, to find out why the Chinese are investing in the city, and to establish why the Cambodian government welcomes those investments.

- **Elite interview with M’Lop Tapang**

An elite interview with the NGO M’Lop Tapang was conducted to find out more about the effects of the changes on the locals.

M’Lop Tapang is a local NGO in Sihanoukville. They take care of children in need, but they are also in contact with their families. This is relevant for the research: As they focus on the losers of change, they are a valuable source of information on how inequality has changed through Chinese investments.

- **Other interviews**

Other interviews were carried out with a Chinese manager from a construction company (anonymous); William Callahan, an expert in international relations with a focus on China; a Russian restaurant owner living in Sihanoukville (anonymous); and a Cambodian woman working for a Chinese-owned 5* hotel (anonymous).

They contributed valuable special insight and helped to gain expert knowledge.

Interviewees	Type of interview	Number of interviewees
Locals	Unstructured	12
Hotel owners/manager	Unstructured	2
Local politicians or civil servants	Elite	2
NGOs	Elite	1
Mixed	Unstructured	4

Research scope and limitations

The main limit of the research was time. Therefore, the thesis could not go in depth in some respects.

Data in Khmer were not reviewed. In addition to time, financially limited resources also played a role here, as these data would have to be translated.

As mentioned already, current research on the changes in Sihanoukville is almost non-existent. Therefore, it was a great opportunity to gain new knowledge through this thesis. However, considering the limited available time, the scope of the field research had to be confined – otherwise more people would have been interviewed.

Also due to the limited time, little research was carried out on social reforms and ideological support when analyzing conflicts and inequality. The researcher found it more important to analyze structural conditions of inequality, as they influence the changes resulting from investments more directly.

Significance of the research

As will be shown in the Literature Review, there is little research on the subject overall. This is mainly due to the fact that the changes in Sihanoukville took place in a comparatively short period of time.

The research is therefore the first one combining the questions why Chinese invest so massively in Sihanoukville and how this affects the economic and social condition and the wellbeing of the locals in Sihanoukville.

Beneficiaries of the research could be the citizens in Sihanoukville, when, for example, local politicians would use the results to review their decisions or take more informed decisions in the future. Based on the results, they could try to ensure that local residents will have fairer opportunities to share the fruits of the Chinese investments.

Overall, the research will give policymakers a better basis to decide whether to welcome foreign direct investment or to look for alternatives. This will not only be

applied to Sihanoukville or Cambodia, but also to other regions where politicians are trying to attract FDI in the tourism sector.

Lessons can be drawn from the analysis of the investments in order to transfer them to other areas. Here the new knowledge can be used to potentially attract new investments or to make them socially acceptable.

Ethical issues

Freedom of expression in Cambodia is being suppressed and the situation has worsened in recent years. The right to free speech and peaceful assembly is denied. Land right activists got arrested and many government-critical organizations had to deregister (Human Rights Watch, 2018).

A consequentialist look at this matter shows that it is important to protect the interviewed locals, otherwise they will have to fear repression and other consequences from the state. The interviews with them are therefore anonymized to protect their privacy.

Also, all other names from interviewed people were only published by name when the persons agreed beforehand.

Literature review

Historical background

Cambodia has been inhabited since 4000 BC. The period of greatness is the Angkor Empire starting in the 8th century when the country was reigned by kings for six centuries. With the invasion of neighboring countries, this period came to an end with the transfer of the capital from Angkor Wat to Phnom Penh in 1431. The country was under French domination from 1863 to 1953, when it became independent as the Kingdom of Cambodia (Nam, 2018).

In 1975, the Khmer Rouge, a maoist-nationalist guerilla movement, came into power. Under their leader Pol Pot, the regime wanted to transform the country into a system of agricultural communism, meaning the abolishment of money, formal education, religion and books. During this time, large parts of the elite of the country were killed, including intellectuals or even people wearing eyeglasses, as they did not fit into the vision of an agrarian society (Fletcher, 2009).

The Khmer Rouge was finally overthrown by Vietnamese troops in 1979. They formed a new government under Vietnamese control and appointed Hun Sen as foreign minister. Hun Sen became Prime Minister in 1985 and is still in this position (Khemara, 2018).

In 1989, the Vietnamese departed, and Cambodia moved towards an open-market economy. In 1993, the first democratic election in the country was carried out. Since then, however, the democratic process has deteriorated steadily.

The history of the town of Sihanoukville traces back to 1955, when a French-Cambodian construction team cut a base camp out of the jungle to construct a deep-water port. This port was then used as a military facility by the National Front for the Liberation of South Vietnam during the Vietnam War until 1970. Then the United States used it until April 1975.

In May 1975 the last battle of the Vietnam War, from the American perspective, took place off the coast of Sihanoukville, when the Khmer Rouge captured an US container

ship, the SS Mayaguez. For two days, the United States bombed several targets on the mainland, inter alia warehouses at the port of Sihanoukville. As a consequence, the ship and its crew were released. After the fall of the Khmer Rouge in 1979, and the opening of the Cambodian economy, the port of Sihanoukville gained importance as a trade point again (Canby Publications, n.d.).

The development of the role of China in Southeast Asia, the cultural context and China's business culture

China's relations to its neighboring countries – especially the ASEAN members - changed significantly during the last decades. From the foundation of ASEAN in 1967 until 1991, relations were bad. This is mostly because ASEAN was founded as a reaction to the Vietnam War, to build an alliance against Communist forces. Only when the Cold War was over, relations changed. In 1991, China initiated a dialogue partnership, and relations improved. To establish a strategic partnership for peace and cooperation, China joined the Treaty of Amity and Cooperation in Southeast Asia in 2003 (Baviera & Maramis, 2017, p. 165).

China's political and economic influence in the world, and especially in Southeast Asia has been massively increasing during the last years. China has become the most powerful player in the region – it is a key player for most of its neighboring countries and spends large sums in FDI in Southeast Asian countries (Baviera & Maramis, 2017, p. 163). China is currently trying to increase its influence by strengthening relations with neighboring countries. One tool to achieve this aim is the Belt and Road Initiative, a trillion US\$ trade and infrastructure project, which was announced in 2013 and aims to connect Asia, Africa and Europe.

In general, China and its neighbors in Southeast Asia have an interest in good relations, but some countries fear the increasing influence from China (Baviera & Maramis, 2017, p. 158). They are aware that the two sides are not on equal footing and that China might exploit its power to bring forward its own economic, political and military interests. The many ASEAN countries with a rather low level of

development, such as with regard to infrastructure, capital supply or technological development, fear that they might become too dependent from China.

However, the current guiding principles of China's policy for the country are described by Xi Jinping as "amity, sincerity, mutual benefit, and inclusiveness" (Baviera & Maramis, 2017, p. 159).

China wants to promote "amity" by strengthening mutual trust and friendly exchanges with countries in Southeast Asia. Neighbors should be supported in their development paths. To promote "mutual benefit", China is further opening markets and redevelops old trade routes through the Belt and Road Initiative. "Inclusiveness" is to be achieved by cultural and people-to-people exchange between the countries. This is why the Belt and Road Initiative has an explicit cultural dimension.

China has two overarching goals with its strategy: Creating a moderately well-off society by 2020 and becoming a fully developed nation by 2049. Its strategy focuses on economic development. On a regional level, the goal is to maintain peace and cooperation with China's neighbors (Baviera & Maramis, 2017, p. 160).

China's strategy is a form of state capitalism, also called Chinese capitalism. Some academics argue that it has become a form of hybrid capitalism in the recent past - a blending of traditional and modern elements with dynamic transformation of norms, structures and institutions (Santasombat, 2018, p. 2).

Mao Zedong, the founding father of the People's Republic of China, described state capitalism as a concept which does not serve the capitalist's interest, but the interests of the people and the state under a people's government.

In the 1970s, China embedded market mechanisms into the socialist economy to enhance the efficiency of national economic activities and to safeguard socialism and the PRC political regime (Santasombat, 2018, pp. 279–280). Chinese capitalism as the cause for China's economic success inside the country and outside is not only justified by the concept of state capitalism, but also by the cultural context, Chinese business systems, its political economy, and so-called *guanxi* networks.

It can be said that the financial competence of Chinese in general and business people in particular is based on three cultural factors – the acknowledgement of the pursuit of wealth, a relative immunity of surplus wealth from confiscation by politicians and the acceptance of doing business with neighbors and even close relatives (Santasombat, 2018, pp. 3–4).

While a purely cultural explanation is seen as problematic – amongst other things because culture changes –, Confucian values play a role in the economic success of many Chinese people (Santasombat, 2018, p. 6).

In terms of business systems, Chinese capitalism is characterized by the organization of Chinese firms, which is largely shaped by institutional and family structures. Also, ethnic Chinese in foreign countries are seen as excellent networkers – their influence is increasing, as Chinese people are moving away from their home with the internationalization of Chinese business (Santasombat, 2018, pp. 8–12).

Politically, one can see that state-business linkages are common, not only in China, but also with regard to Chinese companies doing business in foreign countries. These companies often established links with government-owned enterprises in order to benefit from more favorable market conditions, for example through gaining access to state funds (Santasombat, 2018, p. 13).

Guanxi networks are a specific characteristic of Chinese businesses. Guanxi is the Chinese concept of networking, it describes connections that open doors for new business and facilitate deals.

Tourism in Cambodia

The tourism industry in Cambodia has been growing especially in the last two decades. In 2018, the number of international tourists grew by 11 percent compared to the previous year, with a total of 6.2 million foreign tourists visiting the country. The largest group among them are Chinese: 1.9 million visited the country. The Cambodian government expects an increase to 7 million international tourists by 2020, including 3 million Chinese (Vannak, 2019b). With 56 percent, Chinese tourists

were the major contributors of total international tourism growth (World Bank, 2017, p. 43).

The government's efforts to attract more foreign tourists are thus paying off (World Bank, 2017, p. 15).

However, value captured per tourists only increased slowly, from 585 US\$ in 2005 to 655 US\$ in 2016 (World Bank, 2017, p. 42). But it must be noted that there is an increased demand by Asian tourists in higher-end hospitality services, while Western visitors prefer more basic local experiences (World Bank, 2017, p. 43). This is an indicator that through increasing tourism from China, also the income from this tourist group could increase in the near future.

Currently, there is no information available to answer the question whether local people working in the tourism sector will benefit from this and if they have the skills to work in high-end hospitality service and would therefore participate in the economic profits.

The direct contribution of the tourism sector to the Cambodian GDP is 12.2 percent according to the World Bank and 16 percent according to the Cambodian government (World Bank, 2017, p. 46). This contribution is higher than, for example, in Thailand.

Tourism generates almost one million direct jobs, and combined with indirect employments up to 2.2 million jobs in Cambodia (World Bank, 2017, p. 49).

Tourism in Sihanoukville and the history of immigrants

Tourism in Sihanoukville started developing slowly in the 1990s but increased in the early 2000s. During this time, many Western backpackers visited the city, and a community of expatriates began to develop. Amongst those expatriates were Nikolai Doroshenko, a Russian businessman and Sergei Polonsky, one of the richest men in Russia before the financial crisis in 2008, and former owner of the Mirax Group, one of the largest real estate companies. Both were eventually arrested due to several crimes (Walker, 2013).

Before they were arrested, they were the first to invest substantial amounts of money in the tourism development in Sihanoukville. They leased several beaches in the city and islands near the coast and built hotels and restaurants (Rollet, Kossov, & Seangly, 2015; Wilwohl, 2014).

Due to their investment activities in the city, more Russians got attracted who visited the city as tourists or decided to live there. Some of them have connections to the Russian mafia and were involved in several shootings and other crimes and caused fear within the local community (Lim & Cibulka, 2018, p. 75; “Mafia ‘not welcome’ in Cambodia,” 2015; Rollet et al., 2015).

Large-scale investments coming from China in Sihanoukville started around 2016, leading to a construction boom, mainly to build hotels and casinos.

Today, Sihanoukville is capturing about 15 percent of total arrivals in Cambodia (World Bank, 2017, p. 42). 1.5 million tourists arrived in the Preah Sihanouk province in the first nine months in 2017, an increase of 22.4 percent compared to the previous year (“Why has Sihanoukville become a Chinese real estate investment hotspot?”, 2018).

In addition to tourists, the number of immigrants is also increasing. According to Sihanoukville’s former governor Yun Min, around 30 percent of the population in the city are now Chinese (“In Cambodia’s ‘New Macau’, Chinese cash in”, 2019). Out of 210,000 Chinese nationals living in Cambodia, more than 78,000 are living in Sihanoukville province (Ng & Phang, 2018). Almost 70 percent of the foreigners who requested a work permit in Sihanoukville in 2017 were from China (“Why has Sihanoukville become a Chinese real estate investment hotspot?,” 2018). This raises the question whether the Chinese also work in the tourist sector and what effects this has on the local workforce.

Foreign Direct Investments in Cambodia

The reasons to invest in Cambodia as a foreigner are manifold. However, the main reasons are trade liberalization, a stable macroeconomic development, and

institutional reforms. From 2000 to 2015 the annual average net FDI inflows were 7.7 percent of the GDP (Chheang, 2017, p. 11).

Weak land and real estate laws are another reason to attract FDI. Investors are allowed to establish 100% foreign-owned companies which buy land and real estate or lease it for 99 years. This is not possible in any other country in the world (Levy & Scott-Clark, 2008).

Deregulation is an important part of the Cambodian strategy to attract FDI. For example, a law from 2010 allowed private investors to own up to 70 percent of a Condominium complex. When this law came into force, the real estate business in Cambodia boomed (“Deregulation encourages overseas investment in Cambodian real estate,” 2010).

Another important reason for investments by manufacturing companies are the low labor costs in Cambodia.

Chinese investors spent the biggest amount of money of all foreign investors in Cambodia (Chheang, 2017, p. 23).

While these reasons are relevant for all foreign investors, there are some additional specific reasons why especially Chinese investors are attracted to Cambodia.

The main reason are the historically good political relations between China and Cambodia. China has a good relationship with Cambodia for long-term political, economic, and cultural interests. China thus finds a loyal ally in Cambodia, and its influence runs deep in Cambodian society. Cambodia helps China to strengthen its geopolitical position in Southeast Asia, and it also serves as yet another partner in the Belt and Road initiative, helping China to get on with this huge plan (Santasombat, 2015, p. 222).

Chinese migrants have been an important part of the Khmer economy for centuries.

They first arrived in the seventeenth and twentieth centuries and in the course of time gained influence in Cambodia’s economy. Chinese family groups were traditionally influential in the Cambodian import-export business, the banking sector, hotels, restaurants, and land concessions (Santasombat, 2018, p. 197).

They faced discrimination in the twentieth century until in the early 1990s the Cambodian government improved diplomatic and economic ties with China (Santasombat, 2018, p. 21).

This was mainly due to the reestablishment of the Khmer-Chinese Association in 1991, which led to a growing economic collaboration with China's state-owned enterprises and private companies. Besides the traditional Chinese family businesses and traders, a number of powerful business groups with close ties to the Cambodian ruling elite emerged (Santasombat, 2018, p. 22).

State-owned Chinese enterprises receive political support from China, while also benefitting from political connections and protection from the local Cambodian elites, based on the long-term and deep mutual political trust between the two countries (Chheang, 2017, pp. 11–12).

Development Assistance in Cambodia

The OECD defines Official Development Assistance (ODA) flows as flows from Development Assistance Committee (DAC) members to recipient countries and multilateral development institutions, provided by official agencies, including state and local governments, or by their executive agencies. The main objective of the assistance is to promote the economic development and welfare of developing countries. The funds provided are concessional in character, which means they imply a grant element of a minimum percentage of bilateral loans. In Cambodia, as a lower-middle income country, it is 15 percent, calculated at a rate of discount of 7 percent (“Official development assistance – definition and coverage,” n.d.).

China, which is not a member of the DAC, has no standard definition of development assistance, but, different from ODA, the assistance is supposed to be mutually beneficial.

Much of China's development assistance does not meet the standards of the DAC as it is a blend of aid and overseas investments. It involves private companies, and loans

are often extended with a grant element, which is not compliant to the requirements of the OECD (Shambaugh, 2013, p. 202).

Usually, Chinese development assistance is rather given in loans at below market rates than in the form of non-repayable grants. Chinese aid is more seen as an investment than a charity (Vieiro, 2012).

While the net ODA in Cambodia reached an all-time peak in 2017 with 842,930 million US\$, it is steadily declining in relation to the central government expenses. The percentage dropped from 97.5 percent in 2007 to 26.6 percent in 2017 (“Net ODA received”, n.d.).

For decades, Japan was the biggest donor to Cambodia. This has changed in the last years. In 2010, China overtook Japan, and today, Chinese aid is three times as high as aid from Japan (Kawase, 2018).

However, the total amount of Chinese aid in Cambodia is unknown, as China does not publish the figures (Vieiro, 2012).

It is estimated that Cambodia received 4.2 billion US\$ in loans and grants from China between 2013 and 2017 (P. Heng, 2018). In the same period, Cambodia received 3.01 billion US\$ ODA from all DAC members (“Net ODA received”, n.d.).

China claims that its aid comes with ‘no political strings attached’. Compared to traditional aid, this seems true at the first glance, as aid from DAC members is usually accompanied by requirements concerning improvements in democratic principles and human rights as well as compliance with social or environmental standards. These are aspects China does not want to get involved with. However, observers say that China is trying to use aid as a means to expand its political influence over Cambodia. An example is the case of the international tribunal ruling against China in the South China Sea Dispute. After Cambodia had received increased donations from China, it blocked statements put to vote by ASEAN and criticizing China on two occasions (Peel, Haddou, & Kynge, 2016).

With the increasing volume of loans and grants from China, Cambodia is no longer as dependent from Western aid as it used to be. Since the end of the Khmer Rouge

regime in 1979 and the Peace Agreement in 1991 ending the political isolation of Cambodia, the country depended on Western support for its investments and its development. This support, however, was only given on the condition that the country would adopt a democratic system and adhere to certain social and environmental standards. When it became clear that President Hun Sen did not really support democratic principles but enforced more and more authoritarian measures, the United States and the European Union pulled out and left a vacuum that is filled now by China as the new regional power.

Chinese investments in Sihanoukville

There are several reasons why Chinese invest in Sihanoukville. The Belt and Road Initiative projects and the Sihanoukville Special Economic Zone offer very attractive business opportunities to foreign investors in Sihanoukville (“Why has Sihanoukville become a Chinese real estate investment hotspot?”, 2018). Also, the existing and the planned infrastructure play an important role. A two billion US\$ four-lane expressway is currently under construction, as a part of the Belt and Road Initiative and supported by a loan from the Chinese government. The Sihanoukville airport is also important, and will be expanded (“Why has Sihanoukville become a Chinese real estate investment hotspot?”, 2018).

Especially the property sector is attracting Chinese investors since its potential is closely linked to the large infrastructure projects in Sihanoukville. Investors can obtain higher rental yields than in China, and the barriers to entry in the market are low, due to weak regulation (“Deregulation encourages overseas investment in Cambodian real estate”, 2010).

To sum it up, there are several obvious reasons why Chinese companies invest in Sihanoukville, but no studies have been carried out to examine those reasons and impacts in depth.

Impact of Chinese investments on the local population in terms of inequality, prices and quality of life

The enormous volume of Chinese investments gives many people cause for concern because the Cambodians themselves do not appear to profit from the investment activities as much as expected or they even suffer from severe deteriorations in the lives.

On construction sites, Chinese workers are preferred to Cambodians, and the same applies to Chinese restaurants, casinos and hotels - the majority of the newly created jobs go to Chinese who are brought into the country (Chheang, 2017, p. 15; Kotoski & Sokhorng, 2017).

There is no information on what happened to the locals who previously served Western tourists who, due to the massive changes in Sihanoukville, now prefer other destinations in Cambodia. There are no figures available on whether they found other jobs in the tourism sector, or if they are unemployed now.

Many locals are unhappy with the changes in the tourism structure, manifesting itself in the large number of casinos, while gambling is illegal for Cambodians themselves. Gambling tourists from China are often causing problems, leading to conflicts between the two communities in the city. Brawls, gunfights, kidnapping and other acts of violence have increased - mostly committed by Chinese tourists. Also, the influence of the Chinese mafia, most related to prostitution, human trafficking and illegal gambling is increasing (Neubauer, 2018a). The deputy commissioner of the provincial policy, Major General Kul Phaly, admitted that illegal casino operations and human trafficking have become acute concerns (Kotoski & Sokhorng, 2017). At the same time, Cambodian money-laundering laws and other regulations are weak.

A large number of newspaper articles has been published on these effects mentioned above, but so far, no scientific research has been carried out to evaluate their content as a whole.

As a result of the demand for property and the financial strength of investors in tourism and other projects, land, rental and real estate prices have risen dramatically within a short period of time. Although there are no reliable statistics, according to

Sihanoukville's former governor Yun Min the land and real estate value doubled from 2017 to 2018, in some cases it quadrupled (“Why has Sihanoukville become a Chinese real estate investment hotspot?” 2018). According to Chea Bunthoeurn, sales executive of Century 21 Real Estate, it is now five to ten times more expensive to rent properties in Sihanoukville compared to the time before the Chinese investments started on a large scale (Kosal, 2018b).

However, apart from individual statements about the extent to which prices have risen, there is no specific information on the areas where local residents can no longer afford to live and have therefore left. There is also no information on whether their income has risen as a result of the new economic activities to the extent that they can still afford the prices.

Why Chinese invest in Sihanoukville

Introduction

Within a very short period of only a few years, Chinese investments in Sihanoukville have changed the city, its landscape and its living conditions to a considerable degree.

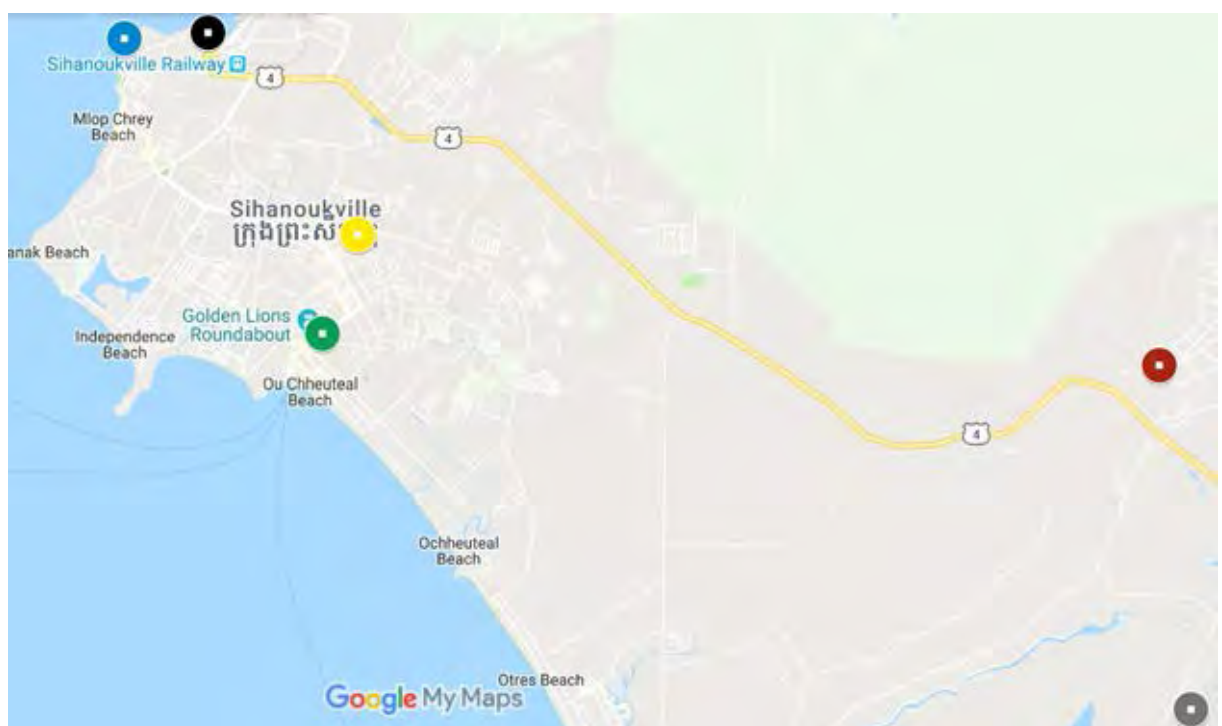
Larger investments very often flow into the real estate sector, meaning mainly tourism, leisure, and condos; and into the industrial sector. Many Chinese open smaller businesses like shops, hostels or restaurants, which are dominating the local economy.

Why Cambodia and its second-largest city Sihanoukville have become attractive destinations of Chinese investments has reasons both relating to the general economic strategies of Chinese public and private investors and to the specific conditions in Cambodia and Sihanoukville favoring foreign direct investments.

The Chinese state and Chinese citizens are looking for investment opportunities abroad, for the various reasons described later on in this chapter. Cambodia, on the other hand, as a lower-middle income country with poor infrastructure and a government losing support from Western countries because of its non-democratic development, welcomes Chinese investors with open arms, also because the two countries have a decade-long history of good relations. The growing Cambodian economy desperately needs investments in order to maintain its momentum.

Cambodia, still being one of poorest countries in Southeast Asia, is lacking basic infrastructure such as for transport, power, sanitation and communication. While there is a clear focus towards Chinese investments, for example through cooperation with Chinese provincial governments and the engagement in the Belt and Road Initiative, Cambodian politicians often emphasize that they welcome investments from all countries. For example, Tang Sopheap Krisna, the Minister of Tourism in Sihanoukville, said: “The Royal Government of Cambodia is not only looking for Chinese investors, but for investors from all foreign countries” (Appendix B). The former governor of Preah Sinhanouk, Yun Min, confirmed this in an interview (Appendix D).

Sihanoukville is especially attractive for investments both in real estate and in industry. As a coastal city it is an attractive tourist destination with excellent growth forecasts, it offers good accessibility for business and leisure travelers, and it has a flourishing special economic zone nearby. The Sihanoukville Special Economic Zone offers investment-friendly laws and regulations and cheap labor costs, thus attracting industrial manufacturing investments.



- Sihanoukville SEZ
- Phsar Leu Market
- Jin Bei Casino
- Sihanouk Airport
- Sihanoukville Port
- End of Expressway

Figure 3: Map of Sihanoukville

The map above shows the city of Sihanoukville with its most important locations for the research highlighted. The Sihanoukville SEZ and Sihanouk Airport are located

outside of the city. The Phnom Penh-Sihanoukville Expressway will, once finished, end where the old National Road 4 ends –next to the Sihanoukville Autonomous Port which also hosts the Sihanoukville Port SEZ.

The changes in the cityscape are most visible downtown. Sihanoukville’s downtown is located in the area of the Golden Lion Roundabout. Next to the roundabout, on Ekareach Street, there is one of the biggest casinos in the city, Jin Bei Casino. Ekareach Street is one of the major axes in the city. Here, most of the bigger casinos are located.

Ou Chheutal beach, generally called Occheutal beach, is the most famous beach in the city, with many hotels under construction nearby.

A bit outside downtown is the Phsar Leu Market. The area around the market is the last central area which has kept its Cambodian characteristics – even though many Chinese businesses were opened there recently. The rest of the city center looks Chinese, as Chinese businesses, restaurants, shops and casinos dominate the scene.

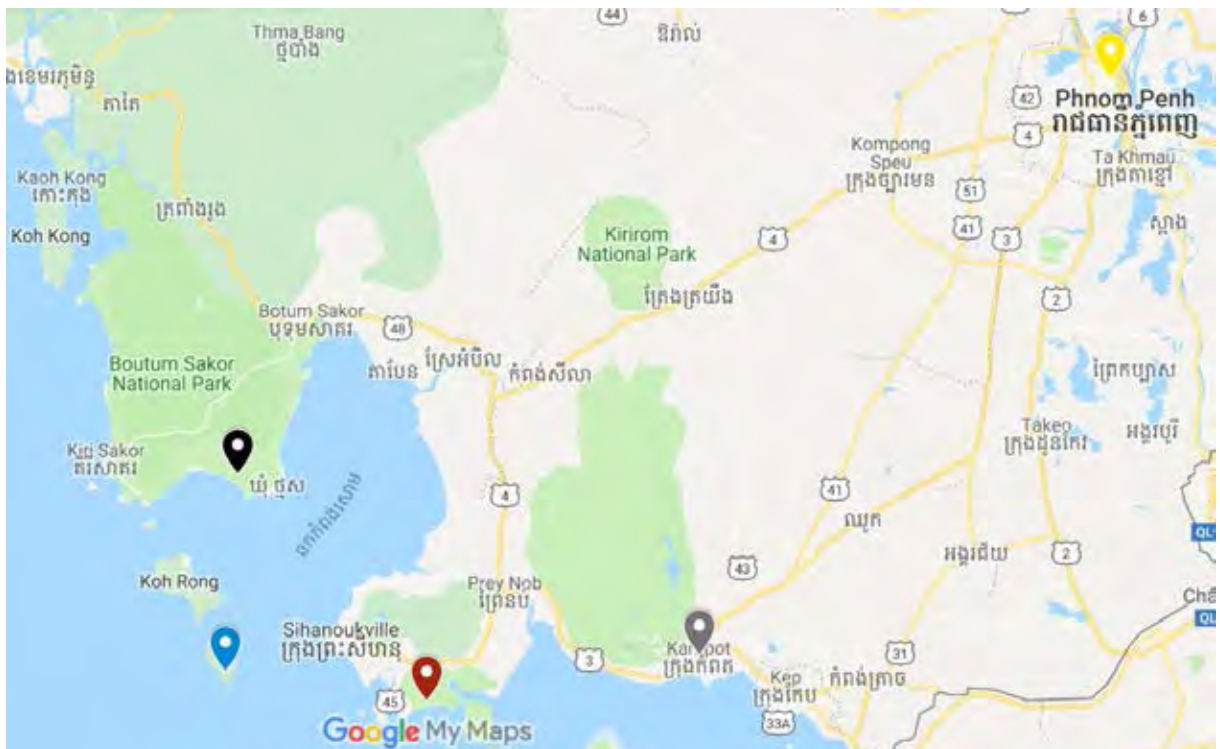




Figure 4: Map of Southern Cambodia

The second map shows a specific part of Cambodia to highlight other important locations for the research and give a better understanding of distances.

The driving distance to Phnom Penh is 230 kilometers on the National Road 4. The distance will be reduced to 190 kilometers once the expressway is finished.

Kampot is located 100 kilometers from Sihanoukville. Many expats who cannot afford the rents in Sihanoukville anymore, or do not want to live in the city anymore, moved to Kampot in recent years. Also, many informal beach vendors moved to Kampot, as the business opportunities appear to be more promising there.

Two Chinese large-scale projects with an investment volume of several billion US\$ are located next to Sihanoukville: The Golden Silver Gulf Resort in the Ream National Park and the Dara Sakor Resort in the Botom Sakor National Park. Both projects will not only encompass resorts, but also airports, technological centers, condos and more. The Golden Silver Gulf Resort has a total area of 3,300 hectares, while the Dara Sakor Resort has an area of 36,000 hectares.

The biggest islands near Sihanoukville are Koh Rong and Koh Rong Samloem. Both are located in the Preah Sihanouk Province and can be reached from Sihanoukville by boat several times a day.

Physical infrastructure as an investment opportunity and development prerequisite

Existing infrastructure and planned expansion of infrastructure such as the airport or the seaport offer favorable conditions to companies for doing trade and business and

they also attract investors. Cambodia on the one hand provides some basic infrastructure to do business already, but on the other hand there are still many gaps to fill. Energy production, roads and bridges or waste management are just a few examples where investments are urgently needed. Further development of the country will only be possible if these needs are met. The Cambodian government, however, does not have the financial means to cover these demands and therefore welcomes Chinese investments.

In the following, the most important infrastructure assets and projects in Sihanoukville are described. They are important to Chinese investors who need these assets for their business. The infrastructure investors, mainly the Chinese state-owned companies or companies with substantial state support, appreciate the economic opportunities these projects offer, while claiming to promote development, growth and integration into the regional and global economy.

Phnom Penh – Sihanoukville Expressway

The construction of the first expressway in Cambodia, with a length of 190 kilometers, connecting Phnom Penh and Sihanoukville, started in March 2019 and will be completed in 2023. In contrast to other infrastructure projects of the Belt and Road Initiative financed by China in foreign countries, the expressway is not financed by loans and will therefore not increase Cambodia's debts.

The costs of two billion US\$ are financed by the China Communications Construction Company (CCCC), a Chinese state-owned company. CCCC is also the contracting company for the construction of the expressway. The company employs Chinese construction workers (Vannak, 2019a). The project is based on a BOT model (Build-Operate-Transfer), meaning that the contractor will amortize its investment and generate returns from the collection of tolls, in this case via the China Road and Bridge Corp., a subsidiary of CCCC, for a period of 50 years (Onishi, 2019).

The expressway will halve the travel time between the two cities. According to the Cambodia Freight Forwarders Association President Sin Chanthy, it will “help reduce production costs in Cambodia and help Cambodian goods become competitive with

foreign products”. He also said that the expressway will improve speedy deliveries of goods from the capital to the Sihanoukville Autonomous Port (Pisei, 2019a).

Obviously, the construction of the expressway is beneficial to the Chinese side because they do the financing, they get the contract and they employ their workers. They bear, however, the revenue risk. Considering the growth rates of Cambodia, this risk seems to be manageable. But the expressway is also an infrastructure improvement serving the interests of the region. Better connectivity is a prerequisite for trade and development. Provided the growth in Cambodia will continue, the investment into the expressway would be beneficial to both sides.

Sihanoukville Autonomous Port

The Sihanoukville Autonomous Port was inaugurated in 1960 and is state-owned by Cambodia. Currently it is the only deep-water port in the country (“The Sihanoukville Port. Cambodia’s Port. (PAS) Sihanoukville, Cambodia. Unofficial Home Page”, n.d.). It is an example for an infrastructure investment not financed by the Chinese BRI, but by Japan. The most recent expansion is funded through a 209 million US\$ soft loan from the Japanese government and will enable the port to receive ships of more than 60,000 tons. It will double the port capacity to 1.3 million TEUs (twenty-foot equivalent units), with completion planned in 2023 (*Sihanoukville port*, 2018).

While the port is smaller than the biggest ports of the neighboring countries Thailand and Vietnam (Thailand, Laem Chabang: 7.67 million TEU; Vietnam, HCMC: 6.156 million TEU 2017, it plays an important role for the Cambodian economy (Lloyd’s List, n.d.).

In addition to cargo ships, cruise ships and military vessels also dock in the port.

While the logistic costs are currently higher than those from its rivaling port Laem Chabang, chairman and chief executive officer Lou Kim Chhun states that prices will fall once the expansion is finished, so that the port will be competitive (Amarthalingam, 2018). Cargo traffic is continuously rising, the increase from the first quarter in 2018 to the first quarter in 2019 was 16 per cent (Pisei, 2019b).

The passenger terminal also plays an important role for docking cruise ships, with a capacity of 270,000 persons a year (World Bank Group, 2018, p. 24).

Several researchers and journalists are saying that the Sihanoukville Autonomous Port is part of the Belt and Road Initiative, respectively the Maritime Silk Road Initiative, while others claim that the port is Chinese-funded (De Freitas, 2018; Ellis-Petersen, 2018; Khalid, 2017; Nouwens, 2019; Songwanich, 2018).

There is no evidence for this information. There are no Belt and Road Initiative documents available in English implying that the Sihanoukville Autonomous Port is part of the BRI. Also, there are no reliable sources confirming that China supports the port in any form.

Furthermore, according to an in-depth report from the Nikkei Asian Review (2018), Sihanoukville's key feature – the deep-sea port – “remains out of Beijing's reach” and “symbolizes the rivalry between China and Japan in the country”. It has been largely financed by the Japanese government for almost two decades. There are sources saying that Chinese companies wanted to invest in the port but were unsuccessful.

Instead, there are plans for new ports, backed by the Chinese government, next to Sihanoukville: one in Kampot Province, and one in Koh Kong. But it is unclear whether these projects will be realized (Kawase, 2018).

Whether the Sihanoukville Autonomous port is part of the BRI or not, the Chinese profit considerably from this infrastructure as it is an important hub for importing materials and exporting the goods manufactured in the SEZ. It is, of course, an important infrastructure for the region and the economy of the area as a whole.

Sihanouk International Airport

The airport of Sihanoukville is located 20 kilometers from the city center. It was originally constructed during the 1960s but closed during and after the Khmer Rouge era. In 2007, it was reopened (Canby Publications, n.d.).

It connects Sihanoukville with Siem Reap and Phnom Penh in Cambodia, Kuala Lumpur (Malaysia), Bangkok (Thailand), Ho Chi Minh City (Vietnam), and 19 cities in China, amongst them also Macao. The passenger movements are increasing every

year, from 19,713 in 2013 to 651,000 in 2018. The increase from 2017 to 2018 alone was 92.6 percent.

Due to the increased traffic, the airport is currently under expansion. The terminal was already renovated and reopened in 2018, the runway will be expanded to 3,300 meters to handle bigger aircrafts. Once finished, it will be the longest runway in Cambodia (Kunmakara, 2018b). According to Sin Chanserey Vutha, spokesman for the State Secretariat of Civil Aviation, the airport will be the biggest airport in the country in the future (Chan, 2018).

The airport is of crucial importance to ensure the connectivity of Sihanoukville to the region and to the world. This is beneficial to the Chinese as well as to the Cambodians. Tourist and business travelers alike appreciate good transport links and accessibility.

Other infrastructure

China has also built a 405-megawatt coal-fired power station in Sihanoukville, the CIIDG power station. The project was implemented by the CIIDG Erdos Hongjun Electric Power Co. in cooperation with the Royal Government of Cambodia. The financing of 383 million US\$ was provided by China on a build-own-operate scheme. China will operate the power plant for 33 years. Cambodians were offered so-called scholarships in China to gather experience working in coal plants, preparing for later employment at the plant in Sihanoukville. The coal plant covers demand in the Sihanoukville SEZ. There are plans to upgrade the plant for a total capacity of 945 megawatt (SourceWatch, 2018).

There are no English data available on whether China is supporting Cambodia to build roads in Sihanoukville. However, in Cambodia in general, China has built 31 highways with a total length of more than 3,000 kilometers and eight bridges. Also, all Cambodian hydropower stations were built by China (“Economic Cooperation with China under BRI helps Cambodia”, 2019).

Energy infrastructure is key to the development of the economy. Without reliable power supply, investors are reluctant to engage and companies run too many risks

with regard to production, business continuity or safety. Investments in power plants are therefore a basic prerequisite for a stable development path.

The role of infrastructure in attracting Chinese companies is therefore two-fold: existing infrastructure in Sihanoukville attracts companies because they are provided with basic facilities, and expansion of infrastructure will lead to more investments.

The reasons for Chinese investments in infrastructure lie mainly in the economic field: They help the Chinese doing trade and business and earning a worthwhile return. For example, the Sihanoukville Special Economic Zone is financed by China and will host Chinese companies.

But there are still other drivers motivating China to invest abroad, as the following section will show.

Overcapacity and slowing economy in China

Overcapacity is seen as a major problem of the Chinese economy (Wang, 2016, p. 457).

Nine traditional industries in China have overcapacity problems: steel, cement, plate glass, electrolytic aluminum, coal, shipbuilding, solar energy, wind energy and petrochemical. All of them are related to energy, infrastructure construction and real estate development (Hart-Landsberg, 2018).

These are exactly the sectors where the Chinese state and private companies invest in Sihanoukville. Power plant construction, infrastructure projects and real estate development all help to absorb surplus capacities. Even the construction materials for these projects are imported from China. This is confirmed by Lou Kim Chhun, Chief Executive Officer of the Sihanoukville Autonomous Port (Amarthalingam, 2018).

According to the Chinese government, the country achieved a real economic growth of 6.1 percent in 2018. This is above the rate of most countries of the Global North, but the lowest rate since 1990, when the economy crashed due to student protests in Tiananmen Square, which ended in a massacre (Broadman, 2019). It is believed that China's growth will further slowdown in the coming years. Forecasts from all major

institutions confirm this expectation, be it the OECD, the World Bank, the IMF or the UN (knoema, n.d.).

Therefore, China looks for new opportunities, especially outside its own borders. While the economy is slowing down, the country has huge amounts of capital available for investment. State-owned companies are using government capital for Belt and Road projects in order to mitigate further slowdown in economic activity (Boucher, 2019).

The job market in China, especially for skilled workers, is tight. As the population is huge, there is also a lot of competition. Therefore, many Chinese leave their homes for a good employment in other countries where qualified workers are needed. This was also confirmed by a Chinese manager, who works in Sihanoukville. When asked why so many Chinese move to Sihanoukville, he answered: “Because the job market in China is full. I have a very good education, but I can’t find a good job which suits my education and my qualities. The population in China is very huge, so there is also a lot of competition. The people who move from China to Southeast Asia look for a good job. The economy is growing, but the population is so huge that there are not enough jobs in the higher positions.” (Appendix E).

In conclusion, absorbing industrial overcapacity and mitigating the effects of a slowdown in domestic economic growth are strong drivers for Chinese investments in Cambodia. China is under great pressure to sustain its high growth rates. If it does not succeed, its very high levels of private and public debt will create problems for the banks, the companies and the individuals. This bears the risk of internal social unrest and would also have severe consequences for the global economy.

Special Economic Zones - Sihanoukville as the ‘small Shenzhen’?

Sihanoukville has several Special Economic Zones (SEZs). The biggest ones are the Sihanoukville Port SEZ and the Sihanoukville SEZ.

SEZs in Cambodia mainly produce for export. As there are no import taxes, companies mainly import their inputs for export-oriented production. This is the

reason why many SEZs are located next to sea ports (World Bank Group, 2018, p. 25).

The Sihanoukville Port SEZ was established as early as 2008 but became part of the Belt and Road Initiative later. It covers 68 hectares for manufacturing and business purposes, including 45 hectares for lease. It may be expanded to up to 160 hectares (World Bank Group, 2018, p. 24). Its big advantage is its location next to the Sihanoukville Autonomous Port (“Sihanoukville Port Special Economic Zone (SPSEZ),” n.d.).

Besides the regulations and incentives which apply to all SEZs in Cambodia, investors in the Sihanoukville Port SEZ get permanent visas for themselves and their families.

The Sihanoukville Special Economic Zone is the largest SEZ in Cambodia and a landmark project in the Belt and Road Initiative. It is operated by Jiangsu Taihu Cambodia International Economic Cooperation Investment Co. Ltd., a China-based conglomerate, and Cambodia International Investment Development Group Co., Ltd. According to the plans, it is supposed to have a total surface area of 11.13 km². Currently, 5.28 km² are developed. It mainly hosts companies in the areas of textiles and garment, electronic products, hardware and machinery (“Cambodia Sihanoukville Special Economic Zone,” n.d.; “Interview: Chinese-invested Sihanoukville SEZ is model for SEZ development in Cambodia: Cambodian deputy PM”, 2019).

Currently, 161 companies are active in the zone, 148 of them are Chinese (Samath, 2019). In the second development phase, the focus is supposed to lie on electronic products. The goal is to host 300 enterprises and to create up to 100,000 jobs.

In 2018, the Sihanoukville SEZ exported products worth 372 million US\$ - an increase of 68 percent compared to 2017 (Hong & Yingqing, 2019).

The development of the Sihanoukville SEZ is the first Chinese-modelled SEZ outside of China and based on the concept of Shenzhen. Shenzhen reflects China’s economic opening, which started in 1978. This also included the policy to “invite the world” during the 1980s, meaning mainly attracting FDI (Shambaugh, 2013, p. 5). To

achieve this, the country created its first SEZ in Shenzhen in 1980. Once a small town consisting of several fishing communities, the SEZ gave the region an economic boost. Today, its 12,5 million inhabitants generate the highest income per capita in the country.

The basis for this success story were special economic regulations and economic incentives, such as tax holidays and lower tariffs to attract FDI. Shenzhen was a cornerstone for China's success today. The liberal economic environment in the city was later replicated in other parts of the country to promote innovation and development (Zoltai, 2018).

Shenzhen in its early days, after it was declared a SEZ, became known as the 'factory of the world'. Production and labor costs were cheap, attracting many manufacturing companies. In the course of time, Shenzhen experienced a remarkable transformation. It developed from a cheap production location to a metropolis and then to China's key innovation location, even called the country's Silicon Valley.

With the Sihanoukville SEZ, Cambodia strives to follow the example of Shenzhen. In this endeavor, it is supported by the Shenzhen Foundation for International Exchange and Cooperation, a private foundation run by the Chinese government (United Nations Industrial Development Organization (UNIDO), 2018).

Indeed, there are similarities between Sihanoukville and Shenzhen. Sihanoukville is experiencing a rapid economic and population growth which will most probably continue in the foreseeable future. This was the case in Shenzhen too. Leo Houg, a Chinese citizen, visited the city regularly in the 1980s and remembers: "All of a sudden, from one year to the next, there were cranes everywhere... You'd see a lot of young construction workers who had come here because salaries in Shenzhen were so much better, but they all said it was a terribly boring city. Throughout the 80s there was nothing to do besides work: just construction sites, factories and dorms where they kept squeezing more people in as the factories became active. Nothing else about the city was planned: just one more factory, one more dorm, and a wall all around ..." (Sala, 2016). In Cambodia, real estate experts see Sihanoukville's growth already

swapping over to the neighboring regions Kampot, Kep, and Koh Kong (Appendix K).

China then changed its strategy in the course of time. After its policy to “invite the world” in the 1980s, the country started to encourage commercial firms to “go out” and its organizations to “go global” in the 1990s (Shambaugh, 2013, p. 5). This strategy is still pursued: As labor costs became more expensive in China, companies were looking for new locations, and they found in Sihanoukville a favorable production site offering similar circumstances as Shenzhen. Just like Shenzhen in the 1980s, the Sihanoukville authorities attract FDI with a multitude of special incentives.

While an interviewed Chinese manager is not talking specifically about Shenzhen, he points out the similarities between China in its recent history and Sihanoukville nowadays: “Twenty years ago, it (China’s economic situation) was similar to Cambodia. Then, many foreign companies came to China to build factories, for example clothes factories like Nike. But this helped China to develop. Now, the economy grows, and costs got more expensive and the government tries to push the foreign companies out of China, and those companies move to other countries in Southeast Asia. Also, the Chinese learnt how the former factories produce, and produce in their way in countries like Cambodia” (Appendix E).

According to Chen Reth, director of the provincial planning investment division, the top priority is to make the Sihanoukville SEZ a major player in the inter-Asean trade (Suy, 2018a).

Ourjiangsu, a media platform owned by the provincial government of Jiangsu (China), boasts that the Sihanoukville SEZ has become a lighthouse project for the Belt and Road Initiative. In fact, it is not only a lighthouse project for the BRI, but it is the first SEZ China implements outside its borders. China wants to set an example and show to other countries how successful this type of economic development can be. This, at the same time, puts China under a certain pressure to demonstrate the success of the Sihanoukville SEZ.

Overall, companies have invested approximately 1.3 billion US\$ in the Sihanoukville SEZ from 2009 to the first half of 2018. In the same period, 2.4 billion US\$ were

invested in all SEZs in Cambodia, which underlines the importance of Sihanoukville (Sophal, 2018, p. 8).

A key measure of Cambodia's Industrial Development Policy 2015-2025 is to develop and transform Sihanouk Province into a "multi-purpose Special Economic Zone, following the concept of Special Administrative Region". It is planned to develop a master plan, legal and regulatory frameworks and other administrative arrangements. The province should get "full authority and jurisdiction for mobilization of resources, talents, investments and businesses to develop the province to become an economic pole and industrial, trade and tourist hub in line with sustainable and environmentally sound development concepts (...)" (*Cambodia Industrial Development Policy 2015-2025*, 2015, p. 30). This is also considered as a key priority for the Cambodian government in the current legislature (2018-2023) (*Rectangular Strategy Phase IV*, 2018, p. 29).

There were earlier plans to designate the whole area of Sihanoukville as a special zone. This was not realized, because some members of the government feared that Sihanoukville might become an independent area or even a separate nation (Sisovanna, 2011, p. 114).

This shows that the Sihanoukville SEZ, similar to Shenzhen in the 1980s, plays a major role in attracting Chinese FDI. Specific laws and regulations allow Chinese companies to operate manufacturing plants at lower costs than in their home country and profit from various privileges. The SEZ offers to China the same advantages Shenzhen offered to foreign investors in the 1980s. For Sihanoukville, it brings jobs and growth, like it was the case with many SEZ around the world. However, this comes at a cost for the workers and for the environment which will be discussed in the next chapter.

The Chinese Belt and Road Initiative in Sihanoukville

The Belt and Road Initiative (BRI) is a concept that has never been clearly defined by China. There is no official definition what a BRI project needs to entail, and there is

no list of approved BRI participants (Ang, 2019). There are no official documents about the BRI projects in Cambodia, neither in English, Chinese or Khmer (Appendix I). In the public perception and in the press, however, there is a strong tendency to give all Chinese activities the BRI stamp, whether this is founded on evidence or not. On closer analysis, however, it emerges that out of the numerous Chinese activities and projects in Sihanoukville, only two projects are definitively part of BRI: The Phnom Penh - Sihanoukville Expressway, and the Sihanoukville Special Economic Zone. They are officially cited as BRI projects by the Chinese government. For the abundance of new casinos and condos in Sihanoukville, however, the connection to the BRI is very difficult to establish. Their investors are private and sometimes state-owned companies from China. Whether they are funded from the sources made available under the BRI, i. e. loans from special investment funds and dedicated development banks, cannot be verified. As will be shown later in this chapter, this type of investments is rarely motivated by the intention to promote development and mutually beneficial relations, but they are rather of a more personal and short-term nature.

Therefore, it can be said that the role of the BRI in Sihanoukville is often overestimated. Contrary to what the local population thinks and contrary to the impression the media are creating, many investments are clearly not implemented under the BRI initiative, and for many other investments the link to the BRI cannot be established since there is no official information available. In addition, it is important to note that China has channeled considerable funds to Cambodia even before the BRI was launched.

Tourism and immigration – Sihanoukville as the ‘new Macao’?

The role of Sihanoukville as a tourist and immigrant destination is getting more and more important. Most of the tourists come from China: Almost 85,000 Chinese tourists visited Sihanoukville in the first half of 2018, accounting for 43.6 percent of all arrivals (Pisei, 2018c). And tourism in Sihanoukville is further growing according to the Minister of Tourism: “Especially the number of Chinese tourists is growing,

they are the number one of tourists here. The number of Chinese tourists will grow 30-50% every year. From 2016 to 2017 the number of Chinese tourists almost doubled.” (Appendix B).

Chinese overseas tourists are known for being generous with their money. According to a survey, they spent an average of 762 US\$ for shopping on their most recent trip. Non-Chinese tourists spend an average of 486 US\$ (Nielsen, 2017, p. 6). Therefore, investments in tourism in Sihanoukville are especially rewarding. And since Chinese tourists enjoy shopping in their holidays, investors build new shopping malls to cover the demand.

Chinese visitors can be divided into three groups – leisure tourists, who want to enjoy the beaches and the surrounding landscape; gamblers, who come to play in the casinos; and business travelers doing business in the city (Appendix E; Appendix H).

Sihanoukville’s attractiveness as a tourist destination offers investment opportunities which primarily private Chinese companies are trying to exploit. They expect good profits especially from the gambling tourists in the casinos but also from the rising real estate prices. The clients in the casinos are Chinese, while gambling is officially forbidden to Cambodians. Media even call Sihanoukville “the new Macao”.

These circumstances attract investments, mainly from China, into the real estate sector, that is in new hotels, condos, restaurants, resorts, malls and other properties in Sihanoukville. In the first eleven months of 2018, the Sihanoukville Land Management Department approved 297 construction projects (Manet, 2019). The real number is even higher, as bigger projects can only be approved by the Council for Development of Cambodia (“\$3 Billion Resort for Sihanoukville”, 2016).

The sheer number and also the size of these projects show that the investors perceive these investments as potentially very rewarding.

Especially the condo projects are implemented to serve the needs of the rapidly growing number of immigrants from China. While the Chinese population in Sihanoukville was very small a couple of years ago, the Chinese today represent the largest group of foreigners. It is estimated that Chinese nationals make up around 90 percent of the foreign population in Sihanoukville (“How China changed Sihanoukville”, 2019).



Figure 5: Constructions on Poulowai Street

While the total population is unclear, due to the rapid growth of the city and because there is no current census, it is estimated that currently 210,000 Chinese live in Cambodia, more than 78,000 of them in Sihanoukville, accounting to 30 percent of the total population. However, only about 20,000 of them have work permits, which is an indication that many Chinese might work illegally in the country, not paying taxes and not being part of the national economic statistics (Kimsay, 2018).

Generally, most Chinese immigrants work either in the online gambling industry, start small enterprises, have management positions, for example in hotels or in the Sihanoukville Special Economic Zones, or are sent as migrant workers to Sihanoukville to work on the construction sites.

Emigration from China in general has increased significantly during the past two decades. However, accurate statistics are not available (Shambaugh, 2013, p. 261). What is known is that 60 percent of the Chinese who possess 10 million RMB (1.45 million US\$) or more have begun the process of emigration or are planning to do so (Shambaugh, 2013, p. 255). Apparently, for many of them Sihanoukville seems to be an attractive destination for emigration and for investing their money.

Geostrategic considerations

As shown in the literature review, China wants to strengthen its position in ASEAN, but also on a global level, as reflected in the Belt and Road Initiative. Cambodia assumes an important role in this strategy, due to its geographic location and its willingness to cooperate with China.

For China, Cambodia is an important ally in the region. The country supports China on the international stage, supporting or blocking initiatives in the interests of China. Cambodia stood behind the Chinese claims in the South China Sea dispute, and it has defended China from criticism by ASEAN. In return, Cambodia has received many millions of US dollars through aid and loans. Between 2007 and 2017, Cambodia received approximately 4.2 billion US\$ of China's Official Development Assistance in the form of grants and loans (K. Heng & Po, 2017). Also, the Hun Sen regime profits from protection and political support by Beijing.

From a geostrategic perspective, the Cambodian coastline is the focus in China's plans to increase its influence in Cambodia. China has leased more than 20 percent of the country's coastline for 99 years, with two huge investment projects supported by the Chinese State: The Golden Silver Gulf Resort and the Dara Sakor Resort. Both projects are located near Sihanoukville, the first one in the neighboring province Koh Kong, the second one around ten kilometers southwest from Sihanoukville ("Chinese Investors Sign on New City Plans for Ream Park", 2019; Thorne & Spevack, 2017, p. 54).

With these investments, China secures its influence on the coastline, possibly having defense aspects in mind and preparing for potential military action. For example, the planned port for the Dara Sakor Resort might handle military vessels. Also, the size of the resort is criticized, as it is 36,000 hectares big, while Cambodia's land law states that only a maximum of 10,000 hectares can be leased.

Cambodia's location in the very proximity to the South China Sea is of strategic importance. In the case of an escalation of the South China Sea conflict, China would

benefit from a big Chinese community in Cambodia, and from infrastructure potentially suitable for military actions.

Another factor which would immediately increase Sihanoukville's importance if plans were to be realized, is the proposed Kra canal. The Kra canal would pass through Thailand, reduce shipping times significantly and solve the so-called Malacca dilemma: Most of China's exports and imports currently go through the Malacca strait. This tight strait, however, could easily be blocked by the US navy in case of a conflict. The Kra canal could be served directly from Sihanoukville's port. The topic is now more important than ever, as analysts believe that the canal could eventually be built under the Belt and Road initiative (Hutt & Crispin, 2018).

To sum it up: From the geostrategic perspective, Cambodia is a most useful ally to China. Since Cambodia urgently needs money from lenders and donors and the Western countries have practically stopped their engagement, China is more than willing to use the opportunity and step in. The excellent relations between the two countries allow China to expand its influence in the region, to secure Cambodian support for decisions and votes on an international level and to gain access to a coast line which is important in terms of trade and could become important in case of military disputes in the region. With every investment in Cambodia, the Chinese thus protect and expand their geostrategic, political and economic influence.

The role of the Cambodian government: Laws and regulations

Laws and regulations in Special Economic Zones

In the Sihanoukville Special Economic Zone (SSEZ), new businesses are exempted from business income tax for six to nine years. After this period, the tax is 20 percent. Companies in the SSEZ are not subject to value-added tax (VAT) on production equipment, building materials etc.

In Cambodia, there are no restrictions on foreign currency inflows and outflows. Foreign-owned companies have the same rights as Cambodian companies – they may

bring 100 percent foreign capital into all industries (“Silk Road Weekly Vol. 1 No.7,” 2016, p. 5).

Also, companies in SEZs get a full import duty exemption on production equipment and machineries, construction material, and production inputs. Investors are guaranteed that they face no discrimination, their assets will not be nationalized, they are not obliged to include local equity in their businesses, there are no price controls on products or services, and there is no restriction on foreign exchange and no capital control (Law on the Investment of the Kingdom of Cambodia, 1994).

Laws and regulations on casinos

Article 1 of the Cambodian ‘Law on the suppression of gambling’ states that “Gambling of all kinds, in all places throughout the whole Kingdom of Cambodia shall be strictly prohibited, except those permitted by the Royal government” (Law on the Suppression of Gambling, 1996).

This law only applies to Cambodian citizens, while foreigners are allowed to gamble. This prohibition, however, is not – or not always – enforced (Appendix Y; Lawton, 2018).

There are no specific regulations for casinos in Cambodia. Victor Chong Wei Yong, marketing director of the Jin Bei Group which owns one of the biggest casinos in Sihanoukville, says the market is ‘self-regulated’ (Wong, 2019a).

According to the US Department of State, the gaming industry is “unregulated or under-regulated”. It also states that casinos in Cambodia are a potential avenue to convert ill-gotten cash (U.S. Department of State, n.d.-a).

A casino operator needs to pay an annual license fee of 40,000 US\$ (Hutt, 2019). This makes it easy for small players to enter into the market. Compared to other regions with gambling industries this is only a slight hurdle: In Macao, for example, licenses are issued through a bidding process – two of the biggest casino operators there, MGM and SJM, had to pay 25 million US\$ for a two-year license from 2020-2022.

There is also a monthly fee, based on the casino’s location, the number of tables and slot machines operating, and the number of players; and a 100,000 US\$ security

deposit – however, it is unclear, whether the monthly fee and security deposit are really demanded in practice (Morton, 2014).

Casinos can also run online gambling platforms for an additional 10,000 US\$ fee per year (Turton & Chheng, n.d.).

According to Ros Phirun, the spokesman for the Ministry of Economy and Finance's gaming and casino department of Cambodia, the main reason for Chinese investors active in the casino sector is that once they have a license, they are also allowed to start online casinos: “They all come to do online gambling” (Styllis, 2017).

The author observed that there are rumors spreading in Sihanoukville that the Chinese government will restrict gambling in Macao soon (Appendix Y). Macao is the only region in China where casinos are allowed to operate. Indeed, the Chinese government announced that Macao should diversify away from gambling, and that policy and regulatory changes were to come (Master, 2019). It is not yet clear whether the licenses for the six operators in Macao will be extended after 2022. Therefore, they are reluctant to invest in new casinos in the city (“Macau casinos face 2020 licence expiry,” n.d.).

For this reason, all main junket operators active in Macao started investing in Sihanoukville. Junket operators are middlemen bringing VIP gamblers to gambling destinations (Wong, 2019b). Wealthy gamblers in Cambodia play an important economic role. In 2018, high-level players in NagaWorld alone spent 35.7 billion US\$. This amount exceeds Cambodia's GDP of 24.5 billion US\$ in the same year (Hutt, 2019).

Furthermore, the tax regime is very attractive for investors. Casino taxes are much lower than in other regions. Unlike in other countries, Cambodia does not tax casinos based on their Gross Gaming Revenue (GGR). NagaWorld in Phnom Penh, the biggest casino in the country and one of the over 150 casinos in Cambodia, paid taxes which would correspond to less than 0.5 percent of their GGR. Macao, in contrast, imposes a 35 percent tax on GGR (Hutt, 2019). NagaWorld Casino was able to generate a net profit of over 390 million US\$ in 2018 (Kimsay, 2019b)

All casinos in Cambodia paid around 56 million US\$ taxes in 2018, with a predicted growth up to 70 million US\$ in 2019 (Silverstein, 2019). It is also important to note that not all casinos pay taxes. In 2017, 93 casinos were operating, but only 78 paid tax (“New Casino Laws Drafted,” 2018).

The first draft of a new law on gambling, the ‘Law of the Management of Integrated Resorts and Commercial Gambling’ from 2014 has not yet passed the government. However, it is likely that the law will come into force soon. It will impose stricter regulation and new taxes. It aims to attract more large-scale investments and subdivides Cambodia into areas where gambling is prohibited, promoted, or favored. Sihanoukville will be a favored area (Guijarro, 2018).

Land laws for foreigners

In general, foreigners are not allowed to own land in Cambodia, according to Article 44 of the Constitution (realestate.com.kh, 2018).

However, foreigners can get control over land by buying it through a local company or by leasing it. The first option is usually associated with high costs. Land leases are normally valid for 50 years but can go up to 99 years (realestate.com.kh, 2017). Cambodia is the only country in the world where foreigners can lease land for such a long time. It is also the only country where foreigners can establish 100% foreign-owned companies in order to buy land and real estate. Both options are very attractive for investors (Levy & Scott-Clark, 2008).

While the constitution stipulates that foreigners cannot own land, there is an exemption: Foreigners can own up to 70 percent of units in any co-owned building through a strata title, which is a form of hard title. This law, which was approved in order to deregulate the sector, came into force in 2010, to attract foreign direct investors (“Deregulation encourages overseas investment in Cambodian real estate,” 2010).

There are more exceptions on offer, such as marrying a Cambodian citizen or becoming a Cambodian citizen (realestate.com.kh, 2018). Acquiring the Cambodian nationality is not difficult if the applicant is an investor and has enough money:

Foreigners who invest at least 1.25 billion riels (about 313,000 US\$) can obtain a citizenship for 75,000 US\$ (Kosal, 2018a). In theory, the applicants must speak Khmer fluently, however, usually no attention is paid to this requirement (Appendix E).

To sum it up, the laws and regulations of the Sihanoukville SEZ are clearly designed to attract more FDI in industry sectors. The non-existing regulation of the gambling sector already attracted investors, while a new gambling law giving Sihanoukville the status of a favored zone could turn the city into the new main gambling destination in Asia. Land laws, too, give incentives to invest in Cambodia, and support a construction boom in Sihanoukville.

Money laundering

As stated above, it is generally assumed that the Chinese launder large amounts of illicit earnings through casinos and online casinos.

But money laundering is also common in the real estate sector in Sihanoukville. Officials in the province have submitted complaints about this issue (Sokhorng, 2018).

A mutual evaluation carried out by the Asia/Pacific Group On Money Laundering states that “while Cambodia’s legal system provides a broad set of powers and responsibilities for law enforcement agencies to investigate and prosecute money laundering offences, there is no policy or practice of ‘following the money’ to identify and investigate money laundering”. There were only three investigations on money laundering; none of them led to prosecution proceedings or convictions (Asia/Pacific Group on Money Laundering, 2017, p. 4).

According to the evaluation, there is no specific law governing the casino and real estate sectors (Asia/Pacific Group on Money Laundering, 2017, p. 9).

The Financial Action Task Force, a global organization to combat money laundering, put Cambodia on its watchlist in February 2019, as one out of 12 countries in the

world, for its high vulnerability to money laundering (“Global watchdog to put Cambodia on its money-laundering watchlist,” 2019).

Although the legal framework for law enforcement is there, the laws are in reality not enforced. This seems to be an incentive for people to bring their illicit earnings to Cambodia. This assumption was confirmed in the course of the research, when a manager of a big construction site said that the construction company’s head had invested his illegal money into the enterprise (Appendix E).

Observers say that more than half of the luxury apartments and condos in Phnom Penh which are bought by Chinese are paid in cash, which is a sign for money-laundering (Elten, 2018). This is confirmed by Chen Jingjing, a sales agent of the Prince Group, which is constructing and has already constructed several high-scale projects in Phnom Penh and Sihanoukville, mainly luxury condos: “Around 90 percent of the units at Prince Central Plaza had already sold, with around half of the Chinese buyers paying cash.”

Mr. McLeod, a political risk consultant, said: “Given my experience doing investigations in Cambodia, I am convinced that laundered money from the P.R.C. is a substantial portion of property investment in Phnom Penh”. As the circumstances in Phnom Penh are comparable to Sihanoukville, it is to be assumed that this also applies to Sihanoukville (Horton, 2018).

This assumption is strengthened by a statement of Preap Kol, the executive director of Transparency International Cambodia. He says that illegal money in Cambodia is very often smuggled in at seaports and land border checkpoints and is most likely used to finance real estate developments, land purchases and games at casinos. The banking system in Cambodia is not strong and sophisticated enough to identify the sources of funds. To a considerable degree, the amounts of money that can be tracked back in banks for the construction and real estate sectors do not match with the number of property developments in Cambodia, particularly in the Sihanoukville province (Chan, 2019).

In the Basel Anti-Money Laundering Index 2018, Cambodia is ranked as low as on the seventh place out of 203 countries (Basel Institute on Governance, 2018, p. 3).

An important reason why Chinese people launder their money outside of China are the rigorous capital controls. China is striving to prevent too much capital leaving the country and has therefore tightened controls in the recent past, also and in particular for individuals, in order to protect its foreign exchange reserves (“China steps up capital controls with overseas withdrawal cap,” 2017). More and more companies and individuals had invested their money outside the country where they expected higher returns, but also wanted to safeguard it against the effects of the slowing economy and falling currency back at home.

Another reason for money-laundering is explained by a Chinese manager from a construction site: “In China (...) some people have a good job when they work for the government, because they can often earn some extra money. I mean illegal money. They cannot store this money in the bank or spend it for houses in China, because the government checks their official income before they invest. Those people often invest in foreign countries. For example, my boss also faces this problem. Because the government checks his income – he needs to invest this money in other countries” (Appendix E).

In summary, money laundering is one of the reasons for many Chinese to go to Sihanoukville, as Cambodian laws and regulations in this regard are not implemented. This attracts investments in sectors generally prone to money laundering, such as real estate or gambling where large amounts of cash are tolerated.

Conclusion

There are many diverse reasons for Chinese investments in Sihanoukville. On the one hand, they relate to the specific investor-friendly conditions and the good prospects of tourism in Sihanoukville and in Cambodia in general. On the other hand, they relate to economic and geostrategic interests of China and its new role in the global balance of powers.

Investments mainly go into real estate, gambling, industrial sectors, and infrastructure.

In real estate, the focus is on hotels, resorts, condominiums and apartments, and leisure and entertainment such as shopping malls and the gambling industry (Appendix A).

Chinese investments in industrial sectors are mainly seen in the Sihanoukville Special Economic Zone where companies produce textiles and garment, electronic products, hardware and machinery.

The biggest infrastructure projects are supported by the Chinese government: First, the Phnom Penh – Sihanoukville Expressway, second, infrastructure in the Sihanoukville Special Economic Zone, which are both part of the Belt and Road Initiative. Investments in other infrastructure, such as energy production, often serve to cover the demand created by the economic activities of the Chinese companies.

As shown in the literature review, political relations between Cambodia and China are excellent, based on traditionally close contacts between the two countries, which is also a reason for Chinese investments in Cambodia (Appendix E).

Cambodia has a stable economy and is one of the ten fastest growing countries in the world. The average growth rate between 1998 and 2018 was 7.7 percent (“The World Bank in Cambodia,” n.d.), mainly due to the tourism, garment, construction and real estate sectors and also due to the liberal foreign investment regime of the country. At the same time, economic growth in China is slowing. According to national statistics, the country had a real economic growth of 6.1 percent in 2018, which is above the rate of most countries of the Global North, but the lowest rate since 1990, when the economy crashed due to student protests in Tiananmen Square (Broadman, 2019). It is believed that growth will further slowdown in the coming years, according to OECD, World Bank, IMF and UN forecasts (knoema, n.d.). This puts the Chinese government under enormous pressure because without high growth rates the country risks social unrest and economic and financial crises.

Therefore, the Chinese government and Chinese companies look beyond their borders for new opportunities, especially since they have a lot of money available for investment. State-owned companies are using state-funded capital for Belt and Road projects in order to avoid further slow-down of growth (Boucher, 2019).

At the same time, the job market in China is tight, especially for skilled workers. As the population is huge, there is also a lot of competition, driving Chinese abroad where the demand for a well-trained workforce is higher (Appendix E).

Overcapacities have become an issue in China in the recent past. Combined with a slowing economy, they make investors search for new investment opportunities abroad. Cambodia is perceived as a good place for Chinese investors to reduce some overcapacities by investing in real estate and industry, transport infrastructure and energy production.

Not all investments in Sihanoukville are connected to the BRI. While it is in some cases, due to the lack of a clear official definition of BRI projects, difficult to establish which investments form part of the BRI, investments such as in casinos or condos are mainly implemented by private Chinese investors. Their drivers are not the promotion of trade, development and good bilateral relations, but short-term profit, speculation and other personal motives.

Chinese investors in real estate in Sihanoukville expect high returns. The Seagate Suite, for example, guarantees rental returns of up to 16 percent in two years (“The Seagate Suite,” n.d.-a). Gains from real estate speculation can be enormous.

The forecast growth of the tourism industry, including the gambling business, is also an important driver of Chinese investments. The growing number of flight connections and the expansion of the airport are indicators for the important role of Sihanoukville as a tourist destination. Also, Chinese tourists are well-known for their generous spending while travelling abroad. A report by Global Refund found that Chinese tourists spend more on average than any other nationality (Shambaugh, 2013, p. 255).

Since Chinese tourists are known for the generous spending when on their rare holidays, it is no surprise that investors build shopping malls. Several smaller malls have recently opened, and bigger ones are under construction, funded by Chinese investors (Appendix A). At the same time, the low-budget tourists which used to see Sihanoukville as an attractive destination have disappeared. Examples are

backpackers or sex tourists who saw in Sihanoukville a cheap alternative to Pattaya in Thailand (Appendix C).

In the recent past, mainly hotels in the upper price segment have emerged, which did not exist before, catering for Chinese tourists and businessmen (Appendix H).

Investments in condos and apartments are intended to cover the demand created by the increasing immigration from China to Sihanoukville. They mainly target Chinese working in management positions.

The unregulated casino sector clearly attracts substantial investments. The low barriers for the market entry attract smaller players. Comparatively low taxes are a further advantage. While a new gambling law could lead to a reduction of these smaller players, at least the bigger ones will stay. It is highly likely that bigger investors studied the circumstances for a market entry, including the law, which is under consideration since 2014, and came to the conclusion that this law will not threaten their investments. Also, Cambodia plans new regulations giving Sihanoukville a privileged position as gambling location. At the same time, in Macao, the casino sector has very insecure perspectives, which also supports Sihanoukville's prospects of becoming the main gambling destination in Asia.

Investor-friendly land laws for foreigners also attract Chinese investors. Further deregulation through strata titles successfully attracted even more FDI, evidenced by the current substantial investments in the condominium sector.

Cambodian laws, or more precisely, the fact that non-compliance is not sanctioned, play into the hands of real estate investors looking for money laundering opportunities which they find in the non-regulated gambling sector but also in real estate.

For the Cambodian economy, illicit earnings from Chinese people would not necessarily be a bad thing as they bring capital in the country. However, illegal activities undermine the rule of law in Cambodia, and this has become a more general problem since the influx of the Chinese to Sihanoukville, as will be described in chapter 4 in more detail.

Although the Sihanoukville Autonomous Port is not part of the Belt and Road Initiative, it has positive impacts on other BRI projects, such as the Sihanoukville Special Economic Zone, which benefits from the port connection, and the Phnom Penh-Sihanoukville Expressway, which will improve the connection between the capital and the port.

The current capacity and future expansion of the port and the resulting cost reductions will play an important role to attract foreign investments in industry sectors.

According to the Minister of Tourism in Sihanoukville, this especially attracts Chinese investors: “(...) Sihanoukville has the only international deep-water port in Cambodia. Chinese investors see the potential for the economic sector” (Appendix B).

It can be concluded, that infrastructure is an important driver for Chinese investments, both as prerequisites for investments and as profit generators. The cargo terminals of the Sihanoukville Autonomous Port make Sihanoukville the most important province in Cambodia in economic terms. The passenger terminal attracts cruise tourists, who usually stay in mid- to high-range hotels, a sector which is increasingly growing in Sihanoukville, due to the Chinese investments. The Phnom Penh - Sihanoukville Expressway attracts new foreign direct investment in Sihanoukville, improves the connection to the capital and will have, once finished, positive long-term economic impacts. The airport, which mainly serves Chinese customers, improves the link between China and Sihanoukville, which is a good prerequisite for further investments, as it makes it easier for businessmen in China to reach the city.

The SEZs in Sihanoukville, especially the Sihanoukville SEZ, which is part of the BRI, are an important factor for FDI, and its expansion is a main project for the current legislature period. The prospects for further investment in the successful Sihanoukville SEZ are good.

If the transformation of the whole Province of Sihanouk into a multi-purpose Special Economic Zone, based on the model of a Special Administrative Region like Macao or Hong Kong, will become reality, this will have far-reaching consequences which cannot be examined within the scope of this research.

The main advantage of the Sihanoukville SEZ over production areas in China are the cheap labor costs. Combined with investment-friendly laws and regulations, many Chinese companies prefer to relocate their manufacturing sites to Sihanoukville.

Effects of the investments on the locals

Introduction

The Chinese investments in Sihanoukville change the life of everyone living in the city. While a few landowners have made big profits and workers have found at least temporary jobs on the construction sites, others find it harder to survive and have in some cases no other choice but to move out of the city. Some of them must leave because they cannot afford the increasing rents, others are evicted to make room for new construction projects, also before the background of severe land title problems in Cambodia.

Chinese enterprises are active in all parts of the economy in Sihanoukville. Chinese street food vendors, restaurant chains, scooter rentals, barbers, pawnshops and massage parlors can be seen everywhere in the city, crowding out the local businesses.



Figure 6: Chinese businesses in Sihanoukville

The rapid changes not only have economic consequences on the lives of the locals, but they also manifest themselves in environmental and socio-cultural terms. Crime rates are rising, mainly due to Chinese not respecting the rule of law, leading to a

feeling of insecurity among the locals. Environmental problems are on the rise, since the existing infrastructure for sanitation, waste disposal or water supply was not designed for the needs of the rapidly growing population. Pollution from industry and the construction sites aggravates the situation, which also causes health issues.

These effects lead to anti-Chinese sentiments and the feeling of alienation among the Cambodians and cause conflicts between both groups.

Sihanoukville is a relatively new city. Therefore, for the purpose of this research, locals will be defined as Cambodians who have been living in the city for more than three years. Cambodians who arrived during the past three years are defined as internal Cambodian migrants; most of them were attracted to Sihanoukville because of the new work opportunities created by the recent Chinese investments.

Economic changes

Employment

The Chinese investments clearly created new job opportunities in Sihanoukville, mainly on the construction sites for the new real estate and infrastructure projects. In Cambodia, there was an increase of employment from 185,000 jobs in the construction sector in 2016 to 260,000 in 2017, due to the building boom in Phnom Penh and Sihanoukville (Pisei, 2018a).

The Sihanoukville SEZ will also bring new employment opportunities. More than 20,000 jobs were created since 2008. The aim is to generate 80,000-100,000 jobs in total in the second development phase, which is said to start soon (Kha, 2019).

According to a manager of the NGO M'Loap Tapang, these job opportunities attract many people from rural areas to the city: "What we're seeing, is (...) a large number of families who come to work at construction sites. And because you might now see when you drive around, it's entire families. Parents come to work there and bring their children" (Appendix C). However, jobs in the construction sector will decline once the building boom is over. But when this point in the development of the city will

have been reached, it is likely that there will be more well-paid and mid- to high-skilled jobs than today.

In principle, local Cambodians in tourist areas would find new jobs in restaurants and guesthouses or they would open food stalls or offer other services to the growing number of tourists. As a consequence, they would earn more money and have a more stable income.

The same could have been expected in Sihanoukville with the massive rise of Chinese tourists and migrant workers. But this did not happen. Most Chinese people eat in Chinese restaurants, where Chinese people are working. Locals are employed only in a few cases. At the same time, many local restaurants had to close because they could no longer afford the exploding rents: “A lot of small shop owners had closed, like street food sellers. Many were just been taking over by Chinese restaurants, or Chinese companies who just bought the land where people used to sell their food” (Appendix C).

Therefore, locals in the gastronomy are put at a double disadvantage. They do not profit from the new jobs because these go to the Chinese, and they even lose their existing jobs because rents are too high and also because their traditional clients – Cambodian and Western tourists – no longer see Sihanoukville as an attractive holiday destination due to the dominant Chinese influence and now prefer other places in Cambodia.

The same happens in the small shops and at the markets where the buyers are mainly locals, but not Chinese. According to a market seller in an interview, “... people at the market who sell vegetables and meat have a hard life now. They don’t earn enough” (Appendix T). The Chinese people in Sihanoukville buy Chinese goods imported from China in shops run by Chinese. Many shops do not stock a single local product.

In June 2019, the provincial government published an alarming report, stating that Chinese nationals own more than 90 percent of businesses in Sihanoukville; 95 percent of the licensed restaurants are managed by Chinese, and 96 percent of the hotels are owned by Chinese. This shows that the domestic economy in Sihanoukville has in fact now been taken over by the Chinese (Pisei, 2019d)

Many interviewed locals agree that indeed there are new employment opportunities and they expect more in the future (Appendix L). For example, a local working for a travel agency said: “When the Chinese build buildings and create business, they need a lot of Cambodian workers. We can get a big salary, much bigger than you can get it in other provinces. And I think we will have much more jobs in the future, because many tourists will come” (Appendix T).

However, as will be explained in the following, many new jobs are not available to all, as they will require new skills, such as at least a basic knowledge of the Chinese language, and often it is more the internal Cambodian migrants, who gain benefits from new jobs. The interviews with local beach vendors showed that they generally earn less money now. Contrary to other interviewees, informal beach vendors had a pessimistic view on future employment opportunities related to the Chinese investments (Appendix L).

At the same time, Chinese employers pay higher wages to Cambodians who get these jobs and thus profit from the Chinese investments (Appendix B). However, here again it is to be noted that these jobs often go to internal Cambodian migrants. But a side-effect of the higher wages paid by the Chinese are rising prices in the city for basic products and services, which will be discussed later.

People who speak Chinese already today can earn higher wages than before (Appendix L). Many locals therefore learn Chinese now, however, not everyone can afford to pay a language course. On a billboard in Sihanoukville, Chinese translators are offered between 700 US\$ and 1,200 US\$ per month, while a garment factory worker earns a minimum monthly wage of 170 US\$ and a civil servant 250 US\$ (Faulder & Kawase, 2018).

The owner of a travel agency replied to the question whether he earns more money because of the rising number of Chinese tourists:

“At the moment I earn less money. But I plan to change my business, to serve for the Chinese. I learn Chinese language now and when I’m good enough I will change my business, and maybe do a car rental. With this I can earn around 1,000\$ a month.” (Appendix T).

New employment opportunities are not equal.

In general, Chinese people have better chances to get a job in the upper segment than Cambodians. Some Chinese companies do not employ Cambodians at all, and many hotels only employ Cambodians in menial jobs. For example, a Cambodian, working for a Chinese-owned five-star hotel says: “There are many Cambodians working here as well as Chinese. For the high-level positions, mostly Chinese people are chosen and less Cambodians. They tend to give the privilege to their own race rather than choosing locals for a manager position unless they have to.” (Appendix H). In the Sihanoukville SEZ, almost all laborers are Cambodians, while the vast majority of the managers is Chinese (Franceschini, 2019, p. 85).

The same can be seen on the construction sites around the city: “Since most projects in the province are financed and developed by the Chinese, high-skilled jobs are usually given to their nationals,” said Non Thim, a construction analyst in Sihanoukville (Wong, 2019c).

The case of a Chinese state-owned company which does not employ Cambodians due to its internal rules is no exception but rather the rule, according to William Callahan, expert on international relation with a focus on China (Appendix E; Appendix J). This shows a general unwillingness to employ locals. But there are also other reasons: Many Cambodians do not have the necessary skills for the work, especially language skills (Wong, 2019c). Also, it has to be taken into account that the education system in the country still has not completely recovered from the effects of the Pol Pot regime and its “lost generation”. Another reason are differences in culture or perceived differences, so that Chinese tend to stick to their own people (Appendix C; Appendix E).

In general, perspectives are bad especially for low-skilled people who do not work on construction sites or in sewing factories. This applies to many locals who work for instance as beach vendors, market sellers, hairdressers or taxi drivers (Appendix B; Appendix L). For example, a beach vendor selling sunglasses replied to the question if he does business with Chinese tourists: “It’s very hard. They don’t speak English. I try to sell but they often don’t want to buy from me.” (Appendix X).

Concerning employment, therefore, it can be summarized that many poor locals do not benefit from the investments, especially those working in informal tourist sectors. On the other hand, new jobs are being created, but mainly for low-skilled workers while higher positions are filled by Chinese.

Rising prices

Prices for all goods and services in the city are rising. Land and rent prices in particular are skyrocketing. This mainly affects the poor local population in Sihanoukville. They can no longer afford to live in the city and move away (Appendix L).

This is confirmed by the Minister of Tourism in Sihanoukville: “The inflation grows – the Chinese come and buy everything, and so all prices increase. The people who can get money from Chinese have no problems, but simple people get negative impacts from this Chinese development.” (Appendix B).

The poor locals who still live in Sihanoukville mainly work at construction sites, where they live in camps (Appendix C). Others live in slums where they do not have to pay rent (Appendix Y) Many people moved outside of Sihanoukville, but still work in the city.

But not only the poor locals are affected. Many locals with a middle-class income have to move as rental prices are the highest in Cambodia. According to several Chinese living in the city, they are higher than in Beijing (“A Chinese View on Sihanoukville,” 2019; Appendix E; Tostevin & Thul, 2017). This explains why also many Western expats cannot afford to pay the rent in Sihanoukville anymore (Appendix Y; Howard, 2019, p. 21).

Land prices in the city center are around 4,500 US\$ per square meter, according to the CEO of Lucky Realty Co. Ltd., Dith Channa (Pisei, 2019c). Land prices per square meter in the Sihanoukville Special Economic Zone are higher than in Hong Kong (Wong, 2019c). On the coastline, luxury apartments such as the 38-storey Blue Bay Resort are offered for prices ranging from 125,000 US\$ to 500,000 US\$ (World Bank

Group, 2018, p. 40). An interviewed bar owner who had invested 30,000 US\$ in her place can sell it now for 90,000 US\$ (Appendix O).

There are no official statistics on rental prices, but according to several newspaper articles, they have multiplied (Kosal, 2018b; Pisei, 2018d, 2019c).

A glaring example for this development is the local NGO M'Lop Tapang. The NGO had rented an office space for 500 US\$ a month. Now they are asked to pay 5,000 US\$, which they obviously cannot afford. This is a problem for other NGOs as well: “We are lucky that we own the land of the main office, a lot smaller NGOs that did not own land are not working in Sihanoukville anymore” (Appendix C).

While many of the locals have moved away from the city, the city continues to expand and to grow because the Chinese immigrants can afford the high prices and internal migration is on the rise, as those people mostly get free accommodation by their Chinese employers. Yun Min, former governor of Sihanoukville, estimates that half of the property in the city is rent by Chinese (Tostevin & Thul, 2017).

Taxes

Although there are no current official data on tax revenues in Sihanoukville available, it is believed that tax revenues from Chinese immigrants and tourists have increased significantly and will continue to increase.

The Chinese in Sihanoukville are generally wealthier than the local population, they invest heavily and pay higher rents. All this stimulates tax revenues. Also, according to Tang Sopheak Krisna, the Minister of Tourism in Sihanoukville, Chinese tourists in general spend more money than Western and local tourists. However, currently there are no official data on tourist expenditures available yet (Appendix B). In addition, the increase in population alone has a positive effect on tax revenues.

Higher tax revenues should enable the government to spend more money for the benefit of the population, for example on schools, hospitals, roads, or the sewage system. Such effects can currently not be observed in Sihanoukville. Since the really massive inflow of Chinese investments in the city has only started a few years ago, it

can be assumed that it takes time until the tax effects translate into more expenditures for the population. Positive effects are therefore expected in the near future.

There are also no data available on company tax revenues. The Special Economic Zones in Sihanoukville profit from substantial tax exemptions, as do foreign direct investments in general. Therefore, it is not possible to assess whether the Chinese investments are beneficial to the city from a tax perspective.

Other findings related to economic changes

In general, wage levels have risen, and poverty has declined in Sihanoukville. The latter, however, might also have to do with the fact that many poor locals moved away (Pisei, 2018a). It can therefore be said that the changes brought about by the Chinese investments in Sihanoukville shifted at least some poverty to other regions.

The poverty shift is also connected with the move of Western tourists and expats to different places, in the following explained by David Shoemaker from M'Lop Tapang:

“One of the biggest changes we’ve seen of the families we work with, is: When Sihanoukville was more of a destination of Western and local tourists, it was different families and children who have moved here, because it was easier to beg for money, and sort of live on the streets. We’re not seeing that as much anymore, because culturally they can’t make the same amount of money with the new Chinese who are living here. So, we’re seeing a lot of poor families that used to come for that purpose not come here anymore and move away to different places, especially Kampot. So, it’s not that they’ve stopped, they’re just moving to a different location. A lot of the families that we’ve worked with before just can’t afford to live here anymore. When we were working with poor families, people used to rent like a very small room and paid maybe 60\$ a month – now it’s around 250\$ a month. It’s incredible, those poor people just can’t afford to live here anymore” (Appendix C).

The rising wage levels are also related to the general growth of the Cambodian economy. Cambodia’s economy has recorded an average annual growth of 7 percent

over the last two decades. Due to this successful development, the country is no longer a low-income but a lower-middle income country. On a national basis, the GDP per capita raised from below 500 US\$ in the early 2000s to 1,384 US\$ in 2017 (“World Bank: GDP per capita,” n.d.). In Sihanoukville, the GDP per capita in Sihanoukville was over 2,000 US\$ in 2017 – the highest in Cambodia (Cheng, 2019, p. 8). More recent statistics are not available, but it can be assumed that the figures have further increased.

In the local population, the big winners in economic terms are Cambodians who own land or property, due to the exploding real estate market. Many internal migrants, but also locals have new jobs, mainly low-skilled ones in the construction sector and in the Sihanoukville SEZ. However, the more substantial economic benefits resulting from the Chinese investments are confined to the Chinese community.

Evictions

Eviction of local communities and land grabbing are one of the greatest concerns related to the influx of Chinese investments and the resulting real estate boom. Evictions have caused a lot of suffering among the locals in Sihanoukville as the examples below will illustrate.

The demand for land for the Chinese investments, the extraordinary high profits expected from real estate speculation and the high rents to be generated from new, i.e. Chinese, tenants all fuel the real estate boom. There are cases of landlords who unlawfully terminated their tenants' contracts because they can earn more money with Chinese immigrants (Ng & Phang, 2018; Tostevin & Thul, 2017).

At the same time, the legal situation in Cambodia is very problematic with regard to land titles and their enforcement. There have been land law reforms since the 1990s, and officially the country has a legal framework for land administration. However, in reality many land titles are still far from being clear and safe for the locals. With high levels of corruption among officials, lack of transparency and low chances for the locals of winning court cases, the situation is alarming. It is especially disconcerting that the Cambodian government supports some of the forced evictions, putting

economic motives above human rights and the protection of its citizens. The following examples will illustrate this.

An overview of evictions in Sihanoukville

Evictions at Occheutal Beach in April 2016

On the fourth and the ninth of April 2016, beach vendors were forcibly evicted at Occheutal beach in Sihanoukville, and restaurants were closed. First, it was also planned to evict beach vendors at Otres beach, but this was not carried out. 96 structures at the beach were destroyed (Ford, 2016; Odom, 2016; Sotheary, 2016).

The vendors were officially asked beforehand to leave on a voluntary basis, otherwise they would be forcibly evicted. 150 beach vendors protested against their eviction, and 62 signed a petition (Suy, 2016). 32 families were offered a compensation of 3,500 US\$, 26 families accepted the deal, while others said this would not be enough to set up a business elsewhere (Suy, 2016).

On one of these pieces of land, a construction site for a hotel, the Sokha hotel, was started. This was illegal, since by law an area of 50 meters from the beach belongs to the state and may not be used for building projects (Odom & Wright, 2016).

Evictions at Occheutal beach at the end of 2017 / beginning of 2018

At the end of 2017, a new wave of evictions took place on Occheutal Beach. According to Prak Visal, former deputy director of the Sihanoukville Administration Department, contracts with vendors who were evicted had expired, so the evictions were in accordance with the law. On Occheutal Beach, a new development project will be implemented by a Cambodian conglomerate group and a Chinese company (Sokhorng & Spiess, 2019).

Evictions near Otres in January 2019

After a protest of locals who were forcibly evicted, six persons were arrested, and one was seriously injured on the 24th of January 2019. The protestors had built barricades, and the police started firing at them. The protesters claimed that the ownership titles

of the land were unclear (“Six Arrested, One Critically Injured After Police Fire on Land Protest in Cambodia’s Sihanoukville Province,” 2019).

In the wake of these events, Hun Sen fired two deputy governors around 1 March 2019. An investigation was initiated on the role played by the provincial military commander, and five members of the Royal Gendarmerie were faced with 'administrative measures' (“Cambodia’s Hun Sen Fires Deputy Governors Involved in Land Dispute Crackdown,” 2019).

In conclusion, forced evictions are one of the most lamentable effects resulting from Chinese investments. However, they are only possible because the Cambodian government and officials support them, against a background of corruption, intransparency, an ineffective judicial system and unclear land titles.

Responsibility of the Chinese businesses towards the workers and the local community

While the new jobs in the Sihanoukville SEZ and in other parts of Sihanoukville are most welcome, they also have aspects on the bad side. These are related to the working conditions and the disregard of laws in the Sihanoukville SEZ. Although Cambodia officially allows labor union pluralism, no labor unions are active in the Sihanoukville SEZ. At the same time, factory workers in the zone are disempowered and exploited and would urgently need organizations protecting their rights. If they make attempts to organize unions or express discontent, they get blacklisted, and their photos and other personal details are circulated among the factories in the SSEZ. Usually, workers get hired on short-term contracts for three to six months only (Franceschini, 2019).

The Cambodian Center for Human Rights (CCHR) found out that there were Human Right violations. Workers were forced to work overtime for longer times than allowed by law. Wages were deducted by 20-30 US\$ if workers were absent for a day without a medical certificate or an unauthorized leave of absence. The CCHR cites restrictions on the freedom of expression, of assembly and of association. Workers who created

unions and associations, or tried to, got fired (Cambodian Center for Independent Media, 2018).

On the construction sites, the living conditions are in many cases below acceptable standards. Often workers bring their families to live on the construction sites, although sanitation and other utilities are hardly existing there. Their children have no access to education. The fact that many young people seek work on the construction sites, has led to the rise of drop-out rates from school (Appendix C).

The constructions itself are often dangerous. The World Bank called Sihanoukville in a report of 2018 a city of “uncontrolled real estate development”. The construction permits are granted on a case-by-case basis, often known as ‘built first, license later’. At the same time, the provincial departments are only authorized to control buildings which have received a license (World Bank Group, 2018, pp. 40–41). This lack of control leads to dangerous and sometimes life-threatening construction sites. In June 2019, a building collapsed, leaving 28 people dead and 26 injured. As a consequence, the governor of Preah Sihanouk, Yun Min, resigned on June, 25 (Narim, 2019b).

Dangerous construction sites and low-quality buildings are a recurrent discussion topic in the expat community of the city, as even high-rise buildings are often built without a proper foundation. Some buildings are even built on sand (Appendix Y).

However, there are also examples of how Chinese companies try to assume responsibility for the local workers and to share some benefits of their investments. Mainly low-skilled and female workers work in the Sihanoukville SEZ, which can be seen as a contribution to the goals of social and economic inclusion. Free vocational training for technical skills for workers and students from the area is provided in a vocational training center funded by the Chinese government. The ‘Cambodia-China Friendship Polytechnic Institute’ is training more than 700 students since its opening in 2018 in fields like accounting, tourism and computing (“Jiangsu promotes joint venture development in Cambodia,” 2019; Kha, 2019).

There are also examples of Chinese businesses trying to support the local community. M’Lop Tapang, the biggest NGO in Sihanoukville, is cooperating with a few Chinese enterprises: “(...) our organization is trying to network with the new Chinese

businesses to get support and cooperation in training, child protection and fundraising. And there's been a couple of companies that are being generous in supporting our programs. There are a lot of negative things happening right now, but there is potential for good things to happen." (Appendix C).

The Jin Bei Casino, currently one of the biggest casinos in the city, organized a cleaning day on 30/04/2019 in cooperation with the Ministry of Tourism. Their casino staff cleaned up Occheutal beach (Appendix Y).

Other hotels and investors donate money for education and for aid projects such as orphanages ("Corporate Social Responsibility," 2019; "Corporate Social Responsibility," n.d.; Hodo Group, 2018; "Jin Bei Group donates US\$20,000 to Sihanoukville Gov't," 2019).

Crime

With the new Chinese influence, crime incidents and violence have become more common. From 2017 to 2018, the crime rate increased by 25 percent in Sihanoukville, according to official statistics (Kimmarita, 2019).

Of all foreigners, Chinese nationals are the most criminally active in Cambodia. 241 out of 341 foreigners who were detained in the first quarter of 2019 were Chinese (Nachemson & Meta, 2019).

The Chinese in Sihanoukville often show disrespect for the local culture and the rule of law, knowing that law enforcement is ineffective, and fines can easily be avoided by bribing the officials. Against this background, gun shootings, violent attacks and drunken driving have increased, creating a general atmosphere of insecurity among the locals. This is not only a local problem: Due to a lack of law enforcement, the non-observance of existing laws and wide-spread corruption, Cambodia is the second last out of 113 countries in the rule of law index 2018 (Neukom, 2009, p. 21).

In January 2018, Yun Min, the then governor of Sihanoukville, wrote a letter to the Interior Minister, complaining about the situation: "It provides the chance for Chinese who are part of the mafia to do criminal [activities] and kidnap the Chinese investors

and create an insecure environment in the province.” (M. Dara, Aless, & Sassoon, 2018).

The Chinese Embassy offered its help to get the situation under control, but also pleads for enhanced law enforcement (Suy, 2018b; Vireak, 2019).

A manager from Don Bosco Guesthouse, which is run by an NGO to provide vulnerable young people with professional training, confirms that the situation got worse with the new Chinese influence: “Before, we never had problems. Now, many fights happen nearby from Chinese people.” (Appendix V). Other interviewees complained about Chinese people driving too fast and about nocturnal disturbance (Appendix M; Appendix N).

There are many newspaper articles on criminal incidences such as kidnapping, extortions and assassinations (Neubauer, 2018b).

In October 2017, 74 Chinese were arrested and detained for telecom extortion scams (Thul, 2017). In May 2019, a Chinese man was shot by another Chinese in the daytime in front of a hotel (Narim, 2019a). In the same month, a Chinese national was arrested, after stabbing another Chinese and injuring him seriously (Sarom, 2019).

Less visible to the locals, but not of a lesser criminal nature are the money laundering activities by the Chinese. For the reasons described in chapter 3, the casinos and the real estate sector in Sihanoukville are attractive places for Chinese to launder money. Here again, laws and regulations are either lacking completely or they are not enforced. Finally, also the evictions and land grabbing cases show that the laws are not respected and not enforced when it comes to Chinese interests.

Environmental and health issues

Since the construction boom in Sihanoukville started and the population in Sihanoukville increased in the wake of the substantial immigration of Chinese, several environment and health issues have developed or worsened. The problems concern the inadequacy of urban infrastructure, pollution by industrial and construction activities, and threats to the health of the citizens.

Waste Disposal

Sihanoukville has had a waste disposal problem for many years (Meta & Amaro, 2017). When locals in 2017 complained about inadequate waste disposal, the provincial



Figure 7: Garbage at Occheutal beach

government changed the garbage collection company (Meta, 2017). But problems worsened with the new company and also with the increasing pressure on the waste management systems due to the Chinese influence. The company is finding it more and more difficult to recruit waste collectors as other jobs are better paid, and rents are too high to make a living as a waste collector in Sihanoukville (V. Dara, 2019a).

Besides citizens disposing of their waste illegally, also many construction sites get rid of their waste illegally, dumping it on places not suitable for this purpose. Others simply burn it, considering the costs for the waste disposal company as too high (Appendix E). The generally low environmental and sustainability standards on the construction sites also contribute to negligence and carelessness when it comes to waste disposal.

Due to the rapid growth in the city, the sheer amount of waste is increasing, too. The waste management systems are not designed for these volumes. Therefore, the company extends the intervals between the picking up of trash (Appendix C).

This has health-related consequences, David Shoemaker, who works for the NGO M'Lop Tapang says: "We're also seeing a lot of new health problems now. Many kids are coming to us with skin infections. Our doctors and nurses have always worked

with diseases caused by living in poverty, like malnutrition. But now we're seeing a lot more things related to pollution, dirt and so on.” (Appendix C).

This problem could be solved if the government ensured the compliance with the contracts concluded with the garbage disposal company. Construction sites and other places where waste gets disposed illegally should be monitored more closely, and basic rules should be enforced.



Figure 8: Uncollected garbage in Otres

Sewage and drainage systems

The World Bank indicated in a report from 2018 that Sihanoukville is highly vulnerable to floods and needs urgent improvements in drainage and flood protection (World Bank Group, 2018, p. 33).

Four wastewater treatment plants were built and are in operation since May 2019. Further modernization of existing treatment plants and new drainage systems are planned (Sotheary, 2019b).

Currently, the existing systems are not effective enough. In addition, wastewater from some hotels and casinos is flowing without treatment into the sea, causing

environmental and health problems (Sotheary, 2019a). In fact, several big hotels which opened only recently are accused of introducing their sewage water directly into the sea, amongst them Sokha hotel, Xihu hotel and Sunshine Bay hotel (“Alarming: video shows Sihanoukville’s Independence Beach awash with sewage,” 2019; Sotheary, 2019a).

Seawater which was tested at Occheutal beach included E. coli, trichomonas intestinalis, trophozoite and ammonia, originating from human feces and urine. This can lead to diseases like diarrhea, vomiting and stomachache. Some of these pollutions may even be lethal.

Another environmental issue relates to the drainage systems in Sihanoukville. Rice fields and other natural drainage areas are more and more often replaced by roads and buildings. This makes the city more vulnerable to floods. David Shoemaker from the NGO M’Lop Tapang said that floods increased in 2018 due to the construction activities, and they expect increasing problems in the whole city in 2019: “(...) one of the things we are most worried about, that will affect everyone living in the city: Last year for the first time in ten years, this center flooded and caused a damage of about 100,000\$. Before, the water used to come to the road in the rainy season, but it never came inside. We know it’s going to be worse this year. In many different parts of the city were rice fields or natural drainage areas that have now been filled in to make room for construction. We anticipate every part of the city is going to get flooded in this year (Appendix C).

It is likely that most negative impacts regarding sewage and wastewater treatments are temporary, as systems get expanded. However, the flood problem could develop into a serious issue, as there is no comprehensive urban plan addressing this problem, and existing urban planning concepts such as the ‘Sihanoukville Master Plan’ are not implemented.

Chinese investments in Sihanoukville therefore come at a cost for the environment and for the health of the citizens. The situation might improve in the future when the construction projects have been finished and higher environmental standards in

general have been established. However, the government should take immediate steps to protect the environment and the people.

Socio-cultural identity

The speed of the development in Sihanoukville is overwhelming for many locals. They observe the changes in their immediate surroundings without being able to influence them. While they may appreciate the advantages of development and growth in theory, the majority of the locals only get the disadvantages in their everyday life.

At the same time, they see that a small group of their Cambodian countrymen – landowners, wealthy businesspeople and the political elite – is profiting enormously from the new opportunities and maintains excellent contacts to Chinese businesspeople. This further aggravates the feeling of being excluded and put at a disadvantage. It promotes division and hostility and a feeling of alienation in their own society. Grudgingly, they say, who has the money has the power.

And the money comes mainly from the Chinese. The Chinese now stand for approximately 30 percent of the population of Sihanoukville. They have changed the city landscape completely, putting their Chinese stamp everywhere. They are not interested in the Khmer culture and language, in mingling with the locals or in learning their values and their habits. They keep to their own community and do not initiate contacts with the locals except if there is a business need behind.

They often show disrespect for the rule of law.

A good example of this is the case of the Jinding Hotel and Casino at Koh Rong Samloem in Sihanoukville province shows how some Chinese immigrants ignore laws and authorities:

The casino was being built illegally on a public beach, had no authorization from relevant authorities, used an expired gaming license, promoted illegal online gaming, played music too loud and harassed local residents, and on one occasion, the casino's

security chief had fired gunshots into the air (Finney, 2019; Mother Nature Cambodia, 2019).

After an activist group drew attention to the grievances, and newspapers reported on that matter, the provincial administration ordered the hotel to close on the 22nd of March, but it continued to operate.

After the activists published another video, showing that the hotel is still open and also allows Cambodians to gamble, which is illegal, the provincial hall sent a letter to the provincial police headquarter on the first of April, asking them to ensure that the hotel closes, but the police ignored the instruction. Additionally, the police said it was the responsibility of the provincial committee to decide on the next steps, while the spokesman of the provincial hall, in turn, referred the issue to the police headquarter (Savi, 2019).

Not surprisingly, this creates hostility and anti-Chinese sentiments. Many locals fear they could lose their cultural identity – of which they are proud - and be forced to adapt to the way the Chinese dominate their city. This is especially visible in the use of Chinese language and disrespect of the Khmer language. By law, the Chinese are obliged to put up their signboards, business signs and banners both in Chinese and in Khmer. However, they are very careless in doing this – if they do it all. In Sihanoukville, at least 391 banners with mistakes in the Khmer translation were removed by the authorities alone in 2019 so far (V. Dara, 2019b).

Where this clash of cultures and divisive tendencies in society will finally lead to cannot be said yet. However, hostility, fear and suspicion towards other ethnical groups and divisions within societies have never in history led to a beneficial co-existence.

Conclusion

The rapid transformation of Sihanoukville during the recent years has strong effects on the lives of the locals, both positive and negative.

In economic terms, the biggest changes have occurred and will continue to occur in terms of employment. In general, there are a lot more work opportunities, compared to the time before the large-scale Chinese investments started, and the jobs are better paid than comparable jobs in local companies. However, many of those jobs go either to Chinese or internal migrants.

Most of them are low-skilled positions at construction sites and in the Sihanoukville SEZ, bringing thousands of internal migrants from rural areas in search for a better life to Sihanoukville. In contrast to Cambodian companies, the Chinese companies very often provide accommodation to their workers.

However, if the economic situation of the local population is seen as a whole, it is only the small group of land and property owners in Sihanoukville who really profited, due to the exploding real estate market. The majority do not benefit to a degree proportionate to the enormous investments in the city. Moreover, most local businesses already got replaced by Chinese nationals.

Still, altogether the economic impacts of the investments are rather positive for the locals, creating more jobs, increasing the local GDP and tax collections and reducing poverty. The latter effect, however, might also result from the fact that many poor locals no longer can afford the prices in the city and have to leave.

At the same time, there are also examples of Chinese businesses assuming social responsibility. They offer free education and vocational training, donate money for vulnerable people, and cooperate with M'Lop Tapang, the biggest NGO in the city.

Speaking of the negative effects, two major problems in terms of employment are apparent. First, many Chinese companies refuse to employ Cambodian nationals, either because of a general unwillingness, or because there are political reasons behind it in the case of state-owned companies, or because of cultural differences.

The second problem is education. There are not enough well trained and qualified Cambodians who are fit for higher positions, and – even more important – many Chinese companies require Chinese language skills. While many locals in

Sihanoukville are currently learning Chinese, too few have acquired the necessary competencies as yet.

Worst affected by the changes are locals working in the informal tourist sector, for example beach vendors or food stall owners. While Chinese tourists do not buy from them because of the language barrier and because they prefer vendors from their own community, the number of Western tourists, who traditionally were good clients, has steadily declined in the past few years. Combined with the rising costs of living in Sihanoukville, they are facing severe problems now, and many of them move away.

The case of the informal tourist sector is an example where the Chinese investments have directly increased inequality. The beach vendors, food stall owners or hostel operators made a decent living before the Chinese arrived. Now, however, their situation has severely deteriorated and they are no longer able to earn enough money. They are poorer than before.

Rising prices are the main problem affecting the locals in Sihanoukville, also increasing inequality considerably. They are directly resulting from the Chinese investments and the presence of the Chinese community. Especially the rents, higher than in Beijing now, are driving locals out of the city. This is even admitted by the local Minister of Tourism. A side-effect of the increasing rents is that many NGOs can no longer afford to remain in the city and support the needy population, making the poor even more vulnerable.

Forced evictions are another big issue on the negative side. They cause a lot of anxiety, unrest and criticism, in particular because the locals cannot rely on their government to protect them. The Cambodian authorities in many cases do nothing to prevent breaches of law or enforce sanctions and have in some cases even initiated them.

Cambodians see how much money is flowing into the city and how wealthy many Chinese are, while they themselves are not much better off than before, or even worse in some cases. The fear of the locals that their city will lose its 'Cambodian-ness' is justified in an environment where by now less than 10 percent of the businesses have remained in the hands of local Cambodians.

The case of Chinese companies in the Sihanoukville SEZ, where Cambodian laborers are put under great pressure and are not allowed to establish labor unions shows two things: First, the mindset of many Chinese companies who are not interested in good working conditions but only in their profits, and second the unwillingness of the Cambodian government to enforce the law and protect its citizens. But economic growth at the expense of the rights and the wellbeing of Cambodia's own population is not a sustainable path.

The rising crime rates in Sihanoukville since the arrival of the Chinese also show that the current way of development has problematic aspects. Crimes have increased because of the many new casinos which attract a more criminal-prone clientele, such as Chinese laundering their money. Also, the Chinese in Sihanoukville often simply do not respect the law – knowing it will not be enforced anyway – and they in general show no interest in the local rules and values. This leads to a rising feeling of insecurity among the locals and resentments against the Chinese community in general.

The majority of environmental problems and associated health risks, both related to construction sites and the general growth of the city, could be of a temporary nature -, provided the government really commits itself to implement good solutions serving the interests of the population.

Many problems like these and others could be solved if only the existing laws and standards were enforced. As long as this does not happen, there is a big risk that the gap between the local and the Chinese communities widens further. The locals see that their culture, their values and their laws are disrespected and the Chinese influence dominates their city more and more. Combined with the economic inequalities between the two groups, this increases the risk of further deteriorating relations and the rise of conflicts. The alienation between the two communities is already obvious and might pose a threat to the future development of the city.

Conclusion and Recommendations

Conclusion

The example of Sihanoukville shows that there are various reasons for Chinese investments, one of the most important being Cambodia's strategy of attracting more FDI in order to stimulate growth and development. This is an important step for Cambodia, which despite its high growth rates is still a poor developing country confronted with the challenges and opportunities of globalization.

Cambodia has, like most developing countries, both a shortage of capital and a shortage of technology. Its capital markets are underdeveloped and its capacities to innovate and develop technologies are extremely limited, due to the rudimentary education system. To solve this problem, the country decided to use FDI as the engine of growth. In terms of capital, this strategy has obviously worked well and is one of the reasons for Cambodia's stable growth of seven percent annually. The billions invested in the city will create new economic opportunities and improve development prospects for the future. In terms of technology, however, this strategy entails risks. Superficially, it sounds promising to adopt and adapt technology through FDI. But foreign technology alone is not sufficient to make this model successful: Cambodia also needs high-skilled workers who can undertake sophisticated tasks. The current education system, however, does not train enough well-qualified workers, and most Chinese companies in Sihanoukville also do not train Cambodians.

Cambodia's strategy to attract FDI in Sihanoukville reflects various features which can be characterized as manifestations of economic neoliberalism. While neoliberalism is not a strictly defined concept, for the purposes of this research it is understood to mean policies favoring the private sector, deregulation and free markets and free trade across borders and limiting the role of the state to the absolute minimum, while stressing the responsibility of the individual.

Foreign direct investments in general correspond with the concept of economic neoliberalism as they are an expression of the free forces of the market and individual freedom of the entrepreneur, without being subject to public intervention (Wikan, 2015).

The SEZs in particular show how the state is removing market entry conditions in order to attract FDI. There are no import and export tariffs and restrictions. Capital movements are deregulated and there are extensive tax exemptions that motivate Chinese companies to come to the city, also because they can produce there at lower costs than in China. They are not required to adhere to internationally recognized standards and therefore free to put their economic interests above the wellbeing of the workers. All these are crucial incentives for the investors in the SEZs to invest in the city's industrial sector.

The SEZs are a result of globalization and the incarnation of a 'neoliberal imaginary' – in social anthropology, they are defined as unique territorial, legal, and disciplinary spaces (Songin-Mokrzan, 2014).

The close relationship between economic neoliberalism and deregulation manifests itself in the Cambodian real estate market which is now almost completely in the hands of speculative investors, with all the negative effects on the locals in Sihanoukville. Deregulation was aimed at attracting more FDI for condos and other real estate projects. No other country in the world has such foreigner-friendly land laws. Also, many Chinese bring their illicit earnings to the city to buy real estate – knowing that anti-money laundering laws are only rudimentary and very often not enforced. The same applies to labor law, criminal law or environmental law where regulation is weak, and the perpetrators are nearly safe from being made accountable. The individual and the pursuit of profit without state intervention prevail over the welfare and wellbeing of the workforce and the population in general. Against this backdrop, Chinese individuals and companies found perfect conditions to invest heavily in the Sihanoukville real estate sector.

An especially blatant example of lacking regulation in Sihanoukville is the gambling sector. The lack of stricter laws and the unwillingness and lacking capacities to enforce them offer ample opportunities for money-laundering and attract many investors from China. Here, too, the individual pursuit of gains prevails over the public wellbeing

In general, the development in Sihanoukville shows how neoliberal economic policies and globalization are intertwined. China's role as the factory of the world was only possible through globalization. Now this role is diminishing as labor costs have increased, growth is slowing, and industrial overcapacity threatens the companies. This makes them look beyond the borders of their country to profit from the attractive conditions in Sihanoukville, based on deregulation and the maximizing of profits.

What makes Sihanoukville and Cambodia in general a special case in this respect are the close political and economic relations between the two countries. Although the Cambodian government often emphasizes that it welcomes investments from *all* countries, it attracts mainly Chinese investors. This has advantages and disadvantages.

On the positive side, the future development prospects are good, also because China sees in Sihanoukville an exemplary model in the region for its Belt and Road Initiative. This has brought billions of investments, many jobs and new tax revenues, and it has made Sihanoukville an important business location through the Sihanoukville SEZ, with promising growth perspectives for the future. Especially the role of the SEZ should be emphasized, as it is the first China-modelled SEZ outside the country, and could be an exemplary project for other countries in the region.

However, the strong focus on China also involves major risks. Not the least of them is that it attracts a type of investors looking for quick profits, not caring about the negative consequences of the boom on society and the local population. Politically, the closeness between the elites of both countries might isolate Cambodia in the region. This is not a balanced relationship or a partnership of equals, but a case of one side being finally on the mercy of the other. Cambodia might finally lose its freedom of choices and decisions. At the same time, other country refrain from investing in the country because they are dissuaded by corruption, intransparency and nepotism.

While colonialism describes the mostly state-supported seizure of foreign territories and the subjugation of the resident population by colonial rule, neo-colonialism assumes that governments and companies of rich industrial nations want to secure control over resources, financial and commodity markets of poorer countries. Based

on this definition, there are various signs in Cambodia indicating that the Chinese investments in the country are a kind of neo-colonialism.

The Chinese investments in Sihanoukville, accompanied by tax and labor law advantages for the investors, generate profits for only a few people, while the majority of the population does not benefit or is even negatively affected by them. The companies use low wages and social standards to the detriment of the local population. In addition, they often cause environmental damage.

China's strategy is to gain more power in the region and to assert its own economic interests. Although China is generous in granting loans to Cambodia and regularly grants debt relief, it is motivated by self-interest.

China leases large parts of Cambodia's coast, and large Chinese companies settle in Cambodia and dominate the economy within a very short time, managing more than 90 percent of local businesses, such as hotels, small shops or restaurants. Since this is accompanied by a large influx of Chinese who are not interested in the Khmer culture, the economic dominance is complemented by a cultural dominance, or at least this is how it is perceived by the local population who feel that their values, customs and traditions are not respected.

Although the Cambodian population as a whole benefits from the economic changes, the majority of the local population does not derive much benefit from the changes at the moment; on the contrary, these people are often driven out of the city because they can no longer afford the cost of living there. The big winners of the local population are a small group, consisting mainly of land and property owners and of the political elite.

Here it is important to differentiate between the local population, as defined before, and internal migrants. Internal migrants are Cambodians who move to Sihanoukville in search of a job. They come from rural areas to Sihanoukville to work for a few months and save some money for their families. Most of them are employed at construction sites or in the Sihanoukville SEZ where they are provided with accommodation. As living costs back home are much lower than in Sihanoukville and they do not need to pay rent in Sihanoukville, they do generate a relatively good

income. The locals, in contrast, have had higher living costs for many years already, as Sihanoukville is an urban area and therefore more expensive anyway, and as the costs of living have exploded since the Chinese investments started. Usually, they need to pay rent, which is rapidly increasing – up to a point where they can no longer afford it. Their businesses often get replaced by Chinese businesses. Therefore, they are in many cases the losers of the transformation in their city.

In the real estate sector, impressive buildings are being built in the city, but they are unaffordable for the vast majority of the local population. Rather, the construction boom has a negative impact on the environment, which in turn leads to health risks.

The dominance of the Chinese in the Sihanoukville economy and its strong dependency on the Chinese investments bear considerable risks. With the Chinese dominance, other foreign investors might feel deterred, also because of the lack of strong institutions enforcing the law. The dependency could also finally lead to a situation where the Cambodian authorities are no longer able to make their own decisions but have to follow China's wishes. Also, should China suffer an economic crisis, this could have dramatic consequences for Sihanoukville. Real estate, which is often only a means for speculation and quick profits, would stand empty. The tourism sector could collapse: Since hotels and casinos in Sihanoukville almost only attract Chinese guests, and local and foreign tourists are already preferring other destinations, this would mean the loss of thousands of jobs. In the Sihanoukville Special Economic Zone there would be mass layoffs, with serious consequences for the population.

For the time being, however, the local population of Sihanoukville, and especially the internal migrants experience many positive consequences of the Chinese investments. Many new jobs are created, mainly by new companies settling in Sihanoukville, and Chinese tourist and immigrants fuel the local economy. As a result, local GDP is rising, tax revenues are rising and poverty is falling, although the latter is also linked to a shift in poverty to other regions of Cambodia.

At the same time, informal jobs in the tourism sector are disappearing and rents are rising so dramatically that many locals can no longer afford to live in the city and

have to leave. Others are evicted, which is tolerated and sometimes even supported by the Sihanoukville authorities.

The evictions increase housing inequality, which is related to wealth inequality. They affect the poor, who have to leave their homes so they can be used by the wealthy Chinese for real estate projects. The evictions at Occheutal beach show the dilemma – beach vendors get forcibly evicted and lose their source of income. Therefore, the evictions not only increase poverty, they also cause it.

In the Sihanoukville SEZ, neoliberal policies in the Sihanoukville SEZ allow the companies to exploit the local workers, labor unions are suppressed, and human rights are violated. According to David Harvey, this is a consequence of modernity brought by neoliberalism (Santasombat, 2015, p. 141).

The case of non-existing labor unions shows how pertinent Pierre Bourdieu's definition of neoliberalism is. Bourdieu describes neoliberalism as "a program for destroying collective structures which may impede the pure market logic" (Bourdieu, 1998). For him, powerful market laws and deregulated capital flows lead to the dismantling of social structures, as can be seen in the Sihanoukville SEZ, and to bad working conditions, as can be seen on the construction sites in the city.

The fact that the Cambodians only get the menial jobs increases inequality of opportunities, the unequal distribution of life chances and income inequality. It could be claimed that growing inequality is an unavoidable effect of any development because development triggers competition ("plight of the poor"). Development also favors the emergence of middle classes which, in turn, often puts the poor at a disadvantage, for example if supermarkets replace shopkeepers. However, and especially in the case of Sihanoukville, these effects could and should be countered by the government assuming a more active role in protecting all its citizens and not only the wealthy and successful ones.

All these effects of Chinese investments and of the manifestations of neoliberal policies in the everyday life of the locals - those who are still poor, despite all the economic growth – lay the foundation for a huge conflict potential. Those who have to fight for survival every day in Sihanoukville are developing strong resentments

against the Chinese community: They often live in slums, exposed to environmental risks caused or exacerbated by the changes in the city. At the same time, they see the Chinese taking over the economy and living in often luxurious condos. They see that the Chinese are benefitting a lot more from the changes than the poor.

In addition, the sheer number of Chinese immigrants is perceived as problematical by the locals. They feel they might lose their cultural identity, surrounded by Chinese people, Chinese shops, Chinese language, and Chinese banners, and missing respect for their own values. In this atmosphere, tensions develop, resentments aggravate, feelings of insecurity and suspicion are gaining ground - also because the two communities are basically living completely apart from each other. This poses a severe threat to the future cohesion of society.

This shows that Karl Marx's idea of conflict theory is correct: The social order is not maintained by consensus and conformity, but by domination and power.

In conclusion, the changes brought about by Chinese investments bring many positive changes, but definitely exacerbate social inequalities, leading to conflicts between different social groups within the Cambodian society and between the locals and the Chinese.

In the bigger picture, the case of Sihanoukville is exemplary for other regions in showing that Chinese investments, whether they are related to the Belt and Road Initiative or come from private investors, do have positive effects on the economy. Countries in a similar position and on a similar level of development could benefit from such investments, especially ASEAN member states, because of their regional ties and their closeness to China.

Cambodia shows that the strategy of attracting FDI leads to economic growth. This could apply to other in a similar economic situation, too. In times of globalization, this is the right path – provided the countries do not pursue a protectionist strategy.

China's investments should not be demonized in general. They can make a major contribution to development. China's economic success can to a certain degree serve as a positive example for other countries. The example of the Sihanoukville SEZ

shows how a Chinese model can be exported successfully. This is an important sign for other countries in the region and would speak for economic cooperation with China and adopting their successful models.

Recommendations

The Cambodian government should further welcome Chinese investments but needs to create a real win-win situation for both sides. To achieve this, it should reduce the risks of an excessive dependency on China and make real efforts to mitigate or eliminate the current negative impacts on the local population.

In general, Cambodia's FDI strategy is working well, attracting real estate and industrial investments in Sihanoukville. This creates new jobs and promotes development and should therefore be continued. However, Cambodia should focus more on attracting FDI from countries other than China.

In the tourism sector, it is positive that many Chinese tourists are now coming, also because they spend more money than the Western tourists in the past. However, the tourism sector should be further diversified. For example, luxury tourism from countries other than China could be attracted, as the necessary prerequisites in the city are already partly existing. In this respect, more direct flights from other countries should also be considered. Diversification in FDI and tourism would bring a decisive advantage: The dependency on China in financial terms would be reduced.

As to the political dependency, Cambodia should strengthen its relations to the ASEAN members, and not only rely on China. The long-lasting relations between the ASEAN members helped Cambodia in the past, and will help it in the future, as the countries generally support each other, while China is more focusing on its own interests.

In terms of real estate, the Cambodian land laws are causing problems, as the case of Sihanoukville shows. Many Cambodians think, not without good reason that their city is being taken over by Chinese who acquire more and more real estate assets. This needs to be changed. More regulation and the protection of domestic businesses is

needed in order to prevent Sihanoukville from becoming a Chinese enclave or even a kind of Chinese colony.

While low tax rates in the casinos in Sihanoukville lead to more investments, the trickle-down effect is minimal. FDI is of little use if Cambodians do not benefit from it. Taxes in the gambling sector must therefore be adjusted along the lines of those in neighboring countries. A bill for a new gambling law already exists and should come into force as soon as possible in order to solve this problem.

The current unregulated gambling sector and the more than lax enforcement of anti-money laundering regulations are undermining the rule of law. It is no wonder that people break laws when they do not have to fear the consequences. Here the state and its institutions must intervene with full force in order to prevent Sihanoukville from becoming a legal vacuum, inviting criminal activities of all types.

Industrial investments, especially in the SEZs are generally positive and should be expanded as they create many jobs. However, Chinese companies and workers are the main beneficiaries at the moment. This is because the companies profit from tax exemptions, which means less tax revenue for the population, because Chinese companies often do not want to employ Cambodians in higher positions, and because the Cambodians often do not have the necessary skills.

The tax regulations should be carefully changed in order to continue to attract enough investments: For example, tax holidays could be granted, but for shorter periods of time than at present. The fact that Chinese companies are unwilling to hire Cambodians is a violation of the principle of non-discrimination and must be severely punished by the government.

The key point to improve employment opportunities for Cambodians is education. With proper education and training, the locals will benefit more from the Chinese investments. Therefore, Cambodians must have better access to education and free vocational training to meet the needs of Chinese businesses. This is primarily the task of the Cambodian Government.

Supply and demand determine the rental market and land purchases in Sihanoukville. As long as the state does not intervene, tenants are driven out of their housing, and many can no longer afford the rent. The state, however, is there to protect its citizens. It must end expulsions and cap rent increases - otherwise only a few Cambodian citizens will be left in the city in the near future already.

The Cambodian authorities must prosecute crimes and corruption more closely and enforce the law. Strong legal institutions are of utmost importance in order to prevent a further deterioration of the rule of law. Otherwise, the situation will escalate further and conflicts between Cambodians and Chinese will intensify.

Moreover, Chinese people must be educated about Cambodian rules, values, and culture. Speaking Khmer must be made a prerequisite if they want to live for a longer period of time in Cambodia.

The big problem, however, is that the state does not adequately protect its citizens. Cambodian workers are exploited, the local economy in Sihanoukville is left to Chinese companies, land titles are not protected, the courts and law enforcement agencies are not working reliably and the interests of the local and the Chinese elites prevail. The development triggered by the Chinese investments is therefore not inclusive, in the sense that it benefits all groups of society.

This calls for a strong state that puts its citizens first. It must be clear to other countries that China is acting out of self-interest - which is not a problem as long as both sides win in the end. Furthermore, laws must be implemented, and foreign investment regulated. The example of Sihanoukville clearly shows that this would otherwise have a negative impact on the population.

To conclude, currently the Chinese investments have many negative effects on the local Cambodian community. This results in conflicts which could be avoided if the Cambodian government would protect and support its citizens and ensure compliance of laws.

If this is done, and the recommendations are implemented, the changes will create a real win-win situation for everyone in the city.

Personal reflection and further research

One of my hopes connected with this research is that it will be a foundation for future research.

The tough timeframe was the biggest hurdle in the writing of the thesis. Longer field work was planned but given the limited time and the daily power cuts which made it difficult to work, I spent two full weeks in Sihanoukville. It should also be noted that I could not find any Chinese people living in Sihanoukville and speaking English who were willing to be interviewed – except one manager, whom I would like to thank. I probably could have gained more information with a Chinese translator – unfortunately, their fees were too high for my budget.

In addition, some locals did not want to give interviews, as they were scared to talk openly, fearing consequences from the government. More interviewing experience might have helped me to cope with these situations.

I experienced setbacks when asking several real estate organizations, but also NGOs and other experts for appointments, as in most cases I did not get any replies on my requests. However, the information I did collect helped to create new knowledge on the fields of my research.

What I learned during the research was not to trust newspaper articles. This may sound harsh. But as the Cambodian government, and the Chinese as well, is often not transparent, journalists have to rely on newspaper articles written by other journalists. This makes it difficult for them to check the correctness of information, and occasional mistakes are unavoidable. Therefore, I double- and triple-checked all information – and I was surprised by my discovery how much false information is provided in the newspapers.

What disappointed me was the fact that two renowned journalists – one from the South China Morning Post, and one from The New York Times Book Review – included major mistakes in their articles. Both replied on my request for clarification but insisted on their data even when I presented them evidence that they had published false information. Neither did they change their articles online.

As even the United Nations rely on newspaper articles for their research on the Belt and Road Initiative, this is a problematic situation. Therefore, I hope that my research will also be used as a source of information on the situation in Sihanoukville.

Knowledge gaps were found on all topics related to the changes brought about by the Chinese investments in Sihanoukville. The main reason is that the changes happened in a very recent and short period of time and are still ongoing.

Based on the findings of this research, several suggestions can be given for future researches.

As many people move away from Sihanoukville, both Cambodians and expats, research could be done on where they move, and – especially in the case of locals moving away – if poverty is rising at their destinations. As my research shows, especially the poor move away. It could be examined which economic effects these migrations have.

It cannot be disputed that inflation is rising in Sihanoukville. However, there are no official data. Future researches could look at the degree of inflation, and in particular on the rent increases.

Concerning the Chinese population in Sihanoukville, it would be interesting to know if there are also people who are moving back to China, for example because their expectations were not fulfilled in Sihanoukville – either in economic or in social terms.

The plan that Sihanoukville will become a multi-purpose SEZ, based on the model of a Special Administrative Region, is only stated in Cambodia's Industrial Development Policy 2015-2025 and in Cambodia's Rectangular Strategy Phase IV. No research and no newspaper articles are available on that matter. This is surprising, as it would have far-reaching consequences for the whole country if the province would get its own laws, like in Macao or Hong Kong. Once more details are available, research should be done on the impacts of this plan.

The interview with a representative of M'Lop Tapang, a local NGO, showed that conditions at construction sites – especially in the camps where the laborers live – are quite bad, and could constitute a violation of human rights. There is no information available on the internet about this topic. This would be another suggestion for future researches.

A limitation of the research is that no comprehensive assessment was done on the environmental impacts of the investments. It is clear that the impacts are substantial, for example with regard to floods, resulting from the sealing of large parts of the city with concrete. Academics could also look at this matter.

As this research is mainly qualitative, a quantitative research could be done to take a closer look at the economic impacts of the changes on the local society.

Appendices

Appendix A: Selection of Real Estate Projects in Sihanoukville

An exemplary selection of bigger projects currently under construction or completed recently:

Gold Coast

Estimated costs: 200 million US\$

Company: Grand Lion Group and Marriott International Inc.

Construction date: January 2019 – January 2022

Details: 58 stories high, Lyon D'or residence tower: 888 condo units (luxury residences), La Meridien Sihanoukville Hotel: 388 room 5* hotel (Kunmakara, 2018a)

D'Seaview & Mall

Estimated costs: Unknown

Company: Hong Lai Huat Group Limited

Construction date: Under construction, to be completed in 2019

Details: 9818 sqm, 737 residential units, 67 commercial units, 10-story boutique hotel (98 rooms), 2 buildings of 24 floors, 2 buildings of 22 floors, 1 building of 20 floors, 1 building of 18 floors, 1 building of 14 floors, 1 building of 11 floors

Wisney World

Estimated costs: 1 billion US\$

Company: Joint venture between AMC International (China) and SV International (Malaysia), respectively Wisney Resort City Development Co Ltd (WRCD)

Construction date: Announced in June 2018

Details: 65-hectare resort project, including water parks, hotels, casinos and malls

Note: When announced, the former governor Yun Min said, "I don't know about this project", while the Deputy Prime Minister Men Sam An attended the inauguration ceremony in Phnom Penh.

(Interview Statement David M'Lop Tapang, and I sent request for update to Wisney World)

(Pisei, 2018b)

Note: The email address of WRCD is not active anymore. AMC International and SV International did not respond to requests for an update of the project.

Blue Bay

Estimated costs: 200 million US\$

Company: Shu Jian Tian Yu Development (Chinese)

Construction date: Due to 2020

Details: Resort and Condominiums, 38 floors, Condos ranging from 125,000-500,000US\$

(Senase, 2018)

Xihu Resort Hotel

Estimated costs: 85 million US\$

Company: Xihu Group, a Chinese hotel chain

Construction date: 2016-2018 (open)

Details: 25-story 5* hotel including a casino

(Chheang, 2017, p. 13)

The Seagate Suite

Estimated costs: 200 million US\$

Company: KHCN International Investment & Development (Chinese), Constructor: China Construction (S.E.A.) Corp. Ltd. (Chinese state-owned), employer: Zhaomei Investment and Development Co. Ltd.

Construction date: 2017-2020

Details: 105,000sqm, 43 floors, 5* hotel, condos, shopping malls, casinos, etc.

(“Chinese dominating real estate in Sihanoukville,” 2017; “The Seagate Suite,” n.d.-b; “THE SEAGATE SUITE CONDOMINIUM,” 2017; Senase, 2018)

Sky Mountain View Hotel & Sky Mountain View Business Centre

Estimated costs: 109 million US\$

Company: Sky View Investment

Construction date: 2018-unknown

Details: 12-floor commercial building, 25-floor hotel, two more buildings – each with 33 floors

(Senase, 2018; Sum, 2018)

Prince City Center

Estimated costs: Unknown

Company: Prince Real Estate Group (Cambodian, targeting Chinese investors)

Construction date: 2018-unknown

Details: Residential area (villas and condos), 16 hectares

(“Prince City Center,” n.d.)

Sokha Beach Sihanoukville / Sokha Bayview

Estimated costs: Unknown

Company: Sokimex (Cambodian, targeting Chinese investors)

Construction date: Opened in 2019

Details: 4* hotel & residential units?

Prince Cullinan Bay / Prince Tian Xi Wan

Estimated costs: Unknown

Company: Prince Real Estate Group (Cambodian, targeting Chinese investors)

Construction date: not under construction yet (?)

Details: nearly 200,000sqm, including a 5* hotel

(“Prince Cullinan Bay,” n.d.)

Prince Times Hotel

Estimated costs: Unknown

Company: Prince Real Estate Group (Cambodia)

Construction date: 2016-2018 (open)

Details: 5* hotel, 29,000sqm, 193 rooms
(Vannak, 2018)

Royal Bay View

Estimated costs: 250 million US\$

Company: Hong Lien Group (China)

Construction date: 2017-2019

Details: 157,000sqm, 36 floors, three condominium towers, 1,344 units
("ROYAL BAY VIEW SIHANOUKVILLE in Preah Sihanouk," n.d.; "Royal Bayview aims for Independence Beach," 2016)

InterContinental

Estimated costs: 77 million US\$

Company: Intercontinental Group

Construction date: unknown

Details: 17-stories, 476 rooms

(Meng, 2017)

Star Bay

Estimated costs: Unknown

Company: Xing Hui Property (Chinese)

Construction date: Under construction. Opening date unknown

Details: 6x30 floors (10 buildings in total), Condos, hotel, etc.

Golden Silver Gulf Resort / Sihanouk New City Golden Silver Gulf

Estimated costs: Depending on sources around 3-5 billion US\$

Company: CITIC Group (Chinese state-owned) and Yeejia, a subsidiary of Chinese-owned firm Unite International (Cambodia) Investment Group.

(Kotoski & Chandara, 2016)

Construction date: 2010 – 20 years construction, signed agreement to develop in 2016 (but was already under construction then)

Details: 3,300 hectares, supported by the Chinese government and the Royal Government of Cambodia

Note: First planned in 2010, with a signed agreement to develop in 2016 – where it was actually already under construction and updated with new developments in 2019. The latest report states that a new city will be built in the Ream National Park, next to Sihanoukville. The city will have a conference center, health and medical care center, China Yuan payment center and financial systems for the 5G era, global online training and other training facilities, basic education facilities, hotels and intelligent buildings (“Chinese Investors Sign on New City Plans for Ream Park,” 2019; Pye & Titthara, 2014).

Appendix B: Elite Interview with Tang Sopheak Krisna, Minister of Tourism in Sihanoukville

Can you explain how the tourist sector in Sihanoukville changed in the last two years?

If we see the current situation in the last two years, especially when the foreign investor came to Sihanoukville and invest in the tourism sector especially, especially the Chinese investor, the city changed completely. Many, many buildings, many, many hotel resort and other sectors as well.

And if we talk about it in general, we can say that this investment can bring both – positive and negative. Especially now, we don't have problems with tourist accommodation, because they invest. They bring many, many jobs, workers, and also high salary. The workers in Sihanoukville get higher salaries compared to other regions in the country, this is positive. And also, the national economy benefits from the changes, like from registration fees and taxes.

What are the reasons why so many Chinese companies come to invest now? What is your ministry doing to attract more investments?

The Royal Government of Cambodia is not only looking for Chinese investors, but for investors from all foreign countries. But I can say why Chinese investors come to Sihanoukville. One thing is that the relationship between the Cambodian government and the Chinese government is good. And we encourage the Chinese investors. Sihanoukville is a good example for economic development for the whole country. And this policy can set up many many... Now for the special economic zone, that you get free land to invite investors.

And Sihanoukville has the only international deep-water port in Cambodia. Chinese investors see the potential for the economic sector. And this is also why investors build hotels. They see the good geographic location, and government policies. And also, the number of tourists grow every year, there are many nice islands nearby – that's why Chinese come to invest.

What is the forecast in tourism growth in Sihanoukville for the next years?

If we talk about the foreign tourists, the number will grow about 20% every year for the next years. Especially the number of Chinese tourists is growing, they are the number one of tourists here. The number of Chinese tourists will grow 30-50% every year. From 2016 to 2017 the number of Chinese tourists almost doubled.

Do you have any statistics if Chinese tourists in the region spend more money than western tourists?

We didn't finish our survey for expenditure yet. But it depends on tourists. In general Chinese spend more than other tourists. There are also European tourists who spend a lot, but it depends on the kind of tourist – some stay in 5* hotels, but the percentage is low. There are many Chinese business tourists who stay in 5* hotels and spend a lot.

Do you think all Cambodian people who live here benefit from the changes?

I think some benefit, but not everyone can benefit – and not on the same level.

Especially those who own some land or rent rooms to Chinese get a lot of money. For example, my friend has a guesthouse and rented it to Cambodian and western people. Now he rents it to Chinese and gets more than double of the money like before.

But not everyone benefits. Many people who are unskilled, and cannot work for this kind of development, and those who don't have houses, cannot benefit.

And there is also negative impact of this kind of development. The inflation grows – the Chinese come and buy everything, and so all prices increase. The people who can get money from Chinese have no problems, but simple people get negative impacts from this Chinese development.

Before you can rent a small apartment for 100-200\$, but now its 400-500\$.

Many people have to move to other cities. But also, many jobs are created in Sihanoukville, and those people earn more money.

For us it is important that we can provide people with skills in order to work in Sihanoukville and get more benefits from the development.

Appendix C: Elite interview with David Shoemaker from M'Lop Tapang (NGO)Please tell me about your NGO and the changes happening during the last years

M'Lop Tapang is a non-profit agency, we started 15 years ago. It was started by a few foreigners that were here on vacation and a couple of local people as well. It started with five runaway boys, living on a beach, sleeping under a tree. The tree is the Tapang tree, that's where the name of the NGO comes from. M'Lop means shade or protection. So, when it started, these people wanted to help those boys, bring them some food or look for other government services that could help them but there was nothing. So, it started up just helping those five boys, and as it progressed, they wanted to help those boys and there was nothing. Nothing, no government services for this target population.

So, it progressed from working with those five boys, from now working with 5,000 kids in 2,000 families. And with a variety of programs, everything from child protection, which is a big part of what we're doing.

...The demographics have changed considerably. And especially 10 or 15 years ago, Sihanoukville had the reputation of a sleazy sex tourist town. Much like Pattaya, but as a cheaper alternative. So, child protection is a big issue, and it still is a big issue.

So, there's child protection which includes a 24-hour hotline for anyone to call, which includes working with the police. Our outreach program is probably our biggest program, its working with families inside the community.

So now the organization is quite big, we have a staff of about 200 – there's three foreigners and all of the rest are Cambodians.

How did the work change in the last three years?

Very generally, the changes particularly the last 18-24 months has pretty much impacted every program that we run.

In the area of child protection, what we see is a lot more child labor – just because of the number of construction sites and the amount of construction what’s going on now. There’s a lot of youth working in construction sites.

One of the biggest changes we’ve seen of the families we work with, is: When Sihanoukville was more of a destination of western and local tourists, it was different families and children who have moved here, because it was easier to beg for money, and sort of live on the streets. We’re not seeing that as much anymore, because culturally they can’t make the same amount of money with the new Chinese who are living here. So, we’re seeing a lot of poor families, that used to come for that purpose not come here anymore and move away to different places, especially Kampot.

So, it’s not that they’ve stopped, they’re just moving to a different location. A lot of the families that we’ve worked with before just can’t afford to live here anymore.

When we were working with poor families, people used to rent like a very small room and paid maybe 60\$ a month – now it’s around 250\$ a month. It’s incredible, those poor people just can’t afford to live here anymore. Those ones have moved away from Sihanoukville. What we’re seeing, is that instead those families, a large number of families who come to work at construction sites. And because you might now when you drive around you see, it’s entire families. Parents come to work there and bring their children.

Do they come from other areas because they know there’s work in Sihanoukville, or are the construction companies asking them to come?

We don’t know if the construction companies are asking them to come here, it’s families coming because they know they can find work. And we know that they move from this construction site to that construction site when the job is finished. The problem is that there is no access to education, the sanitation is bad, there’s no social services. So, we’re working a lot more in those areas. We’re definitely still working with poor families throughout Sihanoukville, but that’s a new population, that work has increased significantly. And that affected all our programs.

You were talking about child labor – what can you say about it?

We don't see so much child labor, it's children living in the sites. We see some youth working at construction sites, that may be underaged and shouldn't be working, and the government is not making any efforts against this issue.

We're also seeing a lot of new health problems now. Many kids are coming to us with skin infections, our doctors and nurses have always worked with diseases caused by living in poverty, like malnutrition. But now we're seeing a lot more things related to pollution, dirt and so on.

Rental increases are a huge issue now, affecting everyone, including our staff. So, it's harder to find staff as well, and including some of the most vulnerable families who can't afford to live here anymore.

Would you say they mainly go to Kampot?

It's mixed. Some are moving back to where they lived before, some are moving to Kampot, some are moving to other areas. So, children that were coming to our education programs, and children that our outreach team was working with – there's many many families where we don't have contact anymore. Because they usually don't tell us before they move.

If you compare the situation before and now – how do you see it?

Prostitution for example is still a big issue, but it's different. There's certainly new areas that are focused on the new people coming to Sihanoukville. So, there's new areas that cater to Chinese men. Right now, because it's still in the sort of construction boom, it's a lot of men here. It's not like a Disney Land yet, where are families coming, it's men coming. Men who are working at construction sites, and men who are gambling at casinos. Right now, what we're seeing – the city is not being built to be family friendly, it's built to be a casino city. And so, there's certain inherent sort of byproducts that are coming with that: increased prostitution, increased drugs, increased violence.

One of the big challenges we're having with our child protection, and the other programs: We've worked here for 15 years, and we've developed very good relationships in different communities. So, neighbors would tell us, when something

is happening. It's a different culture now, and it's a different language now. And we don't have the resource or the staff yet, that can make those networks. And that's a big challenge now. It's incredibly hard hiring Chinese staff – we can't. We've been looking, but we just can't afford to pay. Chinese nationals which we would love to hire can find a much higher paid job working for private. We would like to hire Chinese speaking staff to build up these relations and networks again, but it's not possible.

Can you explain what you mean with relations?

Because we had those relationships, people would tell us when a new family move here, or there might be a suspected case of something. All these kind of informal relationships that would inform us about what's happening in the community. Because there's such large numbers of new Chinese people moving in here, and we don't have built up these relationships yet, we don't know what's happening.

Why do you think those Chinese people come to invest here?

Our understanding is, because it's related to the BRI. And the country's willingness to open to external investments.

Would you say those changes are good for the locals in the long-term sight?

I think for the locals – there were a lot of people who have benefitted, because they had land. The people already had something are benefitting the most. The people we're working with, have benefitted the least.

Why?

They didn't own a house. They were renting a room for 60\$ a month, now it's 250\$. A lot of small shop owners had closed, like street food sellers. Many were just been taking over by Chinese restaurants, or Chinese companies who just bought the land where people used to sell their food.

What do you think about new job opportunities here?

I think those new opportunities have not materialized yet. I think once the hotels and casinos are all open, there will be a lot of opportunities for people to work in those

industries. But right now, we're still in the construction phase. The city is a big construction site. There is a lot of people working on the construction sites, but if you look closer, you'll notice that those people are not all Cambodians. I think that's a communication and a culture problem. But that has also created a little bit of animosity. When there's so many Cambodians looking for work in the country, and another country is bringing in worker.

Another good example which just came up – we have an employment services office, a program that helps disadvantaged youth and parents find work. We had rented an office space that was 500\$ a month. So, we've just being notified last week that our lease is ending. It's increasing to 5,000\$ a month.

We are lucky that we own the land of the main office, a lot smaller NGOs that did not own land are not working in Sihanoukville anymore.

Can you tell me anything about the children in Otres?

We're working together with Shine, who are active in Otres. Some of the people who were begging and selling things at the beach who were working at Serendipity and so on moved to to Otres, because they couldn't earn money there anymore.

How does the new tourism affect the youth?

You know how fast Sihanoukville is changing, and that it's basically a construction site right now. There are opportunities now, and especially in the future to work at these casinos and hotels. One of the things we are seeing now, is an increasing trend in kids dropping out of school to work.

What could be a good strategy to help the poorest ones so that they can benefit from the changes?

We're trying to do a few different things. We had a workshop that was just targeting girls about safe employment. Our employment service that tries to find jobs for poor families, works with businesses that follow Cambodian law and safe employment. So back to your question, education is important. We keep trying to educate people about the benefits of education. Trying to educate the people at the construction sites – a big change in our work this year compared to last year – is the amount of work where our

teams are reaching out to construction sites. Because right now that's one of the most vulnerable populations, because they have no access to anything. Sometimes it's just a matter of us getting out there, and if we can get into the sites, letting them know that we have medical services, the kids can come here to class, or we support them to go to public school. They don't need to just live at the construction site.

Do you have anything to add?

This is a difficult time to live in Sihanoukville for everyone. There are power cuts every day. And just the amount of trash generated in the city is horrible. It's just everywhere. And one of the things we are most worried about, that will affect everyone living in the city: Last year for the first time in ten years, this center flooded and caused a damage of about 100,000\$. Before, the water used to come to the road in the rainy season, but it never came inside. We know it's going to be worse this year. In many different parts of the city were rice fields or natural drainage areas, that have now been filled in to make room for construction. We anticipate every part of the city is going to get flooded in this year. It doesn't appear to us that there's a lot of flooding.

And coming back to the trash – its health problems, its health risks, it's disgusting.

I know that there's only one garbage company in Otres, is it the same in Sihanoukville?

The city changed the company about a year and a half ago. And our understanding is, they don't have sufficient amount of trucks to pick up the trash. I think they are working, but it's certainly much longer periods between when trash was picked up, while the amount of trash increased, and there's less trash pick-up trucks.

We see a lot more skin infections, people stepping on things.

How do people you're working with see the Chinese influence?

Some people have certainly benefitted, some of our staff have benefitted, some of our clients have benefitted, especially if they owned land or lease out rooms to Chinese companies for the construction workers.

The city has changed so much, the rental prices have increased, the traffic has increased, the culture is changing. People feel it's much less a Cambodian city than it was before.

My understanding from my friends and my colleagues is, there's certainly a growing resentment. It's not just that it's Chinese coming here, it could be any country that came here this quickly and invested this much money. 90% of the foreigners that live in Sihanoukville are Chinese. Most of the old expats have moved to Kampot a year or a year and a half ago. We're working with an organization in Kampot now, about doing some child protection trainings, because a lot of those child begging families are living there now.

It's challenging when you are getting kicked out of your place, because you can't afford the rent and someone else will pay six times more. I don't think there's really a big conflict yet, but there's underlying tensions, and I think that may increase. Tempers are going to increase.

But I think everyone realizes that in a few years everything will be better.

One other thing to add – our organization is trying to network with the new Chinese businesses to get support and cooperation in training, child protection and fundraising. And there's been a couple of companies that are being generous in supporting our programs. There are a lot of negative things happening right now, but there is potential for good things to happen.

Appendix D: Written Interview with H.E. Yun Min, former governor of Sihanoukville,

Note: There was a long correspondence prior to this interview, in which H.E. Yun Min asked, among other things, for a Cambodian translation of the questions. Nevertheless, he answered in English and did not answer all the questions.

Questions:

1. What are the reasons why so many Chinese now invest in Sihanoukville?

តើមានហេតុផលអ្វីខ្លះដែលជំរុញឲ្យមានជនជាតិចិនច្រើនមកវិនិយោគនៅក្រុងព្រះសីហនុ?

2. How many Chinese people live in Sihanoukville city now?

តើបច្ចុប្បន្ននេះមានប្រជាជនចិនប៉ុន្មាននាក់រស់នៅក្នុងក្រុងព្រះសីហនុ?

3. What is the Cambodian government doing to attract Chinese investments?

តើរាជរដ្ឋាភិបាលកម្ពុជាបាននឹងកំពុងធ្វើអ្វីខ្លះដើម្បីទាក់ទាញការវិនិយោគរបស់ចិន ?

4. Do Chinese tourists spend more money than western tourists?

តើភ្ញៀវទេសចរចិនចំណាយប្រាក់ច្រើនជាងភ្ញៀវទេសចរភាគខាងលិចមែនទេ?

5. There is some crime and other problems caused by Chinese people – what is the government doing against it?

តើរាជរដ្ឋាភិបាលកម្ពុជាបាននឹងកំពុងមានវិធានការអ្វីខ្លះដើម្បីដោះស្រាយមានបទល្មើស

និងបញ្ហាមួយចំនួនដែលបណ្តាលមកពីប្រជាជនចិន ?

6. Some Cambodian people say they cannot afford to live here anymore, because the rent gets too high. Are you doing something to help them?

ប្រជាជនកម្ពុជាមួយចំនួននិយាយថា

ពួកគេមិនអាចរស់នៅទីនេះទៀតទេព្រោះថ្លៃជួលខ្ពស់ពេក។

តើលោកបាននឹងកំពុងធ្វើអ្វីខ្លះដើម្បីជួយដោះស្រាយកង្វល់ទាំងនេះ?

7. Do you think inequality is increasing in Sihanoukville, or is everyone benefitting from

the changes?

តើលោកគិតថាវិសមភាពកំពុងតែកើនឡើងនៅក្រុងព្រះសីហនុដែរឬទេ?

ឬលោកគិតថាប្រជាជនទាំងអស់គ្នាកំពុងទទួលបានអត្ថប្រយោជន៍ពីការផ្លាស់ប្តូរដែលបានកើតឡើងក្នុងក្រុងព្រះសីហនុ នេះ?

Answer:

Thanks you for thes question. All thes questions has only one answer is We do the same treatment. All foriene investors or tourism are got the same treatment not sepatet between Chiness or Western. Some crimes done by Chiness or other will got the same treatment in law not any separate yet.

Appendix E: Unstructured Interview with a Chinese manager of a construction company

Note: To protect the identity of the interviewee some passages are blacked out.

How do you like Sihanoukville?

At the first time I didn't like it because the development is not as good as in other countries. Here it's all empty and dirty, and the public facilities are all bad. But I think this is changing in the next years.

My boss is the owner of

[REDACTED]

[REDACTED]. The main building,

[REDACTED] He sells apartments in the other buildings around it to earn enough money to build the main building.

What are you doing on the construction site?

[REDACTED]

[REDACTED]

Does your company also employ Cambodian people?

Only Chinese. There are two companies involved in the project, the construction company, and the company who owns the land and sells the buildings.

The construction company is owned by the Chinese state. The other one belongs to [REDACTED]; he is a very big businessman.

Because the construction company is owned by the Chinese state, they cannot employ Cambodians. Only the owner of the other company can hire locals.

Why did you decide to come to Cambodia?

It was an order of my company. They started the project in Cambodia and asked me to come – if I would have said no, I would have lost my job, so I had no choice.

But are you happy here?

It's not as good as my old work in China. But actually, my salary increased when I came to Cambodia.

Do people already live in the apartments?

Yes. Many Chinese people to build their own businesses, in Sihanoukville, most of them do online casino jobs. This is forbidden in China, so they do it here.

I heard the online casino industry is also involved in money laundering. Can you tell me something about it?

Actually, I don't understand how it works. But I think they can earn a lot of money.

How do you see Sihanoukville in the future?

The development is not the same like in Macao, but it is similar. I think in five years it will be good and the streets and public facilities are finished. But even now, rent is so high. Rental prices are higher than in Beijing.

The whole city is like a huge construction site for me.

Hun Sen is very good with China. This is also a reason why Chinese come to move here. I think this is also good for Cambodia. But the problem here is, that the gap between rich people and poor people is very huge. The rich people are really, really, rich, and the poor people cannot make a living in the country. So, when Chinese people come here to develop the country, the prices increase, what makes the poor people even poorer. Some local people have to move out of the city.

The rich people in Cambodia like the Chinese a lot, because they can make good business with them to earn even more money.

Do you have any friends here?

I live with my workmates on site.

What do you think why so many Chinese people move to Sihanoukville?

Because the job market in China is full. I have a very good education, but I can't find a good job which suits my education and my qualities. The population in China is very huge, so there is also a lot of competition. The people who move from China to Southeast Asia look for a good job.

The economy is growing, but the population is so huge that there are not enough jobs in the higher positions.

You know, five years ago in Otres was nothing.

Now, it's a bit better but the electricity is not enough for the buildings, and many things are not available – for many products you have to go to Phnom Penh, because no one sells it here.

But Chinese come here and see there is a lot of opportunities to develop this place. So, they come here to make business.

Another thing are the big investors, who want to move their assets to foreign countries. They pay Chinese people who move abroad much higher salaries than in China to convince them to come.

And do you think the Cambodian people also benefit from the Chinese influence?

I think the normal people cannot get benefits. But the Cambodian government does. Because when the Chinese people open a casino here, they will pay tax to the government. And also, the foreigners who come to Cambodia have to pay a lot of money for a work permit.

So, I think only the government benefits, but not the people.

Do you think the Chinese government is doing more for its citizens than Cambodia?

I think you have to see it in long-term. 20 years ago, it was similar to Cambodia. Then, many foreign companies came to China to build factories, for example clothes factories like Nike. But this helped China to develop. Now, the economic grows and costs got more expensive and the government tries to push the foreign companies out of China, and those companies move to other countries in Southeast Asia. Also, the

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

How long do you think you are going to stay?

When the project [REDACTED] is finished, I maybe go to Phnom Penh. Or, I will quit my job and go back to China. When my company would send me to China I would immediately go, but right now that's impossible.

I heard that it is often expected that Chinese men own a house or an apartment, before they can marry a woman. Therefore, they sometimes invest in real estate in foreign countries, but don't live there. Is this also the case in Sihanoukville?

No. They only come here for work. In China, the policy is different – some people have a good job when they work for the government, because they can often earn some extra money. I mean illegal money. They cannot store this money in the bank or spend it for houses in China, because the government checks their official income before they invest. Those people often invest in foreign countries. For example, my boss also faces this problem. Because the government checks his income – he needs to invest this money in other countries (*Note: The interviewee made it very clear that his chief invests his illicit earnings in this project and also explained how he is doing it. To protect his identity, this is not explained, and indications in other parts of the interview are blacked out*).

But many people come here to work for a while and save money, so they can later go back to China, buy a house and marry.

I do it as well – I save money.

In Cambodia it's very easy to invest. If you are rich you can buy a Cambodian ID.

Why are you not hiring local people?

The construction company is state-owned and cannot hire local people. With the other company it's also problematic, because most of our Chinese workers cannot speak

Khmer, they cannot communicate. Even if we hire local people, we cannot teach them. And Cambodian people who speak English don't want to work as construction workers, they prefer to stay in the office. That's the first reason.

Note: The second reason he states, is about cultural differences.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Appendix F: Unstructured interview with a Russian restaurant owner

Since when does this restaurant exist?

Since February 2012, but we had to move a couple of times.

We came in January 2012 and one month later we opened the restaurant. I'm working here with my wife, she is Mongolian.

How did your business change in the last years?

In the last two years, the rent increased five or six times, depending on the area.

Can you say you have more customers now, compared to two years ago?

No, we have less customers. Because most expats fled from Sihanoukville, to Kampot.

Do you have any Chinese customers?

Usually not. The mainland Chinese prefer to go to Chinese place. We have some regular customers from Taiwan and Singapore, they live here.

What do you think about the changes here, and the new Chinese influence?

It's no influence, it's invasion. I don't see it as good, because in the last seven years I met a lot of friends, locals. And they all hate these changes and they can't afford to live here in Sihanoukville, so they have to move like 10-20 km away from Sihanoukville, buy a piece of land and build whatever they can.

Do you have any Chinese friends?

I don't really have Chinese friends, but I know some.

I lived a few months in China. They are same in China and here: They are chauvinists. In China, in non-tourist areas, if you don't speak Chinese, you cannot order food. Here it's the same. I heard a lot of stories from tourists and white expats from Europe and the US, they've been just chased away from Chinese places.

You said before that you have friends who are working in the online casino business?

Not really friends. I have customers, the Russian, Ukraine and Kazakh girls, they come here to work for online casinos.

Do you know how this system works?

Not really. It is money laundering. I know for one casino, which is Indonesian, not Chinese, they are hiring girls and paying them like 1500-2000 a month.

They just stand in front of the camera, shuffle cards and work as dealers.

I don't know why they do it here, but I think because the laws are not so strict here.

I know there was a bigger Russian community here before.

Yes, it was much bigger. In 2014, more than 2000 Russian-speaking families lived here. From Russia, Ukraine, a lot from the ex-Soviet Republic.

I know Sergei Polonsky lived here, but he got departed and went to jail, right?

Yes, he lived here. He got departed and now he is in Moscow but not in jail. He was in jail for a while.

There were news articles about the Russian mafia being active in Sihanoukville.

There was never Russian mafia here. There were a few Russian guys here who tried to exhaust some money from small businesses, but they all got in jail. It was normal crime, not mafia. There was only one shooting with Russians involved, when they tried to organize the Kazantip festival in Sihanoukville two years ago. Two Russian groups tried to distribute the money before even earning it. So, there was a shooting. One group got in jail, the other fled. One guy from them was searched by Interpol.

Nicolai Doroshenko also lived here; his son was the local police chief.

His son was in the police, but not anymore. They still live here. This building belongs to Doroshenko. But he's planning to move to Grenada or something.

Are you planning to stay here?

I don't know. I brought my wife to Bangkok airport; she flew to Moscow and she doesn't want to come back, I think. So, I don't know yet.

Appendix G: Unstructured interview with Laurence Constable, Western hostel leaser from 'Everythang' in Otres, Sihanoukville

Can you tell me something about your place?

We have 12 rooms in total and a dormitory. We've been here for three years; the place has been here for about six years in total.

Who is owning this place and the land?

A Khmer guy. He has many places here, for example the neighbors place, Seagarden, the big plot at the end of the beach and many more.

I heard all of the places here are actually built illegal.

Yes. You're not supposed to have something so close to the sea. You need 50 meters distance from the sea.

So, if the government wants, they can just close the places?

Potentially yes.

When are you closing?

In the next weeks. We're waiting for somebody else to take it over, some Chinese developers. They are going to knock it down, because it's too old.

There were problems with Russians before in the area, can you tell me something about it?

I don't know those problems so much, because I've only been here three years. Those problems came to an end three years ago. Nowadays there's not many problems.

Where are most of your customers from?

Westerners. Wherever they are European, Australian, American, South African.

Do you also have Chinese guests?

Few, very few, and only recently. Vietnamese more often, and Khmer.

What's your personal opinion about the changes happening in Otres and Sihanoukville?

My personal opinion is that it's natural development that is happening. I don't have anything against the Chinese themselves. Some of the Chinese who are here at the moment don't seem very polite, but a lot of that is because that's just the builders. And British builders are really rude as well. And same with rich business developers, they are not the nicest people, from any country. I'm sure when the tourists and the normal workers arrive, there it be some nice people.

Maybe the gamblers are not the nicest persons, and there's a lot of people coming for sex tourism, and obviously they are not my kind of people, but I got nothing against them anymore, I know good people who go to Pattaya. I don't mingle with those people, but it's up to them.

And do you think the general life situation for the locals will improve in the future?

Hard to say, I hope it does. I got the feeling that there's not gonna be any local people left. Because the prices are going up so much. So apart from the few that get jobs here, the prices are going up too high for them. We can't find any Khmer staff now, because they can't afford to be here. They don't want to be here either – there's no power, it's full of dust – you need to have a reason to be here.

And do you have any contacts to the Chinese community here?

Not so much. I'm only in contact with one or two Chinese.

Is there a head of the village?

Mr. Sok is the owner of the village. But he's really busy. At the moment he's just selling everything and dealing, and just telling western people in the village that they can't sell because he's annoyed of them. For example, he was annoyed that someone parked his car in the road for three days, and he asked him not to do. He's refusing people for 100,000\$ sales because of things like that. He's rolling money, he gets lots of money himself from the sales, and he's just saying no for tiny, small things.

Appendix H: Written interview with a Cambodian woman, working for a Chinese-owned 5* hotel (anonymous)

Can you tell me something about your work – what are you doing there?

I'm an art designer in one of the hotels in Sihanoukville. I'm responsible for the visual style and images in magazines, product packaging, promotion campaign, and other advertising material for the hotel.

How long do people usually stay in your hotel and is it mainly businessmen or normal tourists?

I'm not sure about how long they normally staying as it's reservation department not mine. And it is kinda mixed business and tourists (many casino guests).

Are there only Chinese people staying, or is it mixed?

When it first started. It's 100% Chinese guests but now it's starting to have some local and Caucasian guests as well but still not many.

How many Cambodians work there (more Cambodians than Chinese)?

There are many Cambodians working here as well as Chinese. For the high-level position mostly are Chinese people and less Cambodians. They tend to give the privilege to their own race than choosing local for a manager position unless they have to.

Does the hotel offer accommodation for you?

Yes, it does. The accommodation and meals are provided by the hotel, also transportation.

What is your opinion about the changes in Sihanoukville?

To be honest, the changes in Sihanoukville is really surprisingly unexpected to me. Like it used to be very nice and peaceful place and now it's full of Chinese. Although

it provides many jobs to Cambodians with very good rate but at the same time, they pay more rent, and the cost of living increased. Most of the street are destroyed because of the constructions everywhere. Sewage and garbage in the street and in the sea and on the beach. On the bright side, we hoping once they done with the construction, some of the Chinese who's working on the project will be sending home. Then once the road, electricity, wastewater and garbage have been sorted, tourists from other countries will still come to visit... if not they will be passing through on their way to the islands (not many Chinese there). So it will be sorted some way or the other - but obviously it will never be as it once was. So the changes here is a 50/50 to me.

**Appendix I: Email Correspondence with Jiahuan Yuan, United Nations
Cambodia**

Dear Sheila,

Tim told me that you were on BRI in Cambodia and had a look at Sihanoukville. I'm a student from Chulalongkorn University and currently doing a research on the changes in Sihanoukville through Chinese investments.

Could you please tell me what you have done exactly in Sihanoukville?

And, my initial question, do you know where I can find official documents, to check for example comprehensive information about BRI projects in Cambodia?

From what I've seen, many researches rely on newspaper articles, and on the website of the Chinese government, I couldn't find any Cambodian-related information.

I'd be glad if you can help me!

Best

Tom Bühler

Answer:

Hi Tom,

Thanks for reaching out. I was off from working for a few days, apologize for the late response.

We did have 3 policy dialogues about BRI in Cambodia recently, but I didn't participate in the field mission to Sihanoukville. Maybe you can check out the article on Foreign Affairs which written by Prof. Yuen Yuen Ang, she specifically mentioned about her trip to Sihanoukville.

And you're right. There is no official doc about all the BRI projects in Cambodia. Even the researchers we invited last year for doing BRI research, they replied on news articles to gather the information.

But, do check out some articles from Yuen Yuen ANG, I believe it would benefit for your research.

Good luck!

Best regards,

Sheila

Appendix J: Written Interview William Callahan, Expert in International Relations

Note: Since William Callahan could not answer all questions asked, only those ones are noted which were answered.

Do you know if the Chinese state encourages its citizens to go abroad, and if yes, why this is so?

Since 1999, China has had a 'going out' -- or going global -- policy. See DAvid Shambaugh, *China Goes Global*, OUP, 2013.

It is geo-economic and geopolitical: to export some of Chinese industries overcapacities, but also go gain allies on the international stage.

What is the Chinese government doing to motivate companies to invest in foreign countries like Cambodia?

This IPE angle is outside my area.

I have an informant, who is a manager at a construction site in Sihanoukville, where a Chinese state-owned company is not allowed to hire locals. Do you have any similar examples?

This is a common story -- but I don't have specific examples.

Appendix K: Interview with Tyler Lebens, Real Estate Agent

Note: Tyler Lebens responded on behalf to James Whitehead

Dear James Whitehead,

I'm a student from Chulalongkorn University in Bangkok and currently doing a research on the changes happening in Sihanoukville through Chinese investments. I would be glad if you can answer them.

If anything is too sensitive, you can leave it out, and if I shouldn't mention your name in the research, please let me know.

1. Do you see the real estate sector in Sihanoukville as stable, do you think it will grow further, or do you think there are too many projects being carried out?
2. Is it possible for investors in Sihanoukville/Cambodia to pay cash for condos and apartments?
3. Most of the investors in Sihanoukville come from China. Would you say that most of them work in the casino and online casino sector, or what kind of occupation is most common?
4. Do you know of any updates on the 'Wisney World' project, or was it stopped?

It would be great if you can help me answering those questions!

Best Regards

Tom Bühler

Answer:

1. No signs of stopping. In fact, the wave is already expanding to nearby areas of Kampot/Kep and Koh Kong. Plans for airport in K Kong and plans to give beach a facelift in Kampot.

2. Yes, it is possible. Related to that there have been several very publicized busts recently where Chinese have been caught bringing millions of USD into Cambodia.

3. I would say MANY of the investors are from China, yes. But there are many Cambodians in the mix as well. As far as Chinese WORKERS, that's a whole different story. A Chinese person coming to Sihanoukville to work could be doing construction, casino work, tech work, real estate industry work, many things. With

more Chinese workers means more opportunities for restaurants, local services, more hotels geared toward Chinese tourists, etc etc.

4. LOL. Unfortunately, there hasn't been any news on Wisney World. Not since the announcement last year.

Appendix L: Coded Interviews with Locals

Code	Meaning
1	There are new employment opportunities in Sihanoukville
2	There will be more employment opportunities in the future
3	Landowners and/or property owners earn more money
4	People must move out of the city, because of rising rents
5	People who speak Chinese can earn more money

Answer	Code
(Rather) consent	A
(Rather) denial	B
Not asked or no (clear) answer	C

Interviewee	Code 1	Code 2	Code 3	Code 4	Code 5
App. M	B	A	A	A	A
App. N	C	C	A	A	A
App. O	C	A	A	C	A
App. P	A	C	A	A	B
App. Q	C	C	C	C	A
App. R	B	B	A	A	A
App. S	A	A	C	A	A
App. T	A	A	A	A	A
App. U	C	B	C	A	A
App. V	C	C	C	C	C
App. W	A	C	C	C	A
App. X	B	A	C	C	C

Appendix M: Interview with a local (anonymous)

Since when do you live in Sihanoukville?

I live in Sihanoukville since I was 12 years old and moved here to go to school. I am from a small village in Kampot province.

Did life get more expensive for you in the last two years?

Yes, everything gets more expensive, compared to 2-3 years ago. Since Chinese people come to live, food, accommodation, and everything else gets more expensive. The poor people cannot afford it.

Do you earn more money now than two years ago?

Yes, but because I went to high school before, and now I work.

Did you have to move because the rent got too expensive?

No, because the school where I teach provides me a free room.

Do you know from your friends that they had to leave Sihanoukville, because it got too expensive?

Yes, from many. For example, one of my friends rented a flat near Occheutal beach. Then the Chinese came and rented all houses around him. One Chinese wanted to rent his flat, and the owner cancelled the contract with my friend. He couldn't find any other affordable place in Sihanoukville, so he had to move to another part of the country.

What do you think about the changes here?

In my opinion, there are bad and good things.

For the bad things – the small Cambodian businesses have to close. Especially the small restaurants cannot do it anymore. Before they used to rent a flat for 100-200\$, now it's 1,000-2,000\$. They have to find another place which is far from the town – but because it's so far, no one comes anymore.

Also, the Cambodian construction workers had to leave, before they paid 50-100\$ for a room, but that's not possible anymore. So, if they can't live at the construction site, they have to move to another province.

But at the same time, people who do business with Chinese can earn a lot of money. The government gets taxes from the hotels, casinos, and other businesses.

I learn Chinese now to make more money in the future.

And one more thing, I think when the Chinese invest in Sihanoukville it's not bad. We have so many high buildings now. So, in the future, when they go back to the country, or our government does not allow them to do business here anymore, it will get good for us.

Do you have Chinese friends or contacts with the Chinese community?

Not really.

Do you think the locals will benefit from the changes in the future?

Yes, for sure. Because when more and more Chinese people come to live here, our citizens have more opportunities to work. Like, when they build a hotel – they need Cambodians to work. For example, at the reception, and as a security guard. And people get much higher salaries as in other provinces, like Phnom Penh. Sihanoukville has the highest salaries in the country.

A security guard gets around 350-500\$ in Sihanoukville, and the wages are more and more increasing. Sometimes they also get equipment like cars. In Phnom Penh, a security guard gets around 180-250\$.

Did you ever have problems with Chinese people?

Yes, mainly on the road. They drive so fast and don't respect our rules. If they hit people, they just give money to the police.

Appendix N: Interview with a local (anonymous)

Since when do you live in Sihanoukville?

I've been living here almost 12 years. I come here in 2007. Before I lived near the Vietnamese border.

Did live gets more expensive for you in the last 2-3 years?

It got more expensive, but life also got better for me. Many foreigners came here in the last 2-3 years, and I can make money with them. Before, I worked with foreign companies, for example from Australia, Canada, and European countries. Since a year, I work with Chinese people and I earn much more money with them. For someone who speaks Chinese the changes have good advantages, for someone who only speaks English it has low advantages. I only spoke English before, but because the circumstances have changed, I learned Chinese.

Did your rent increase in the last two years?

Yes, it increased.

Do you have friends who had to move away from Sihanoukville because it got too expensive?

Yes, some friends, and also some business.

What do you think about the changes in Sihanoukville?

It has positive and negative things for everyone. What a good thing about Chinese is, is that they pay us higher than other foreigners. Especially when you speak Chinese. But it is mainly for skilled people.

What is different is that Chinese often give accommodation. Other companies never gave accommodation. The Chinese give accommodation, food, and transportation for free – that's good for the Cambodians.

What is bad is that everything is more expensive, there is too much traffic, everything is noisy – because they have constructions 24 hours, and Chinese like to party all

night and drink on the street. Before it was quiet at 11, but now we can't sleep anymore.

Do you think everyone will benefit from the changes when all the buildings are finished?

Of course. I think in 2-3 years it will be beautiful, with many high buildings, nice streets, and many supermarkets. But everything belongs to Chinese people. But Cambodian businesses gonna move. And workers who could not get a good job have to move as well.

Appendix O: Interview with a local (anonymous)

Can you tell me about your work?

I am a bar owner; we also have a hostel. We opened around 1,5 years ago.

Are you from here?

Before, I lived near Sihanoukville. Six years ago, I moved to Sihanoukville, and two years ago to Otres.

How do you see the situation now, with many Chinese people coming? Do you do business with them?

I think it's not bad. Sometimes we have Chinese customers, the people who come to my place are nice people. And when the construction is finished, we will have many good jobs.

Do you think you can earn more if you learn Chinese?

Yes, I think so. Many people learn Chinese now.

And how did the situation change for you?

Because there are not many western tourists coming anymore, my business partner and me have to decide. Maybe we will change the place to get more Chinese customers. Or we sell. We invested around 30,000\$ in the place, but now we can sell for around 90,000\$. If we sell, maybe I will open a smaller placar nearby, I like Otres so much.

How do the Cambodians living in Otres see the changes?

Many people think it's bad, because everything gets more expensive and some people lose their job. But other people got new jobs. I think there are many good things. Chinese build a lot and bring money. But many friends don't like it.

Appendix P: Interview with a local (anonymous)

Tell me about your work

I'm a Tuk Tuk driver. I work here in Otres and drive tourists and Cambodian people.

Since when do you live in Sihanoukville?

I live here since I'm 15. I'm born near the city.

Did life get more expensive for you in the last two years?

Yes, everything is more expensive now. Food, rent, everything.

Do you earn more money now than two years ago?

No, it's less and less. The Chinese have drivers, they not often take tuk tuks.

Did you have to move because the rent got too expensive?

Yes. Now I live with my family outside of Sihanoukville. Before I can pay the rent here, but not anymore.

Do you know from your friends that they had to leave Sihanoukville, because it got too expensive?

Many friends left. Before, we had many tuk tuk drivers here. But now, we can't make enough money. You see, there are not many tuk tuk drivers left here.

What do you think about the changes here?

For me, it's not good. It's hard to feed my family. I think the rich people make much money now, and people who can rent to Chinese or can sell land. But the normal people, we all lose.

Do you think you can earn more if you speak Chinese?

I think a little bit. But many don't want to buy from Cambodian.

Do you have Chinese friends or contacts with the Chinese community?

No, Chinese people are often not nice. I don't speak Chinese, I don't understand them.

Do you think the locals will benefit from the changes in the future?

Maybe it will get better, I don't know. There is many new jobs in Sihanoukville, but not for us. In Otres it's not many tourists left. The Chinese work for construction or make business. But maybe in the future, more tourists come.

Appendix Q: Interview with a local (anonymous)

Tell me about your work

I work as a tuk tuk driver around here.

Since when do you live in Sihanoukville?

I moved here nine years ago. Before I lived not far from Sihanoukville.

Did life get more expensive for you in the last two years?

Yes, because the Chinese make the prices higher. It's so expensive to live here now.

Do you earn more money now than two years ago?

Less money now. Because not many tourists come anymore. And Chinese people always want the price lower. Sometimes we agree on a price but after I take them, they want to pay less.

Did you have to move because the rent got too expensive?

No, but I pay more money now for the room like before.

Do you know from your friends that they had to leave Sihanoukville, because it got too expensive?

Yes, many people move away. Some find new jobs, but for me it's hard. I don't have enough work now.

What do you think about the changes here?

I don't like it. It was so nice here, but the Chinese destroy everything and often they fight when they are drunk. It's not good.

Do you have Chinese friends or contacts with the Chinese community?

No.

Do you think you can earn more money if you speak Chinese?

Yes I think. But I don't have money to learn.

Do you think the locals will benefit from the changes in the future?

I don't know. It's not looking good now, but I hope it changes.

Appendix R: Interview with a local (anonymous)

Can you tell me about the work you're doing here?

I'm a beach seller. I do massage, pedicure...everything the customer wants.

Are you from here?

I moved here from the village.

So, how long do you live here?

I live here seven years now. But maybe I have to go to other place soon. Not many customers come here anymore.

How do you see the situation now, with many Chinese people coming here? Do you do business with them?

Sometimes Chinese people come to me, but not often. And western hotels close. It's very hard for me.

Do you earn money now than two years before?

No. I earn much less.

Did your life expenses rise, for example the rent?

Yes, it's more expensive and I earn less money. But I live in a small place – I don't pay rent.

Where did you learn English?

My friend teach me and I learn here.

Do you think you can earn money if you can speak Chinese?

Yes. I think I can earn a lot. But I cannot speak Chinese.

What do you think about the changes here?

Some people get very rich. But we people at the beach, we cannot earn money anymore.

Do you think this will change in the future?

No I don't think so. It is more and more bad.

Can your friends make money with the Chinese?

I have friends who work at construction sites, they earn good money. But is hard work, I cannot do it.

So, do you think the change for you and the community is good?

Maybe in the future is different. Many rich people come here. But now it's not good. Many friends move to Kampot to make money there.

Appendix S: Interview with a local (anonymous)

Tell me about your work

This is my travel agency; my family and I work here. We opened the place around one year ago.

Since when do you live in Sihanoukville?

We moved here like 1,5 years ago to build the place and open a business.

Did life get more expensive for you since you are here?

A little bit. But the problem is that we don't earn enough money. When we came here, we thought we can make good business. But now, so many places close, we also think to close.

Did your rent increase since you are here?

This is our place and we also live here. We pay for the land, but this price is fixed.

Do you know from your friends that they had to leave Sihanoukville, because it got too expensive?

I don't know so many people here. But many places close, many people move away. This is because we cannot make enough money.

What do you think about the changes here?

I think it's good and bad. We have many new jobs here, people come from everywhere to work. But for me, it's not so good.

Do you have Chinese friends or contacts with the Chinese community?

No, they don't speak English or Khmer. I cannot talk to them.

Do you think the locals will benefit from the changes in the future?

I think when people learn Chinese, they can make more money. I will start to learn Chinese soon to work with them.

Appendix T: Interview with a local (anonymous)

Besides my job in the travel agency, I study hospitality and tourism at the BBU University in Sihanoukville. I think the Chinese investments in Cambodia will have some advantages and some disadvantages.

For the advantages – When Chinese come they pay a lot of money to the government to build big buildings, they pay taxes and pay money to get Visa. They also build street and bridges.

About the jobs – When the Chinese build buildings and create business, they need a lot of Cambodian workers. We can get a big salary, much bigger than you can get it in other provinces.

And I think we will have much more jobs in the future, because many tourists will come.

When the Cambodians sell land to the Chinese, they can get very rich. They will get as much money as possible, and some got millionaires.

Cambodian people can change their old business to serve Chinese people earn much more money than before.

Chinese people also often rent cars and motorbikes from Cambodians, and they also hire drivers. They pay a lot of money for this. A driver can get 400-500 Dollars a month. They don't like to buy cars but rent them.

And for the disadvantages – Chinese people are not polite to Cambodian people. And often Chinese people chose a place to build buildings, and the poor people have to move and find a new place to live.

And for the accommodation, I mean room rentals and hotel rooms, the price increases a lot. For example, the rooms of my friend were rented for 40-50\$ room before the Chinese come, and now he gets 150\$ a month from the Chinese. But the disadvantage is that some Cambodian people cannot afford to live here anymore.

Another disadvantage is that the Chinese can build everywhere they want. So they choose some beaches to build big buildings. They just pay a lot of money to the government, which is not legal and build 50 floor buildings or even bigger.

And everywhere in Sihanoukville they build casinos. I heard from other people this will be the city of the casinos and everything will be expensive. The Chinese build so many buildings to make it look better and modern here, it will be like a second Singapore, but for the casinos. But everything will be expensive.

They will build a 43km bridge to Koh Rong. It is the most beautiful island in Cambodia, but it will be a Chinese place in the future because they invest a lot of money there.

Did your business changed compared to two years ago?

It didn't change, I still earn enough money with western customers to support my family. Some other businesses have to close, and some get more money because they make money with Chinese.

People at the market who sell vegetables and meat have a hard life now. They don't earn enough.

But people who work in infrastructure, and sell cement and things like that, they earn a lot of money now.

But many small businesses from the local people lose, also people who sell things at the beach cannot earn enough money anymore to survive. Many of them lost their jobs.

Where are you from?

I'm from Kampot province

Do you earn more money now than 1 or 2 years ago?

At the moment I earn less money. But I plan to change my business, to serve for the Chinese. I learn Chinese language now and when I'm good enough I will change my business, and maybe do a car rental. With this I can earn around 1,000\$ a month.

But another problem is that Chinese not often do business with Cambodians. Only in some areas, but often they prefer to buy things from other Chinese.

Where did you learn English?

I had a language course in Phnom Penh and later I studied English for 1,5 years.

Do you think the changes are rather good or bad?

For me, the changes are more good than bad. I think the Chinese make it better than before, it takes a bit of time but I think in two years everything will be better.

Appendix U: Interview with a local (anonymous)

Can you tell me about the work you're doing here?

Everyday, I walk around here and do massage for tourists. I also cut nails and do pedicure.

Are you from here?

No, I come here with my family around five years ago. I'm from a small village 200 kilometer from here.

How do you see the situation now, with many Chinese people coming here? Do you do business with them?

Now, the business is not good. Before, I make enough money for my family, but now it's hard. I don't understand Chinese, and they are not friendly. I have Chinese customer before, but not often. And western people don't come often anymore.

Do you think this will get better in the future?

I don't think so because many Chinese don't buy from us.

Did your rent increase in the last two years?

I live near the road here and don't pay rent. But everything got more expensive, like food.

Where did you learn English?

I learn English when I come here. First, I have a language course and then I learn from tourists.

Can you earn money if you can speak Chinese?

Yes, I think I can. But is so hard to learn.

What do you think about the changes here?

It's not good. I don't have enough money to live. And they build so much and no more other people coming. I think western tourists don't like it, it's so many construction.

Can your friends make money with the Chinese?

My friends also have hard life now. Many move away because they cannot make money.

Appendix V: Interview with Luch, a manager at Don Bosco Guesthouse

Tell me about the hotel

We have 18 rooms, and we offer internships for students of the Don Bosco Hotel School which lasts for one or three months.

Do you have more customers now than 3-5 years go?

Currently, many Chinese people come to our hotel which was not the case before. Today, we have five rooms rented out to Chinese.

What do you think about the changes happening in Sihanoukville?

Sometimes I get very upset. They destroy everything, the beaches are so dirty now.

Do you think the life gets better for the Cambodians in Sihanoukville?

Now, many people move out of the city. But there are also some new jobs.

Where do your customers come from, now and then?

Our customers come from Europe, Cambodia and China. At the moment, most of our customers are from China.

From the youth perspective, how do you see the changes happening here?

Not good.

Are the youth affected from crime-related events?

Before, we never had problems (*note: The guesthouse is located in a red-light district*). Now, many fights happen nearby from Chinese people.

Do you have any contacts to the Chinese community, Chinese hotel owners, etc?

I know no Chinese people.

Why do you think Chinese businessmen invest here?

We have an international port and there were also many tourists before the large-scale investments started. The Chinese can earn money here.

Appendix W: Interview with a local (anonymous)

Can you tell me about the work you're doing here?

I work here since eight years. I sell boat tickets, but tickets to everywhere in Cambodia and to Thailand. We are also organizing trips to the islands around here.

Where did you live before?

My home is Kampot.

How do you see the situation now, with many Chinese people coming here? Do you do business with them?

Three years ago, we had a lot of tourists here, but it changed. Some Chinese book trips from me, but it is a little bit difficult because I don't speak Chinese.

Do you earn money now than two years before?

It is less now, but it is okay. I still love it here. Every day I work the same thing

Did your life expenses rise, for example the rent?

I have free room here, so it's the same. But is difficult, today many have no room to stay.

Where did you learn English?

In Kampot and Phnom Penh. The first was Phnom Penh, a private English course. We study hard, per day we spend like 3,4,5 hours. For the first time it is very difficult. But we try to, because international language we must know. Very important for the people living here.

Could you earn money if you can speak Chinese?

I think more and more languages is better. I think I can earn more.

How do the Cambodian community in Otres see the new Chinese influence?

Sometimes they are a little bit surprised about all the buildings. Before it was not many buildings, but it changed so much. I think in Sihanoukville a lot of Chinese.

Can your friends make money with the Chinese?

For Chinese who come here, sometimes they come to our restaurants to eat.

So, do you think the change for you and the community is good?

We not speak Chinese, if we speak Chinese is good. The Chinese come here for business and build factories. The factory is very good. A lot of Cambodian people who don't have job to do, come from different villages to Sihanoukville. We got a big factory like 25 kilometers from here, for clothes, but I never see.

Some friends from me are working for Chinese. We are not so scary about Chinese who come here. Because when they come here, they have jobs for Cambodians also. Like in casino.

My idea is that it's not so bad that they come here.

Appendix X: Interview with a local (anonymous)

Can you tell me about the work you're doing here?

I sell sunglasses. I come here maybe 4-5 years ago.

Where did you live before?

I am from Vietnam. Before I live near the border.

How do you see the situation now, with many Chinese people coming here? Do you do business with them?

It's very hard. They don't speak English. I try to sell but they often don't want to buy from me.

Do you earn money now than two years before?

Less money. We have not many tourists here anymore.

Did your life expenses rise, for example the rent?

I live in a hut with my family near the street. We built it so I don't need to pay rent.

Where did you learn English?

I learn in school and then I teach myself.

Do you think you can earn money if you can speak Chinese?

Maybe. Some people I know earn money with Chinese. But I think they often don't want to buy from people at the beach.

What do you think about the changes in Otres and Sihanoukville?

I think in the future will be good. Many big hotels come here. But now it's only construction.

Can your friends make money with the Chinese?

Some people can. My friend sell jetski tours, many Chinese people come to buy from him and they pay more money than western tourists.

So, do you think the change for you and the community is good?

For me it's not good now. But I think maybe it change soon and we can make more money.

Appendix Y: Field Diary

The new Chinese influence in Cambodia becomes clear even before I have arrived in the country. I board the plane at Suvarnabhumi Airport in Bangkok to fly to Phnom Penh on 19th April 2019 with Lanmei Airline, a new Chinese-owned Cambodian airline and in the airline's brochure I am informed that it "aims to promote Cambodia's 'Quadrangle-Development-Strategy' while supporting the China 'B&R Initiative'".

Leaving the airport in Phnom Penh, changes become even more visible. Much more Chinese signs can be seen compared to my first visit in 2015.

The bus from the capital to Sihanoukville is packed with laborers, I am the only foreigner. On the road, there are less Chinese signs than in the capital, but you still see them all along the way, even in the smallest villages.

The vast majority of the workers are men. They leave the bus around 20 kilometers outside of Sihanoukville at a new construction site where a mall is built. Some women get out ten minutes later where they start a job in a shoe manufacturing plant.

Arriving in Sihanoukville late in the evening, I see neon lights everywhere, and one casino after another on the main road. The Don Bosco Guesthouse where I stay is at the end of a red-light street near the center of Sihanoukville. From the internet I know that this street was once very popular among Western expats and sex tourists. Now, I am again the only Westerner, surrounded by Chinese men and Cambodian women.

The next day, I walk around in the streets. I can see that even in the short time since my last visit in December 2018 the city has changed again. The only place which seems more Cambodian than Chinese to me is the Phsar Leu Market where Cambodians sell food, clothes, and jewelry. Everywhere else, it feels like being in China. The only indication that I am still in Cambodia are shop signs in Khmer and Chinese language – a legal requirement. I can see more Chinese than local restaurants, and most of the local street food vendors I remember from my last visits are gone. Construction sites are everywhere – actually, the whole city feels like a huge

construction site. I can see piles of rubbish, some of them burning. The air is full of dust and smoke from the fires and the construction works. Although I do not understand the posters that hang on every corner in Chinese, I can guess that they advertise either young women, casinos, or real estate.

Walking around in the city, I observe that it is mainly Chinese who go into the casinos. At some smaller places though, I see some Cambodians who did not give the impression that they were casino employees but rather casino clients. This was confirmed by locals later.

Searching for a simple Chinese restaurant, I am shocked. Prices for basic rice dishes are often over 20 US\$. Luckily, I finally find a Chinese fast food chain, with dishes starting from three US\$.

Later, at Occheutal beach, the next shock. There is rubbish in the sea and on the beach everywhere. Pictures I only knew from the media before.

After two days, I go to Otres, about five kilometers from Sihanoukville. Once a kind of hippie expat village, it still has a bit of charm, although way less than before. Now, it is the last village in the area offering a few low-budget hostels and guesthouses.

The owners of the place where I stay tell me they will shut down soon – like most of the other hostels, guesthouses and restaurants. I turn away from the beach and visit Otres village. Before, the place was famous among Western travelers and Cambodians alike who went there for holidays. Both groups are rarely seen now, replaced by Chinese. All local restaurants on the village street were closed.

The slum at the entrance to Otres, which I saw on my first visit a few years ago, seems to be bigger than before. On the one hand this surprises me, as an interviewed person from the NGO M'Lop Tapang told me that most of the poorest had already left. On the other hand, the dwellers do not pay rent – I can imagine that some had to go to Otres, as there was no affordable space left for them in Sihanoukville.

In the four months since my last visit, the scenery has changed. The garbage has apparently not been collected for weeks. This was confirmed by locals later. A large new casino opened, in addition to that, around five brothels popped up.

While sitting in a café, I see that a lake in the village gets filled up with sand.

“Why?”, I ask a local friend. “To provide space for new constructions”, she answers.

I’m wondering why a lake needs to be filled up with sand when there is enough space for new properties 300 meter outside of the village. I’m also wondering if it is cost-efficient and how stable buildings built on sand will be. Later, I talked to other expats about that matter, and many of them were concerned that those low-quality buildings may collapse at a point.

In my first night, I meet two Chinese men attending the closing party of a bar.

Communication is not easy, but we make efforts with the help of our translation apps.

During my time in Otres, I talked to a number of Western expats. Except one, who speaks Chinese, everyone is planning to leave soon.

One morning, I meet two poker players from Lithuania in a café. They just came back from a casino where they have spent the night. During our conversation, they tell me that they moved to Sihanoukville to make their living with gambling. According to them, this is easy in Sihanoukville as a professional poker player. They believe that the vast majority of Chinese players launder money in the casinos. Most Chinese do not care at all when they lose 10,000 US\$ in a round, they say. According to them, but also to other people I talked to, rumors are spreading that gambling will be embanked in Macao soon – one of the reasons why Chinese now invest in the gambling sector in Sihanoukville.

A couple of days later, I go downtown to meet the local Minister of Tourism. Before the meeting, I visit Occheutal beach again and I am surprised: At least 200 workers from Jin Bei Casino, one of the biggest casinos in the city, are cleaning the beach, all of them wearing t-shirts with ‘Jin Bei clean day’ printed on them. I am impressed – although I heard about beach clean-ups organized by Western expats, I never saw a western company doing it.

Back in Otres, it is getting calmer and calmer as one place after the other is closing. Though calm might be the wrong word – there are power every day, lasting at least

six hours, sometimes up to 24 hours. Once the power is off, generators are switched on, disturbing the tranquility.

Carrying out the interviews was not always easy. There were not many beach vendors left, and amongst those who still were there, some obviously were afraid of criticizing the government. They did not want to tell me their opinion about the changes openly – although I assured them that their comments would be anonymous. One day, I tried to find someone to translate for me in a municipal office. Nobody was willing to do this, although I offered them a payment that was probably equivalent to one week's income.

However, the changes were not perceived as negative in general. From the threads in internet forums and newspaper articles, one might conclude that the Chinese influence has only disadvantages. But some people also appreciate that the investments will promote development in the area and improve their lives one day. Having passed some time in Sihanoukville and Otres now, the immediate impression is surely bad, but one can imagine that the development will have positive sides once the construction works are finished. Then local people will have better chances to find a job – provided they are still there.

This is not a far-fetched concern. Even many Western expats told me that they cannot afford the rent anymore. And they generally have more money than the locals, at least those who do not own land or properties.

During my two weeks in Sihanoukville, more than ten places closed in the small village of Otres. Leases of most Western beach resorts will expire soon, and some hotels already changed their names and target Chinese customers now. Most of them, however, will simply be demolished and replaced by huge hotels, resorts and condos.

REFERENCES

\$3 Billion Resort for Sihanoukville. (2016, June 28). *Khmer Times*. Retrieved from

<https://www.khmertimeskh.com/25251/3-billion-resort-for-sihanoukville/>

A Chinese View on Sihanoukville. (2019, February 16). *Cambodia News English*.

Retrieved from <https://cne.wtf/2019/02/16/a-chinese-view-on-sihanoukville/>

Alarming: video shows Sihanoukville's Independence Beach awash with sewage.

(2019, April 30). *AEC News Today*. Retrieved from

<https://aecnewstoday.com/2019/alarming-video-shows-sihanoukville-independence-beach-awash-with-sewage/>

Amarthalingam, S. (2018, November 25). Port of Sihanoukville poised for double

digit growth. *Khmer Times*. Retrieved from

<https://www.khmertimeskh.com/552862/port-of-sihanoukville-poised-for-double-digit-growth/>

Ang, Y. Y. (2019, May 22). *Demystifying Belt and Road*. Retrieved from

<https://www.foreignaffairs.com/articles/china/2019-05-22/demystifying-belt-and-road>

Asia/Pacific Group on Money Laundering. (2017). *Anti-money laundering and*

counter-terrorist financing measures Cambodia (p. 182) [Mutual Evaluation Report]. Retrieved from

<http://www.apgml.org/documents/default.aspx?s=title&c=7&pcPage=2>

Basel Institute on Governance. (2018). *Basel AML Index 2018* (p. 24) [Index].

Retrieved from https://www.baselgovernance.org/sites/default/files/2019-02/basel_aml_index_10_09_2018.pdf

- Baviera, A. S. P., & Maramis, L. (2017). *Building ASEAN community: political-security and socio-cultural reflections*. Jakarta: Economic Research Institute for ASEAN and East Asia.
- Boucher, R. (2019, March 29). China's Belt and Road: A Reality Check. *The Diplomat*. Retrieved from <https://thediplomat.com/2019/03/chinas-belt-and-road-a-reality-check/>
- Bourdieu, P. (1998, December 1). The essence of neoliberalism. *Le Monde Diplomatique*. Retrieved from <https://mondediplo.com/1998/12/08bourdieu>
- Broadman, H. (2019, January 30). China's slowdown is of its own doing. *Financial Times*. Retrieved from <https://www.ft.com/content/0fb87bda-23c4-11e9-b329-c7e6ceb5ffdf>
- Cambodia Industrial Development Policy 2015-2025*. (2015). Retrieved from http://www.mih.gov.kh/File/UploadedFiles/12_9_2016_4_29_43.pdf
- Cambodia Sihanoukville Special Economic Zone. (n.d.). Retrieved May 16, 2019, from <http://ssez.com/en/index.asp>
- Cambodian Center for Independent Media. (2018). *Independent union does not exist to protect rights and working conditions of workers in Sihanoukville Special Economic Zones*. Retrieved from <https://www.ccimcambodia.org/?p=1289>
- Cambodia's Hun Sen Fires Deputy Governors Involved in Land Dispute Crackdown. (2019, March 1). *Radio Free Asia*. Retrieved from <https://www.rfa.org/english/news/cambodia/involved-03012019164213.html>
- Canby Publications. (n.d.). *Sihanoukville - History and Legend*. Retrieved from <http://www.canbypublications.com/sihanoukville-cambodia/sihanoukville-history.htm>

- Central Intelligence Agency. (2019). *The World Factbook: Cambodia*. Retrieved from <https://www.cia.gov/library/publications/the-world-factbook/geos/cb.html>
- Chan, S. (2018, November 28). S'ville airport needs revamp, premier says. *Khmer Times*. Retrieved from <https://www.khmertimeskh.com/553943/sville-airport-needs-revamp-premier-says/>
- Chan, S. (2019, May 16). Money laundering - Cambodia's troubling suitcase. *CapitalCambodia*. Retrieved from <https://capitalcambodia.com/money-laundering-cambodias-troubling-suitcase/>
- Chappelow, J. (2019). Conflict Theory. In *Investopedia*. Retrieved from <https://www.investopedia.com/terms/c/conflict-theory.asp>
- Cheng, Z. (2019). Building the belt and road initiative? – practices en route. *The Pacific Review*, 0(0), 1–25. <https://doi.org/10.1080/09512748.2019.1589560>
- Chheang, V. (2017). *The political economy of Chinese investment in Cambodia*. Singapore: ISEAS Publishing.
- China steps up capital controls with overseas withdrawal cap. (2017, December 31). *Financial Times*. Retrieved from <https://www.ft.com/content/b69166fa-ee01-11e7-b220-857e26d1aca4>
- Chinese dominating real estate in Sihanoukville. (2017, October 5). *Bangkok Post*. Retrieved from <https://www.bangkokpost.com/print/1337243>
- Chinese Investors Sign on New City Plans for Ream Park. (2019, April 25). *Cambodia News English*. Retrieved from <https://cne.wtf/2019/04/25/chinese-investors-sign-on-new-city-plans-for-ream-park/>

Cole, N. L. (2018, September 21). The Definition of Globalization in Sociology.

Retrieved June 4, 2019, from ThoughtCo website:

<https://www.thoughtco.com/globalization-definition-3026071>

Corporate Social Responsibility. (2019, March 3). *CapitalCambodia*. Retrieved from

<https://capitalcambodia.com/corporate-social-responsibility/>

Corporate Social Responsibility. (n.d.). Retrieved June 2, 2019, from Sokha Hotels

website: <https://www.sokhahotels.com.kh/communities/our-activities>

Crossman, A. (2019, January 12). The Sociology of Social Inequality. Retrieved June

4, 2019, from ThoughtCo website: [https://www.thoughtco.com/sociology-of-](https://www.thoughtco.com/sociology-of-social-inequality-3026287)

[social-inequality-3026287](https://www.thoughtco.com/sociology-of-social-inequality-3026287)

Dara, M., Aless, & Sassoon, A. M. (2018, January 29). Preah Sihanouk governor

bemoans Chinese influx. *The Phnom Penh Post*. Retrieved from

[https://www.phnompenhpost.com/national/preah-sihanouk-governor-](https://www.phnompenhpost.com/national/preah-sihanouk-governor-bemoans-chinese-influx)

[bemoans-chinese-influx](https://www.phnompenhpost.com/national/preah-sihanouk-governor-bemoans-chinese-influx)

Dara, V. (2019a, April 3). Rubbish piles up as Sihanoukville workers quit. *The Phnom*

Penh Post. Retrieved from [https://www.phnompenhpost.com/national/rubbish-](https://www.phnompenhpost.com/national/rubbish-piles-sihanoukville-workers-quit)

[piles-sihanoukville-workers-quit](https://www.phnompenhpost.com/national/rubbish-piles-sihanoukville-workers-quit)

Dara, V. (2019b, May 28). Shop signs displaying poor Khmer translations removed.

The Phnom Penh Post. Retrieved from

[https://www.phnompenhpost.com/national/shop-signs-displaying-poor-khmer-](https://www.phnompenhpost.com/national/shop-signs-displaying-poor-khmer-translations-removed)

[translations-removed](https://www.phnompenhpost.com/national/shop-signs-displaying-poor-khmer-translations-removed)

De Freitas, G. (2018). *China-Backed Cambodian Deep-Water Port Emerges as BRI*

Focal Point | HKTDC. Retrieved from HKTDC Research website:

<http://economists-pick-research.hktdc.com/business-news/article/International->

Market-News/China-Backed-Cambodian-Deep-Water-Port-Emerges-as-BRI-Focal-Point/imm/en/1/1X000000/1X0ACZHM.htm

Deregulation encourages overseas investment in Cambodian real estate. (2010, October 30). Retrieved May 16, 2019, from CBRE Cambodia website: <http://www.cbre.com.kh/2010/10/30/deregulation-encourages-overseas-investment-in-cambodian-real-estate/>

Economic Cooperation with China under BRI helps Cambodia. (2019, April 22). *Belt & Road News*. Retrieved from <https://www.beltandroad.news/2019/04/22/economic-cooperation-with-china-under-bri-helps-cambodia/>

Ellis-Petersen, H. (2018). How Chinese money is changing Sihanoukville – ‘No Cambodia left.’ *South China Post Magazine*. Retrieved from <https://www.scmp.com/magazines/post-magazine/long-reads/article/2158621/how-chinese-money-changing-sihanoukville-no>

Elten, H. (2018). *Cambodia's condo-ridden housing crisis*. Retrieved from East Asia Forum website: <https://www.eastasiaforum.org/2018/08/08/cambodias-condo-ridden-housing-crisis/>

Faulder, D., & Kawase, K. (2018). Cambodians wary as Chinese investment transforms their country. *Nikkei Asian Review*. Retrieved from <https://asia.nikkei.com/Spotlight/Cover-Story/Cambodians-wary-as-Chinese-investment-transforms-their-country>

Finney, R. (2019, May 24). Cambodian Authorities Close Polluting Chinese Casino. *Radio Free Asia*. Retrieved from <https://www.rfa.org/english/news/cambodia/casino-05242019150217.html>

- Fletcher, D. (2009, February 17). The Khmer Rouge. *Time*. Retrieved from <http://content.time.com/time/world/article/0,8599,1879785,00.html>
- Ford, P. (2016, April 11). Beachfront Evictions Begin in Sihanoukville. *The Cambodia Daily*. Retrieved from <https://www.cambodiadaily.com/news/beachfront-evictions-begin-in-sihanoukville-111101/>
- Franceschini, I. (2019). CALLING THE TUNES IN CAMBODIA. In J. Golley, L. Jaivin, P. J. Farrelly, & S. Strange (Eds.), *Power: Vol. China Story Yearbook* (pp. 85–90). Retrieved from <https://www.jstor.org/stable/j.ctvfrxqkv.12>
- Gambling: casinos in Macao 2018 | Statistic. (2019). Retrieved June 4, 2019, from Statista website: <https://www.statista.com/statistics/253763/number-of-casinos-in-macao/>
- Global watchdog to put Cambodia on its money-laundering watchlist. (2019, February 22). *Reuters*. Retrieved from <https://in.reuters.com/article/cambodia-moneylaundering-idINKCN1QB0UV>
- Glossary of Foreign Direct Investment Terms and Definitions*. (n.d.). Retrieved from <https://www.oecd.org/daf/inv/investment-policy/2487495.pdf>
- Google My Maps. (n.d.). Retrieved June 11, 2019, from Google My Maps website: <https://www.google.com/maps/d/?hl=de>
- Guijarro, O. (2018). Shaping Cambodia. *IAG*. Retrieved from <https://www.asgam.com/index.php/2018/10/04/shaping-cambodia/>
- Hart-Landsberg, M. (2018). *A critical look at China's One Belt, One Road initiative*. Retrieved from Committee for the Abolition of Illegitimate Debt website:

<http://www.cadtm.org/A-critical-look-at-China-s-One-Belt-One-Road-initiative>

Harvey, D. (2007). *A Brief History of Neoliberalism*. Oxford University Press.

Heng, K., & Po, S. (2017, January). Cambodia and China's Belt and Road Initiative: Opportunities, Challenges and Future Directions. *UC Occasional Paper Series, 1(2)*. Retrieved from https://www.researchgate.net/publication/332141726_Cambodia_and_China's_Belt_and_Road_Initiative_Opportunities_Challenges_and_Future_Directions

Heng, P. (2018, August 29). Are China's gifts a blessing or a curse for Cambodia? *East Asia Forum*. Retrieved from <https://www.eastasiaforum.org/2018/08/29/are-chinas-gifts-a-blessing-or-a-curse-for-cambodia/>

Hill, E., & Meagher, G. (1999). *Doing "Qualitative Research" in Economics: Two Examples and Some Reflections*. Retrieved from University of Sidney website: https://www.researchgate.net/publication/5206485_Doing_%27Qualitative_Research%27_in_Economics_Two_Examples_and_Some_Reflections

Hodo Group. (2018). *Wuxi textile company fund building of civic park in Cambodia*. Retrieved from <http://www.hongdou.com/index.php/en/news/company-news/1819-wuxi-textile-company-fund-building-of-civic-park-in-cambodia>

Hong, C., & Yingqing, L. (2019, March 13). Zone is pillar of cooperation. *China Daily*. Retrieved from <http://global.chinadaily.com.cn/a/201903/13/WS5c8860f9a3106c65c34ee53c.html>

- Horton, C. (2018, August 7). Cambodia Finds New Target for Real Estate: Chinese Investors. *The New York Times*. Retrieved from <https://www.nytimes.com/2018/01/09/business/cambodia-real-estate.html>
- Howard, R. (2019). *Western Migration to the Philippines* [Preprint]. <https://doi.org/10.31235/osf.io/xkcm5>
- Human Rights Watch. (2018). *World Report 2018: Rights Trends in Cambodia*. Retrieved from <https://www.hrw.org/world-report/2018/country-chapters/cambodia>
- Hutt, D. (2019, February 24). Is Cambodia's casino gamble paying off? *Asia Times*. Retrieved from <https://www.asiatimes.com/2019/02/article/is-cambodias-casino-gamble-paying-off/>
- Hutt, D., & Crispin, S. W. (2018, November 15). Cambodia at the center of a new Cold War. *Asia Times*. Retrieved from <https://www.asiatimes.com/2018/11/article/cambodia-at-the-center-of-a-new-cold-war/>
- IMF. (2000). *Globalization: Threat or Opportunity? An IMF Issues Brief* [Issues Brief]. Retrieved from <https://www.imf.org/external/np/exr/ib/2000/041200to.htm>
- In Cambodia's "New Macau", Chinese cash in. (2019, January 27). *Bangkok Post*. Retrieved from <https://www.bangkokpost.com/world/1618658/in-cambodias-new-macau-chinese-cash-in?newdesign=1>
- Inequality*. (n.d.). Retrieved from <https://www.collinsdictionary.com/de/worterbuch/englisch/inequality>

Interview: Chinese-invested Sihanoukville SEZ is model for SEZ development in

Cambodia: Cambodian deputy PM. (2019, May 30). *Xinhua News Agency*.

Retrieved from http://www.xinhuanet.com/english/2019-05/30/c_138103283.htm

Jiangsu promotes joint venture development in Cambodia. (2019, January 25).

Ourjiangsu. Retrieved from

<http://www.ourjiangsu.com/a/20190125/1548387174743.shtml>

Jin Bei Group donates US\$20,000 to Sihanoukville Gov't. (2019, May 7). *Macau*

Business. Retrieved from <https://www.macaubusiness.com/sponsored-feature-jin-bei-group-donates-us20000-to-sihanoukville-govt/>

Kawase, K. (2018). Cambodia's biggest port sees China coveting Japan's dominant

role - Nikkei Asian Review. *Nikkei Asian Review*. Retrieved from

<https://asia.nikkei.com/Business/Company-in-focus/Cambodia-s-biggest-port-sees-China-coveting-Japan-s-dominant-role>

Kha, S. (2019, April 30). The Belt and Road in Cambodia: Successes and Challenges.

The Diplomat. Retrieved from <https://thediplomat.com/2019/04/the-belt-and-road-in-cambodia-successes-and-challenges/>

Khalid, I. (2017). CHINA'S ONE BELT ONE ROAD INITIATIVE: TOWARDS

MUTUAL PEACE & DEVELOPMENT Belt and One Road Initiative,

peace and Development, Muara Port of Brunei and Sihanoukville Port of

Cambodia. *Journal of Research Society of Pakistan*, 54(1). Retrieved from

https://www.academia.edu/35228543/CHINAS_ONE_BELT_ONE_ROAD_INITIATIVE_TOWARDS_MUTUAL_PEACE_and_DEVELOPMENT_Belt

and_One_Road_Initiative_peace_and_Development_Muara_Port_of_Brunei_
and_Sikanoukville_Port_of_Cambodia

Khemara, S. (2018, July 19). Cambodia Adrift - Nobody's Puppet. *VOA*. Retrieved from <https://projects.voanews.com/cambodia-election-2018/english/hun-sen/hun-sen-interview-part-1-puppet.html>

Kimmarita, L. (2019, March 14). Report: Sihanoukville crimes increase 25%. *The Phnom Penh Post*. Retrieved from <https://www.phnompenhpost.com/national/report-sihanoukville-crimes-increase-25>

Kimsay, H. (2019a, January 2). Number of casinos jumps by 53% in 2018. *The Phnom Penh Post*. Retrieved from <https://www.phnompenhpost.com/business/number-casinos-jumps-53-2018>

Kimsay, H. (2019b, February 18). NagaWorld casino sees net profit of more than \$390M last year. *The Phnom Penh Post*. Retrieved from <https://www.phnompenhpost.com/business/nagaworld-casino-sees-net-profit-more-390m-last-year>

knoema. (n.d.). *China GDP Growth Forecast 2019-2024 and up to 2060, Data and Charts - knoema.com* [Forecast]. Retrieved from <https://knoema.de//loqqwx/china-gdp-growth-forecast-2019-2024-and-up-to-2060-data-and-charts>

Kofman, E., & Youngs, G. (2008). *Globalization, 3rd Edition: Theory and Practice*. A&C Black.

- Kosal, K. (2018a, February 13). Buying land through Cambodian citizenship. *Khmer Times*. Retrieved from <https://www.khmertimeskh.com/108464/buying-land-cambodian-citizenship/>
- Kosal, K. (2018b, June 5). Sihanoukville property rents skyrocket. *Khmer Times*. Retrieved from <https://www.khmertimeskh.com/497321/sihanoukville-property-rents-skyrocket/>
- Kotoski, K., & Chandara, S. (2016, March 21). Developer finds new partners for planned resort in Preah Sihanouk, Business, Phnom Penh Post. *The Phnom Penh Post*. Retrieved from <https://www.phnompenhpost.com/business/developer-finds-new-partners-planned-resort-preah-sihanouk>
- Kotoski, K., & Sokhorng, C. (2017, December 8). Big trouble in little China? *The Phnom Penh Post*. Retrieved from <https://www.phnompenhpost.com/post-depth-business/big-trouble-little-china-0>
- Kunmakara, M. (2018a, March 13). Sihanoukville to welcome new Marriott hotel. *Khmer Times*. Retrieved from <https://www.khmertimeskh.com/113798/sihanoukville-to-welcome-new-marriott-hotel/>
- Kunmakara, M. (2018b, June 27). Sihanoukville airport opens renovated terminal. *Khmer Times*. Retrieved from <https://www.khmertimeskh.com/505666/sihanoukville-airport-opens-renovated-terminal/>
- Law on the Investment of the Kingdom of Cambodia.* , (1994).
- Law on the Suppression of Gambling.* , (1996).

- Lawton, M. (2018). Lucky for some: Cambodia's new gambling bill. *Casino Review*. Retrieved from <https://www.casino-review.co/lucky-for-some-cambodias-new-gambling-bill/>
- Levy, A., & Scott-Clark, C. (2008, April 25). Adrian Levy and Cathy Scott-Clark report on Cambodia, a country for sale. *The Guardian*. Retrieved from <https://www.theguardian.com/world/2008/apr/26/cambodia>
- Lim, A. C.-H., & Cibulka, F. (2018). *China and Southeast Asia in the Xi Jinping Era*. Lexington Books.
- Lloyd's List. (n.d.). *One Hundred Container Ports 2018*. Retrieved from <https://lloydslist.maritimeintelligence.informa.com/one-hundred-container-ports-2018>
- Macau casinos face 2020 licence expiry. (n.d.). *South China Morning Post*. Retrieved from <https://www.scmp.com/article/970468/macau-casinos-face-2020-licence-expiry>
- Mafia 'not welcome' in Cambodia |. (2015, March 16). *Thai PBS*. Retrieved from <http://englishnews.thaipbs.or.th/mafia-not-welcome-in-cambodia/>
- Manet, S. (2019, January 1). Prince Group's IT building completed. *Khmer Times*. Retrieved from <https://www.khmertimeskh.com/564894/prince-groups-it-building-completed/>
- Master, F. (2019, March 15). Macau casino licenses for MGM China, SJM extended to 2022. *Reuters*. Retrieved from <https://www.reuters.com/article/us-macau-casinos-licences-idUSKCN1QW0BH>

- Meng, S. (2017, April 27). InterContinental gallops ahead with Sihanoukville hotel. *The Phnom Penh Post*. Retrieved from <https://www.phnompenhpost.com/post-property/intercontinental-gallops-ahead-sihanoukville-hotel>
- Meta, K. (2017, September 18). New firm takes over for Cintri to tackle trash in Sihanoukville. *The Phnom Penh Post*. Retrieved from <https://www.phnompenhpost.com/national/new-firm-takes-over-cintri-tackle-trash-sihanoukville>
- Meta, K., & Amaro, Y. (2017, September 6). Sihanoukville facing a trash crisis. *The Phnom Penh Post*. Retrieved from <https://www.phnompenhpost.com/national/sihanoukville-facing-trash-crisis>
- Metcalf, S. (2017, August 18). Neoliberalism: the idea that swallowed the world. *The Guardian*. Retrieved from <https://www.theguardian.com/news/2017/aug/18/neoliberalism-the-idea-that-changed-the-world>
- Morton, E. (2014, May 24). Gambling on change. *The Phnom Penh Post*. Retrieved from <https://www.phnompenhpost.com/business/gambling-change>
- Mother Nature Cambodia. (2019). *Jinding Casino on Koh Rong Somlem island ignores order to shut down*. Retrieved from <https://www.youtube.com/watch?v=DIxsI6666gU>
- Nachemson, A., & Meta, K. (2019, May 14). Chinese gang threatens chaos in Cambodian province as rift deepens. *South China Morning Post*. Retrieved from <https://www.scmp.com/news/asia/southeast-asia/article/3010138/chinese-gang-threatens-chaos-cambodian-province-rift>

- Nam, S. (2018). *Assessing the Impacts of Foreign Direct Investment (FDI) on Local Skills Development: The Hotel Industry in Siem Reap, Cambodia*. Auckland University of Technology, Auckland.
- Narim, K. (2019a, May 7). Two Chinese arrested over fatal shooting in Sihanoukville. *Khmer Times*. Retrieved from <https://www.khmertimeskh.com/50601321/two-nabbed-over-fatal-shooting-2/>
- Narim, K. (2019b, June 25). Construction projects under review after collapse in Sihanoukville. *Khmer Times*. Retrieved from <https://www.khmertimeskh.com/50617729/construction-projects-under-review-after-collapse-in-sihanoukville/>
- Net ODA received. (n.d.). Retrieved June 11, 2019, from World Bank Data website: <https://data.worldbank.org/indicator/DT.ODA.ODAT.XP.ZS?locations=KH>
- Neubauer, I. L. (2018a, July 29). Chinese mafia taking over idyllic Cambodian beach. *News.Com.Au*. Retrieved from <https://www.news.com.au/travel/world-travel/asia/chinese-mafia-taking-over-idyllic-cambodian-beach/news-story/23e247e1af47257c2ff9e90c7112548e#.f4isv>
- Neubauer, I. L. (2018b, August 29). Cambodia: Backpacker town Sihanoukville now ‘overrun by Chinese mafia.’ *News.Com.Au*. Retrieved from <https://www.news.com.au/travel/world-travel/asia/chinese-mafia-taking-over-idyllic-cambodian-beach/news-story/23e247e1af47257c2ff9e90c7112548e>
- Neukom, W. H. (2009). The World Justice Project. *Leadership and Management in Engineering*, 9(3), 129–130. [https://doi.org/10.1061/\(ASCE\)1532-6748\(2009\)9:3\(129\)](https://doi.org/10.1061/(ASCE)1532-6748(2009)9:3(129))

- New Casino Laws Drafted. (2018, September 8). *Cambodia News English*. Retrieved from <https://cne.wtf/2018/09/08/new-casino-laws-drafted/>
- Ng, D., & Phang, C. (2018, October 20). China brings casino boom to Cambodian town – but doom to local businesses? *Channel News Asia*. Retrieved from <https://www.channelnewsasia.com/news/cnainsider/china-belt-road-casino-boom-sihanoukville-cambodia-phnom-penh-10846730>
- Nielsen. (2017). *Outbound Chinese Tourism and Consumption Trends* (p. 36) [Survey]. Retrieved from <https://www.nielsen.com/content/dam/niensglobal/cn/docs/Outbound%20Chinese%20Tourism%20and%20Consumption%20Trends.pdf>
- Nouwens, V. (2019). China's 21st Century Maritime Silk Road. *Royal United Services Institute*, 45.
- Odom, S. (2016, April 5). New Boardwalk to Spur Beachfront Evictions. *The Cambodia Daily*. Retrieved from <https://www.cambodiadaily.com/news/new-boardwalk-to-spur-beachfront-evictions-110883/>
- Odom, S., & Wright, G. (2016, March 23). Evictions Signal Coastal Development Dilemma. *The Cambodia Daily*. Retrieved from <https://www.cambodiadaily.com/news/evictions-signal-coastal-development-dilemma-110279/>
- Official development assistance – definition and coverage. (n.d.). Retrieved June 11, 2019, from OECD website: <https://www.oecd.org/dac/stats/officialdevelopmentassistancedefinitionandcoverage.htm>

- Onishi, T. (2019). In Cambodia, even debt-free roads lead to more Chinese influence. *Nikkei Asian Review*. Retrieved from <https://asia.nikkei.com/Spotlight/Belt-and-Road/In-Cambodia-even-debt-free-roads-lead-to-more-Chinese-influence>
- Overview - Foreign Direct Investment for Development*. (2002). Retrieved from <https://www.oecd.org/investment/investmentfordevelopment/1959839.pdf>
- Peel, M., Haddou, L., & Kynge, J. (2016, September 8). How China bought its way into Cambodia. *Financial Times*. Retrieved from <https://www.ft.com/content/23968248-43a0-11e6-b22f-79eb4891c97d>
- Pisei, H. (2018a, May 10). *Construction booms but salaries fall behind*. Retrieved from <https://www.phnompenhpost.com/post-property/construction-booms-salaries-fall-behind>
- Pisei, H. (2018b, June 21). We're going to Wisney World! *The Phnom Penh Post*. Retrieved from <https://www.phnompenhpost.com/business/were-going-wisney-world>
- Pisei, H. (2018c, October 3). Sihanoukville tourism First half of 2018 sees 1.3M visitors. *The Phnom Penh Post*. Retrieved from <https://www.phnompenhpost.com/business/sihanoukville-tourism-first-half-2018-sees-13m-visitors>
- Pisei, H. (2018d, October 26). 'Rental prices in Sihanoukville at highest rate.' *The Phnom Penh Post*. Retrieved from <https://www.phnompenhpost.com/post-property/rental-prices-sihanoukville-highest-rate>
- Pisei, H. (2019a, March 5). Sihanoukville highway work to begin. *The Phnom Penh Post*. Retrieved from <https://www.phnompenhpost.com/business-post-property/sihanoukville-highway-work-begin>

Pisei, H. (2019b, May 3). Port cargo traffic at Sihanoukville sees 16% first quarter rise, Business, Phnom Penh Post. *The Phnom Penh Post*. Retrieved from <https://www.phnompenhpost.com/business/port-cargo-traffic-sihanoukville-sees-16-first-quarter-rise>

Pisei, H. (2019c, May 23). *Chinese push up Sihanoukville property prices*, Business, *Post Property*, Phnom Penh Post. Retrieved from <https://www.phnompenhpost.com/business-post-property/chinese-push-sihanoukville-property-prices>

Pisei, H. (2019d, July 2). Chinese own more than 90% of Sihanoukville businesses, says report | Phnom Penh Post. *Phnom Penh Post*. Retrieved from <https://www.phnompenhpost.com/business/chinese-own-more-90-sihanoukville-businesses-says-report>

Prince City Center. (n.d.). Retrieved May 16, 2019, from BuildAngkor website: <https://buildangkor.com/projects/prince-city-center/>

Prince Cullinan Bay. (n.d.). Retrieved May 16, 2019, from BuildAngkor website: <https://buildangkor.com/projects/prince-cullinan-bay/>

Pye, D., & Titthara, M. (2014, March 24). Friends in high places. *The Phnom Penh Post*. Retrieved from <https://www.phnompenhpost.com/national/friends-high-places>

realestate.com.kh. (2017). *Can Foreigners Own Land In Cambodia?* Retrieved from <https://www.realestate.com.kh/news/can-foreigners-own-land-in-cambodia/>

realestate.com.kh. (2018). *Guide to land ownership law in Cambodia*. Retrieved from <https://www.realestate.com.kh/guides/Cambodia-land-Ownership-Law/>

- Rectangular Strategy Phase IV*. (2018). Retrieved from <http://cnv.org.kh/wp-content/uploads/2012/10/Rectangular-Strategy-Phase-IV-of-the-Royal-Government-of-Cambodia-of-the-Sixth-Legislature-of-the-National-Assembly-2018-2023.pdf>
- Rollet, C., Kossov, I., & Seangly, P. (2015, November 11). Russian arrested in Sihanoukville murder. *The Phnom Penh Post*. Retrieved from <https://www.phnompenhpost.com/national/russian-arrested-sihanoukville-murder>
- ROYAL BAY VIEW SIHANOUKVILLE in Preah Sihanouk. (n.d.). Retrieved May 16, 2019, from Zillionhome website: <https://www.zillionhome.com/building-a092800000milHZAAY>
- Royal Bayview aims for Independence Beach. (2016). *Construction and Property Magazines*. Retrieved from <https://www.construction-property.com/read-news-579/>
- Sala, I. M. (2016, May 10). Story of cities #39: Shenzhen – from rural village to the world’s largest megalopolis. *The Guardian*. Retrieved from <https://www.theguardian.com/cities/2016/may/10/story-of-cities-39-shenzhen-from-rural-village-to-the-worlds-largest-megalopolis>
- Samath, K. (2019, April 28). China Pledges Assistance on Cambodia’s EBA Issues. *FRESH NEWS*. Retrieved from <http://en.freshnewsasia.com/index.php/en/localnews/13825-2019-04-28-04-30-19.html>
- Santasombat, Y. (2015). *Impact of China’s Rise on the Mekong Region*. Springer.

- Santasombat, Y. (2018). *Chinese Capitalism in Southeast Asia: Cultures and Practices*. Springer Singapore.
- Sarom, K. (2019, May 21). Chinese man arrested for stabbing his ‘friend.’ *The Phnom Penh Post*. Retrieved from <https://www.phnompenhpost.com/national/chinese-man-arrested-stabbing-his-friend>
- Savi, K. (2019, May 24). Koh Rong Sanloem casino ‘is flouting’ closure order. *The Phnom Penh Post*. Retrieved from <https://www.phnompenhpost.com/national/koh-rong-sanloem-casino-flouting-closure-order>
- Senase, J. R. T. (2018, June 26). Sihanoukville: The building boom continues. *Khmer Times*. Retrieved from <https://www.khmertimeskh.com/505213/sihanoukville-the-building-boom-continues/>
- Shambaugh, D. (2013). *China Goes Global: The Partial Power*. Oxford, New York: Oxford University Press.
- Sihanoukville port: Further expansion in the pipeline*. (2018). Retrieved from <https://www.realestate.com.kh/news/Sihanoukville-port-Further-expansion-in-the-pipeline/>
- Sihanoukville Port Special Economic Zone (SPSEZ). (n.d.). Retrieved May 16, 2019, from <http://www.pas.gov.kh/en/page/sihanoukville-port-special-economic-zone-spsez>
- Silk Road Weekly Vol. 1 No.7. (2016). *Xinhua News Agency*, 1(7), 31.
- Silverstein, E. (2019). Train Service Likely To Resume Between Thailand and Cambodia’s Gambling Destination of Poipet. *Casino.Org*. Retrieved from

<https://www.casino.org/news/train-service-likely-to-resume-between-thailand-and-cambodias-gambling-destination-of-poipet>

Sisovanna, S. (2011). Economic Corridors and Industrial Estates, Ports, and Metropolitan and Alternative Roads in Cambodia. *Intra- and Inter-City Connectivity in the Mekong Region*, (6), 79.

Six Arrested, One Critically Injured After Police Fire on Land Protest in Cambodia's Sihanoukville Province. (2019, January 24). *Radio Free Asia*. Retrieved from <https://www.rfa.org/english/news/cambodia/protest-01242019155123.html>

Sokhorng, C. (2018, March 1). Probe into Chinese investment to Sihanoukville still idle. *The Phnom Penh Post*. Retrieved from <https://www.phnompenhpost.com/business/probe-chinese-investment-sihanoukville-still-idle>

Sokhorng, C., & Spiess, R. (2019, January 8). *Evictions sweep away Sihanoukville beach businesses*. Retrieved from <https://www.phnompenhpost.com/business/evictions-sweep-away-sihanoukville-beach-businesses>

Songin-Mokrzan, M. (2014). *The Special Economic Zone as a space for realisation of "neoliberal imaginary"*. Retrieved from National Science Centre Poland website: <https://www.ncn.gov.pl/finansowanie-nauki/przyklady-projektow/songin-mokrzan?language=en>

Songwanich, S. (2018, July 15). The role of Asean's ports in China's Belt and Road. *The Nation*. Retrieved from <http://www.nationmultimedia.com/detail/opinion/30350129>

- Sophal, S. (2018, September). *Leveraging Industrial Development for Sustainable Investment in Cambodia*. Retrieved from <https://www.unescap.org/sites/default/files/Cambodia%20Case%2025%20September%202018.pdf>
- Sothan, S. (2017). Causality between foreign direct investment and economic growth for Cambodia. *Cogent Economics & Finance*, 5(1). <https://doi.org/10.1080/23322039.2016.1277860>
- Sotheary, P. (2016, April 11). Eviction of beach businesses begins at Ochheuteal. *The Phnom Penh Post*. Retrieved from <https://www.phnompenhpost.com/national/eviction-beach-businesses-begins-ochheuteal>
- Sotheary, P. (2019a, January 7). Build basins for wastewater, businesses told. *Khmer Times*. Retrieved from <https://www.khmertimeskh.com/50566708/build-basins-for-wastewater-businesses-told/>
- Sotheary, P. (2019b, May 23). Sihanoukville wastewater plant upgrades receive greenlight. *Khmer Times*. Retrieved from <https://www.khmertimeskh.com/50607407/sihanoukville-wastewater-plant-upgrades-receive-greenlight/>
- SourceWatch. (2018). *Sihanoukville CIIDG power station*. Retrieved from https://www.sourcewatch.org/index.php/Sihanoukville_CIIDG_power_station
- Styllis, G. (2017). Chinese cash fuels a gambling boom in a Cambodian backwater. *Nikkei Asian Review*. Retrieved from <https://asia.nikkei.com/Economy/Chinese-cash-fuels-a-gambling-boom-in-a-Cambodian-backwater>

Sum, M. (2018, May 31). Sihanoukville welcomes new development. *Khmer Times*.

Retrieved from <https://www.khmertimeskh.com/496046/sihanoukville-welcomes-new-development/>

Suy, P. (2016, March 8). Sihanoukville Beach Vendors Given Eviction Reprieve.

Khmer Times. Retrieved from

<https://www.khmertimeskh.com/7105/sihanoukville-beach-vendors-given-eviction-reprieve/>

Suy, P. (2018a, May 9). Learning from the ‘most successful’ SEZ. *Khmer Times*.

Retrieved from <https://www.khmertimeskh.com/487918/learning-from-the-most-successful-sez/>

Suy, P. (2018b, July 24). Chinese embassy addresses crime. *Khmer Times*. Retrieved

from <https://www.khmertimeskh.com/515221/chinese-embassy-addresses-crime/>

The Seagate Suite. (n.d.-a). Retrieved May 29, 2019, from RealEstate Cambodia

website: <https://www.realestate.com.kh/the-seagate-suite/54586/>

The Seagate Suite. (n.d.-b). Retrieved May 16, 2019, from Condo For Sale|Luxury

Sihanoukville Condo|Real Estate in Cambodia website:

<https://www.theseagatesuite.com/>

THE SEAGATE SUITE CONDOMINIUM. (2017, November 1). Retrieved May 16,

2019, from CSCEC SEA website: [http://cscec-](http://cscec-sea.com/en/project/%e6%b3%b0%e8%8d%a3%e8%a5%bf%e6%b8%af%e5%9f%8e%e5%85%ac%e5%af%93%e6%a5%bc%e9%a1%b9%e7%9b%ae)

[sea.com/en/project/%e6%b3%b0%e8%8d%a3%e8%a5%bf%e6%b8%af%e5%9f%8e%e5%85%ac%e5%af%93%e6%a5%bc%e9%a1%b9%e7%9b%ae](http://cscec-sea.com/en/project/%e6%b3%b0%e8%8d%a3%e8%a5%bf%e6%b8%af%e5%9f%8e%e5%85%ac%e5%af%93%e6%a5%bc%e9%a1%b9%e7%9b%ae)

The Sihanoukville Port. Cambodia's Port. (PAS) Sihanoukville, Cambodia. Unofficial Home Page. (n.d.). Retrieved May 16, 2019, from <https://port.sihanoukville-cambodia.com/>

The World Bank in Cambodia [Text/HTML]. (n.d.). Retrieved May 29, 2019, from World Bank website:

<http://www.worldbank.org/en/country/cambodia/overview>

Thorne, D., & Spevack, B. (2017). *Harbored Ambitions - How China's Port*

Investments Are Strategically Reshaping the Indo-Pacific (p. 68). Retrieved from C4ADS website:

<https://static1.squarespace.com/static/566ef8b4d8af107232d5358a/t/5ad5e20ef950b777a94b55c3/1523966489456/Harbored+Ambitions.pdf>

Thul, P. C. (2017, October 12). Cambodia deports 74 Chinese arrested for telecom extortion scams. *Reuters*. Retrieved from <https://www.reuters.com/article/us-cambodia-china-idUSKBN1CH12G>

Tostevin, M., & Thul, P. C. (2017, December 7). Cambodia goes all-in on China in casino port city. *Reuters*. Retrieved from <https://www.reuters.com/article/us-cambodia-politics-china-insight-idUSKBN1E101E>

Turton, S., & Chheng, N. (n.d.). Gambling with the law. *The Phnom Penh Post*.

Retrieved from <https://www.phnompenhpost.com/national-post-depth/gambling-law>

United Nations Industrial Development Organization (UNIDO). (2018). *Cambodia builds on Shenzhen's experience to develop Special Economic Zones*.

Retrieved from <https://www.unido.org/news/cambodia-builds-shenzhens-experience-develop-special-economic-zones>

- U.S. Department of State. (n.d.-a). *2015 Investment Climate Statement Cambodia*. Retrieved from <https://www.state.gov/j/inl/rls/nrcrpt/2016/vol2/253388.htm>
- U.S. Department of State. (n.d.-b). *2018 investment climate statement: Cambodia*. Retrieved from <https://www.state.gov/reports/2018-investment-climate-statements/cambodia/>
- Vannak, C. (2018, September 5). Prince Times Hotel to open this month. *Khmer Times*. Retrieved from <https://www.khmertimeskh.com/530711/prince-times-hotel-to-open-this-month/>
- Vannak, C. (2019a, January 10). Sihanoukville expressway nears construction. *Khmer Times*. Retrieved from <https://www.khmertimeskh.com/50568038/sihanoukville-expressway-nears-construction/>
- Vannak, C. (2019b, January 21). Cambodia 3rd in Asean for tourist growth. *Khmer Times*. Retrieved from <https://www.khmertimeskh.com/570963/cambodia-3rd-in-asean-for-tourist-growth/>
- Vieiro, M. (2012). *Chinese (Un)official Development Aid*. Retrieved from Americas Quarterly website: <https://www.americasquarterly.org/Vieiro>
- Vireak, S. (2019, April 20). Sihanoukville: A Cambodian City Losing Its ‘Cambodian-ness.’ *The Diplomat*. Retrieved from <https://thediplomat.com/2019/04/sihanoukville-a-cambodian-city-losing-its-cambodian-ness/>
- Walker, S. (2013, November 11). Russian oligarch Sergei Polonsky: “Everyone in Russia has gone mad.” *The Guardian*. Retrieved from

<https://www.theguardian.com/world/2013/nov/11/russian-oligarch-sergei-polonsky-arrested>

Wang, Y. (2016). Offensive for defensive: the belt and road initiative and China's new grand strategy. *The Pacific Review*, 29(3), 455–463.

<https://doi.org/10.1080/09512748.2016.1154690>

Why has Sihanoukville become a Chinese real estate investment hotspot? (2018, July 23). *Juwai*. Retrieved from <https://list.juwai.com/de/news/2018/07/why-sihanoukville-chinese-investment-hotspot>

Wikan, V. S. (2015). *What Is 'Neoliberalism', and How Does It Relate to Globalization?* Retrieved from <https://www.e-ir.info/2015/03/21/what-is-neoliberalism-and-how-does-it-relate-to-globalization/>

Wilwohl, J. (2014, May 13). Court Temporarily Halts Lease Transfer for Victory Beach. *The Cambodia Daily*. Retrieved from <https://www.cambodiadaily.com/news/court-temporarily-halts-lease-transfer-for-victory-beach-58598/>

Wong, Y. W. (2019a, May 2). Updated: Virtual/reality: Casino boom in Sihanoukville may slow down due to regulatory hurdles. *Macau Business*. Retrieved from <https://www.macaubusiness.com/virtual-reality-casino-boom-in-sihanoukville-may-slow-down-due-to-regulatory-hurdles/>

Wong, Y. W. (2019b, May 3). Macau junkets bet on Cambodian Sihanoukville boom. *Macau Business*. Retrieved from <https://www.macaubusiness.com/macau-junkets-bet-on-cambodian-sihanoukville-boom/>

Wong, Y. W. (2019c, May 17). A new gaming haven? *Macau Business*. Retrieved from <https://www.macaubusiness.com/a-new-gaming-haven/>

World Bank. (2017). *Cambodia climbing up the manufacturing value chains* (p. 74).

Retrieved from

<http://documents.worldbank.org/curated/en/628341511277852360/pdf/121519-1-WP-PUBLIC-NOV21-7PM-October-2017-Cambodia-Economic-Update-Final.pdf>

World Bank: GDP per capita. (n.d.). Retrieved June 2, 2019, from World Bank Data

website:

<https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=KH>

World Bank Group (Ed.). (2018, August). *Cambodia - Achieving the potential of*

Urbanization. Retrieved from

<http://documents.worldbank.org/curated/en/580101540583913800/pdf/127247-1-REVISED-CambodiaUrbanizationReportEnfinal.pdf>

Zoltai, A. (2018). *Shenzhen – China's success story*. Retrieved from Pallas Athene

Geopolitical Institute website:

<http://www.geopolitika.hu/en/2018/07/23/shenzhen-chinas-success-story/>

VITA

NAME	Tom Alexander Bühler
DATE OF BIRTH	27 October 1994
PLACE OF BIRTH	Dortmund, Germany
INSTITUTIONS ATTENDED	Fontys International Business School, Venlo, Netherlands
HOME ADDRESS	Lübecker Straße 3, 44135 Dortmund, Germany