

China's Economic Diplomacy: Challenges and Opportunities in Cambodia

Rortha Chum

The Techo Sen School of Government and International Relations
The University of Cambodia, Phnom Penh, Cambodia, Major: International Relations
Current Degree: Phd Candidate ID: 90-15-04-64
Northbridge St 1019 Sangkat Toekthla, Khan Sen Sok Phnom Penh, Cambodia
Mailing Address P.O. Box 917
Phnom Penh 12000, Cambodia

Abstract:- This paper is to discuss and evaluate the China's economic diplomacy relations. Economic diplomacy of China is hot topic and countless debated for people all walk of life. The forms of China's economic diplomacy have changed dramatically over the last two decades with the rise of China as an economic growth for Asia. China has significant experiences of sustainable economic growth. China's has been applied mechanism of economic statecraft and then provided a crucial venue to examine the role of unacknowledged diplomacy of coercion within this context of China's peaceful rise. However, Western countries have overwhelmingly implicated economic restrictions and other forms of economic coercion; China has formal objections any such policies at the same time China has carefully to pursue them. The economic diplomacy has a lot of publications in scholarly journals, papers and official documents. The contributions' aspects China economic diplomacy has emerged in different angles and perspectives and these are crucial to Cambodia to absorb her national interests. Cambodia is pivotal to China foreign policy objectives to Southeast Asia regions and the others parts of the globe, resistance longstanding to potentially tame America hegemony. The rise of China, the rise of China economic diplomacy, China's transformation as a global actor has concerned globally and as well as Cambodia. As China has become a powerful economic power house, as economic diplomacy and make a traditional hegemony is in its strategic dilemmas and anxieties.

Keywords:- China; economic diplomacy; economic statecraft; economic global order, Cambodia.

I. INTRODUCTION

Economic diplomacy has transformed and gained much attention over the years. With the rise of China has great spurred for economic growth for Asia. The most dramatic periods, China has experienced of persistent economic advance. China's strategic diplomacy, China has implications of economic diplomacy which delivers a vital scene for evaluation the role of unacknowledged coercive diplomacy within the context of China's peaceful rise dialogue. In contrast to Western countries have been overwhelmingly applied sanctions and other forms of economic minimizing interests; China has openly denied any such policies while at the same time softly to continue to apply them [1]. In addition, Benjamin Herscovitch, a research manager for China Policy,

for many years, China has used economic diplomacy as foundation for easing local economic restrains [2]. China has initiated means of economic diplomacy's expansion in recent years. These are included Asia Infrastructure Investment Bank, New Development Bank, and New Silk Road initiatives have indicated and signalized a major shift in the global rebalance of supremacy, or an even more profound shift in the global economic order. In addition, China's global profile is changing dramatically [3]. China is objection to use coercion of economic statecraft and it has muffled responses to other governments, but it cannot predict them as a whole. Having no undermining, China's 'peaceful-rising, a more obvious announcement from Beijing regarding its powerful economic measurement could assurance to China's neighbors in resolving the differences [4]. In addition, rapid rise of China as a super investor and financier has aroused concern from the United States to Japan [5]. According to William Norris's his new book is explored limitations, potentialities and practice of Chinese economic statecraft as an impressive policy. Sometimes, China can marshal strategic economic objectives and sometimes. Under leading plan of Beijing's economic diplomacy is expected to gain [6]. Norris has employed and traced trade. Election data convinced how China is able to directly and positively affect by geographically clustered. China officially is required Taiwan as the China's Defecto Island or province since the nation was separated from China more than half century [7].

As Norris averred, China has been invested billions in state capital overseas through the China Investment Corporation, the State Administration of Foreign Exchange, and the National Social Security Fund. Norris has also indicated commercial purposes which releases about their intentions could transform the world markets-it can also enable non-commerce Norris's authority rests not only on his ability to interpret Chinese thoughts, but also theories of political economy and international relations. On the other hand, Norris's analysis of China is search for energy security in Africa does not come up to the standardization of establishment, strategic investments. Norris, promoting theory and practice are profitable for reading for academics and policy makers. It should be the starting point for anyone is to acquire knowledge when, how and the reasons that Beijing is employed its economical instruments for strategic advance [8]. The United States Foreign aid's spending has been declined over the time after the Cold War. Paradoxically, aid, American believes aid is effective instruments for the United States' foreign policy. Amount of the United States' aid fell significantly and it can be explained by fell down of the Soviet

Union's rival foreign aid program can be amplified the leverage capacity of American aid. Hence, its efficacy is as strategic instruments [9].

China's Fifth Generation of Chinese leadership under President Xi Jinping's leadership, Xi has been set up new international mechanisms that can be widen the opportunity for other countries to involve and integrate with China to invest its surplus foreign exchange reserves, export excesses manufacturing and construction capacities, foster, enhance markets beyond western users, and leads general cause with its energy and raw material suppliers among the less developing nations in the globe.

China is a tough competitor to America which is encountered and raced with America's foreign aid program. Based on, vigorous economic advancement in the early years of the new century, several emerging market states greatly expanded, and China has ambitiously decided to implicate with the complex of multiple foreign development assistance [10]. Beijing is dedicated to invest in enormous amount financial and human resources, as well as political and diplomatic capital, to the creation and building up of these new practical and reliable economic arms. These are expressions of the huge ambition that distinguishes the current Chinese leaders from their more cautious and deferential predecessors [11].

This paper discusses China's economic diplomacy challenges and opportunities include economic statecraft, realist perspective economic diplomacy, liberals' perspective economic diplomacy, conditional approach of economic diplomacy, stateness and economic statecraft, China's strategies on the Cambodian development context, and municipalizing geo-economic statecraft.

II. FINDINGS AND DISCUSSIONS ON LITERATURE REVIEW

The concepts of economic diplomacy are widely known and have been published in many scholarly papers, open source websites and publication documents. The contributions of economic diplomacy have mutual impacted on national interests of recipient countries in different levels.

The dimensions of economic diplomacy are used to indicate the multifaceted of foreign policy objectives, with the range of available different strategies. Many different concepts are used to critical analysis in research areas of international relations, economics, international political economy, and political diplomacy. The interrelationships of economic diplomacy are overlapped and distinct between these concepts are often not familiar. These assumed that economic diplomacy elements such as economic statecraft, economic security, trade diplomacy, commercial diplomacy, financial diplomacy, aid diplomacy [12].

A. Revision on Economic Diplomacy: Three Type of Schools' Thought

The concepts of economic diplomacy has classified in to three major themes. Economic liberal is expected to policy success and has correlation and connection with major

economic awards or punishments offered. However, realists' perspectives are that financial factor has high potential of persuasion states to abandon or retain vital political will or strategies. In sum, Conditionalists argued that economy of diplomacy might be used as reliable tools in special cases and clear cut and less political constraints of the recipient countries [13].

B. Liberalisation of Economic Diplomacy Perspectives

Economic liberal has predicted to link with economic gains and losses of economic outputs, outcomes and impacts on essential manufacture. Decision makers of manufacture, are highly attentive to financial pros and cons of economic diplomacy with uncertainty perspectives; therefore, they face with potential risks. But economic diplomacy aimed at to scale up to capitalize on economic assistances and then minimize economic damages. Accordingly, oversea governments should be able to impact local choices by commercial diplomacy and laying out directions that threaten extraordinary financial costs of considerable economic achievements, particularly, for both sides and beyond. In other words, economic liberals can be expected a relationship between profitable diplomacy and national interests [14].

Nowadays, economic diplomacy has an important for every country. Economic diplomacy is increasingly and it also plays a very active and important role in the international relations-economic diplomacy has far-reaching impact for promoting the development of international economic diplomacy, regional economic and every country's economic-China, which is in the process of peaceful development, needs much more economic diplomacy to deal with the relations among countries in the world-economic diplomacy not only can create good international entertainment for Chinese peaceful development, but also is the important policy measures for carrying out the strategy of Chinese peaceful development. China, especially since the reforming and opening up, Chinese economic diplomacy has obtained significant results and distinct achievements, in which played a significant role in support of own commercial enlargement, friendly exchanges, creating good international entertainment, and peaceful, reliable and stable development for regions. China is on the position of peaceful rise, which needs the assistance other state with economic diplomacy. China, so far, has highly considered economic diplomacy as the core and foundation of Chinese overall development via economic diplomacy is an inevitable and unavoidable [15]. This is similar to the statement, China has also been propelled with very skilled and practical international relations to create a new business and trade form of order to support and enhance China strategies for counterbalance to other competitors such as Marine Time Silk Road, One Belt One Road and China's monetary diplomacy and the creation of the much vaunted Asian Infrastructure Investment Bank for financing these grand strategies [16].

According to Dr. Rajendra Bd Shrestha elaborately has defined the economic diplomacy and its different dimensions and emphasized until and unless the leadership understands this, expected economic diplomacy achievement can't be met. Mr. Prabhu Ray Yadhav show, how the president Xi Jinping is able to build up the relation with his counterparts in

neighboring countries. The book has openly appreciated the economic and technological progress of China but fails to raise the issues like still there are many problems like poverty, pollution, population management, employment opportunities especially in the rural areas [17].

While the paper has attempted to highlight the economic liberal model, the paper is to recognize the contributions of economic diplomacy. For greatness of economic liberals acknowledged that compliance with economic statecraft. In addition, the paper claimed that economic diplomacy is influenced by an important insight of the more recent economic liberal literature, namely that statecraft may target a range of state's actors. This study directed impacts on the institution's abilities; this attention should be observed closely the capabilities, organizations, and the results of pragmatism that can be mediated between the state and local firms.

China has become the state is highly reputable for financial state hub and one the most state which is offered foreign assistance widely if it is compared with some developed countries. China has been engaged with not only affluent countries but also developing countries. Rapid economic growth, China is allowed more and more committed to work closely working with other developing countries such as Asia, African and Caribbean, has sparked hot debates over the huge China's influence on these small poor countries as the inner the sphere of China's trap, and debates on China's trap have often generated countless heat and light of political thoughts. Scholar debates on views of China's economic diplomacy have created a lot of doubts and resulted in dilemmas. The Chinese government has encouraged and pushed out its state run-companies and private companies to move abroad in greater numbers. These companies are prominently in many of the major investments outside China in the aim of protecting environment and accessibility of resources for supply for these companies can be operated outside China by these recipient countries which are China is involved. Yet relatively little research exists on when, how and why the Chinese government intervenes in the overseas economic activities of its firms. China is identified that state-financial sponsored in other developing countries. The article added that China played three grand strategic keys: strengthening resource security, enhancing political relationships and soft power, and boosting commercial opportunities for their national companies.

Chinese foreign investment enhanced and fostered a clear case of China's international developmental state. However, in Africa countries address surrounding the zones publicly positions them as a transfer of China's own development success rather than aid recipient countries acquired, thus potentially enhancing China's political relationships and soft power on the continent [18].

As can be known, the Philippines and China maritime conflict has clashed not only bilateral but also multilateral parties' involvements. To curb the Philippines, China has used economic coercion or other form economic diplomacy. By doing this, China has cut down security dilemmas with ASEAN. Clemente, (2014) seeks to deploy on the pattern of

bilateral economic diplomacy to contextualize within this picture, China's actions towards the Philippines. Government planners may use the research to reconsider the Philippines' economic strategies in the context of national security and better understand China's commercial diplomacy [19]. Therefore, this is viewed as pragmatism of economic dialogue to the multi-contexts rather than firm position on nationalism.

Realists' Perspective Economic diplomacy, realist approaches has assessed political and strategic objectives of China leaders to take priority to overcome economic challenges. In this mean, economic statecraft-assured with political concessions for economic interests or to escape from economic losses and failures, unless economic heavy load are sustainable with political stability. According to Zeng et al., (2015), relations with the next door states have always been valued as one of the top agenda of Chinese foreign policy. This can be long time seen that is a matter not by chance but China's strategic focuses, this is derived from historical and geographical relations and China's national interests [20]. The role of economic diplomacy as foreign policy tool for shaping influencing on others, this is firmly viewed from the perspective of realist theory. As Schmidt, (2008) claimed realism was first, the end of 1930s, developed and became the important theory in evaluating of global actors, in the line with the study of international relations, first great debate between among academicians when the position of the realists overcame over the idealists and the theory of international relations took on practical and theoretical directions [21]. As consequently, China is rapidly significant development. China has led economic growth for China's herself (local), regional and international stage and highlighted its image. China appears to be more a new guarantor state, and to attempt-via its political and economic diplomacy for stability of international system.

C. Economic Diplomacy of China's Strategies and Economic Diplomacy of Stateness

The model of conditionalist asserted that the economic interests linked with economic diplomacy are only likely to have vital impact on decision making under certain political settings. Most conditional researching stressed on the international arenas within economic statecraft is attempted. Although some sophisticated treatments also has taken into account the national political paradigms. Triple economical inputs have determined target possesses of stateness. As Katzentein (1978) asserted that measurement, based on three distinct domestic institutional foundations, thus contributes to the comparative political economy achievements by building upon other approaches to state-society were distinguished strengths and weaknesses among states. Essentially, it is interesting to note that distinguishes between the different foundation of affluent states and poor states, which can be institutionalized in their economic policy. In this concept, stateness has symbolized with multifaceted state-society relationship in political entity. It is also more targeted in policy framework, as it focuses directly on the tools at the state to overcome domestic opposition group. In sum, concept of stateness is categorised in three majors include autonomy, capacity and legitimacy.

D. China has changing the economic rules

China has initiated the creation of the new China-central institutions. At March 2015 press conference called to rebut the perception that the AIIB and the ADB were at loggerheads, Chinese's Finance Minister Lou Jiwei called the relationship between them are complementary to each other. He acknowledged that discussions are already taking place on possible ways in which the two banks could cooperate, including sharing knowledge on procurement systems and technical matters. He also noted that China was considering and adopting safeguards for the AIIB, including the so-called best practices of the existing multilateral agencies. However, he said that while some of the established rules and techniques are worthy of practices, that deal with the realities for developing countries. While Lou stressed that the AIIB that is, unlike the ADB will be led by developing countries in which request and demand are required to be fully respected. A reference to onerous loan repayment guarantees that some developing countries have had to arrange in order to save multilateral loans have been offered in the past. Regarding Belt and Road, China's officials propose and initiate the above models. This based on the concepts of "mutual trust" and "equality and mutual benefit." of involving states.

While it is premature to declare the end of the American-centered world order, it is also misguided to assume that the preferences of the Chinese leadership match those of the liberal order, and that China is only questioning who makes the decisions while leaving the rules untouched. China is not merely looking to reshuffle the hierarchy of power, satisfied that it has benefited enormously from its integration into an open, rules-based, liberal global order. Statements by leading Chinese officials on the AIIB, the NDB, and Belt and Road indicate that they are rethinking the rules, principles, and norms of global development. While Beijing has developed a greater appreciation for multilateral cooperation, it is choosing to create new international organizations with "distinctive Chinese features" and reconsidering the rules. The question is whether this will result in improved international practices [22].

In the last ten years, in Africa, China's economic diplomacy is a critical component of China's foreign direct investment for strengthening economic development. China has gained both soft and hard power. This economic diplomacy is the major correlation of increasing China's trade, investment, and foreign development assistance as a means of facilitating and accessible for peddling for economic top up of its domestic economy development and international power as well as oversea. China and Africa view this new economic statecraft as mutual interests despite of critiques of China has taken huge interests from some African countries. China has benefited substantially from its economic diplomacy in Africa has allowed China to increase accessibility to African's national resources, increased exports, and increased diplomatic support from these African countries [23].

China economic diplomacy is deployed not only expanded China interests but also contained the United States influences and interests. The United States believe that in somehow. It is required to be cooperated rather than creating conflict or completion with China. This is focused on core

interests of stakeholders can produced more cooperation than competition with China. Challenging of China's economic diplomacy would thoughtlessly annoy China and African nations. Such an approach is the best strategy for responding to Beijing's economic diplomacy in Africa in a manner that secures and advances American interests [24].

E. Municipalizing geo-economic statecraft

According to Damro, (2012), Geo-economic diplomacy has asserted market power of European via externalization of policies and regulatory estimation in the organization of international affairs [25]. The Municipalization of governance geo-economy in southern Spain, lately, has founded on the ways in which public authorities aimed to keen European institutional policies, and regulatory frameworks that transformed city-regions to handle for active role in economic restoring elsewhere [26].

Damro's analysis has seen that externalization activities between southern Spain and northern Morocco of economic activities, Spanish crisis has to be urgent reformed in local spatial development beyond the promotion of conventional national development towards the increasing municipalization of geo-economic diplomacy. Concept of crisis is provided in greater insight into the diversity of politics city-regions employ the spatiality and temporality of capital reproduction regularly to make sure its economic has consistently grown [27]. Southern Spain is central to theoretical development of up-to-date urban and regional research in Europe is widely conducted [28].

- *China's Economic Statecraft and Foreign Direct Investment Policy*

China has applied many arts of economic diplomacy in many facets as strategic foreign policy objectives to acquire China's ultimate own benefits. According to Baldwin (1985) states that Francois de Calliere has influential on early-modern paper on economic statecraft in 1716, which was actively advocated the use of currency as tool for foreign policy objectives, in this mean, he contended, possesses the ability to maximize economic of involving parties [29]. This is similar to statement avers by Thomas Jefferson held the same way for economic improvement, and engineered-in the 1803 Louisiana Purchase-the United States' first major successful application of economic diplomacy [30]. China's economic growth has pushed debated widely with topic of China's rise. China's state-guarantee economic diplomacy in developing countries could play three major strategies these are included strengthening resource security, enhancing political relationships and soft power, and boosting commercial opportunities for China's interests [31].

Late 2009, for instance, the commitment of Cambodia and China relation, for exchange China aid with Cambodia was deported twenty ethnic Uighurs back to China to be prosecuted in connection with violent anti-government protests in Xinjiang province in China. Later, China's Vice-President Xi Jinping paid his state-visit in Cambodia, offered gifts amount of US \$1.2 billion in grants and loans. The US State Department responded to Cambodia was decided to deport the Uighurs for the reasons which were violated Uighurs right by cancelling a shipment of 200 surplus military

trucks support to Cambodia. Three weeks later, China donated 257 trucks instead of U.S [32]. ASEAN Summit was failed to reach agreement on the wording of a joint communiqué on South China Sea, for the first time in 45 years, most pundits blamed this year's ASEAN chair, Cambodia, for failing to forge a consensus. Behind Cambodia's passivity, however, was pressure from China to keep does not any mention of the South China Sea, especially the recent confrontation between China and the claimant states in the Scarborough Shoal in South China Sea, out of the final statement. That the Chinese had sway over Cambodia should not come as a surprise. Beijing provided over \$10 billion in aid. In 2011 alone the amount of foreign investment invested to Cambodia by China was ten times greater than that promised by the West. Cambodia's economic dependence on China and China is effectively used economic diplomacy [33].

In 2012, China's offered loans and grants to Cambodia and the amount of China's foreign development assistance reached US\$ 2.7 billion. This is a goodwill of China seemed to pay off to Cambodia in July 2012, when Cambodia used her power as a chair of the ASEAN Summit to block a joint statement criticizing China's approach to territorial disputes in the South China Sea [34]. Such strategic use of China's financial resources or money buying voice causes a lot of interpretation and anxiety in Asia as well as the rest of the world. China exerted political influence to Cambodia. China's economic immensity, a minor shift in China's trade, aid, or investment can have a massive effect upon a smaller economy [35]. China's special economic zones were set up as one tool of Beijing's economic statecraft.

Establishment and implementation of 19 China's economic zones are initially selected in competitive processes abroad. The article was concluded that even in countries rich in natural resources, the overseas zones were overwhelmingly positioned as commercial sites of China rather than actual China foreign direct investment, essentially, in Asia zones, in this mean, China has followed Japanese development model.

The zone program, the Chinese foreign investment is represented to applicable case of the international projection of China's developmental state. In Africa of the surrounding the economic zones were publicly positions China's development sites as a transformation of China's own development has transformed China development's success, thus potentially enhancing China's political relationships and soft power other countries as well [36].

Chinese agriculture aid has engaged and strategized foreign aid. It is also transformed to a paradigm of development assistance to less developing and developing countries and it is one of most critical development cooperation that is mixed with investment, trade. This is called China economic diplomacy. China's leadership has actively approached to South-South cooperation, the expanding of international political and economic partnerships with different angles. China's approach in African agriculture was reflected in both current debates and historical experiences of modernization and liberalization of China's rural areas. The thesis was concluded that understanding of Chinese relations

can support constructive and active engagement with African partners via influx of China's economic diplomacy [37].

Wang, Mao and Guo have stated that China's oversea investment has grown dramatically since 2004. But phenomenon of China's economic growth is a mixed feeling toward Chinese investments many countries. The indication of this article, the result of its exploration some overseas impacts of Chinese outward development investment based on an analysis of China's interests, policy environment and investment accessibilities.

It is argued that what Chinese investors bring to host economies includes (i) create big employment, but limited technology knowledge transfers to the china economy diplomacy recipient countries; (ii) ample capital as well as entry into the Chinese market; and (iii) damage from corporate social misbehavior. However, we are doubtful that these overseas impacts may be transitory such as dynamics, increased conflicts, accelerated learning and China's domestic structural changes.

China is an important player in the global overseas development investment (ODI). Practically, this is a relatively phenomenon. Before 2004, the size of China's ODI was limited. The rapid growth only happened after 2004, with an even stronger momentum following the global financial crisis.

Because China is still a new outward investor, its impacts on economies of developing states is unfolding and changing. China's ODI, the impacts that Chinese investors bring to host economies include (i) enormous jobs creation but limited technology transfers; (ii) ample capital as well as Chinese market entity; and (iii) damaging from corporate social misbehavior.

However, China economic diplomacy has undergone changed rapidly because of three dynamics forces. The first is increasing conflicts with host economies. China is not different from other investors that are interested in long-term relationships with the host countries. In light of these conflicts, the Chinese government will take measures to ensure that its ODI enterprises will not damage China's reputation. In the meantime, its ODI enterprises are reconsidered as for reduction of investment and environment risk in China. The second is the fast learning of Chinese investors making ODI. They face a steep learning curve in ODIs. They have accumulated experiences of overseas operations and comply with local laws, regulations, customs, and business code of conduct. The third is China's domestic economic structure has changed. China is to undergo fundamental structural reforms. As production costs are increased and the industrial structure upgraded, the country has converged toward as an advanced and cutting edge country.

Chinese ODI has been applied as new forms of economic diplomacy. From this strategies has viewed East and West scholars are countless debates. The debate processes are critically analyzed in risks and benefits of the Chinese investment. Some comments of China's ODI have been made not based on assumptions, but only on facts of China investment and actual practices. Besides, host countries also

need to continue to improve their investment climate and reliable investment policy to attract Chinese investors [38].

For 20 years, China absorbed investment from EU for an annual average about US \$5 billion over 10 years up to 2009. On contrary, the EU has not been focused for Chinese investments, nor has Chinese investment been important to the EU despite the wide attention given to recent milestone cross-border achievements [39]. Veasna Var has claimed that, since China has decided to offer around \$3 billion in concessional loans and grants to Cambodia [40]. According to Khmer Times June 29, 2016, between 1994 and 2016, Chinese investment in Cambodia is than \$14 billion, focused mainly on agriculture, mining, infrastructure projects, hydro-power, dams and garment production (Sum, 2016). It is interested to note that the Ministry of Economy and Finance, 2017 is revealed that in terms of loans Cambodia has owed 3.9 billion to China [41]. These are the huge of China economic diplomacy to a far small state (Cambodia).

- *China bilateral Trade Policy*

China's strategic objectives and interests in Cambodia are part of a grand strategic goal in Southeast Asia that is an outgrowth of Beijing's 1955 "Principles of Peaceful Coexistence." The paper is called for respect for the sovereignty and territorial integrity of all states, non-aggression against other states, non-interference in the internal affairs of other states, fairness and reciprocal benefits, and peaceful coexistence. These principles have taken the world in doubt over the claimant of China's South China Sea [42].

Cambodia and China are the members of World Trade Organization. The report has highlighted Cambodia's rapid economic growth after one of the world's worst cases of genocide in late 1970s. China economic growth has been underpinned by opening trade and investment policies and opening door policies of Cambodia, in the context of dynamic neighborhood of economic growth has positively affected to Cambodia economic growth in particular China.

Cambodia has increased scale trade relations with China and others. Cambodia is a member of the 10-nation ASEAN Free Trade Agreement, soon to become the ASEAN Economic Community. In addition, Cambodia has bordering next to Thailand and Vietnam with dynamic economies, and doing international trade with Asian economic community, and China. Trade's challenges are to do with 'behind-the-border' issues, a legacy of its generation of civil war and conflict. These include weak bureaucratic capacities, high lack of transparency, poor infrastructure and poor technology and human capital. World Trade Organization, Trade Policy Review for Cambodia (WTO, 2012) is the first detailed study of this country's trade and commercial policy. And then Cambodia became a member of the WTO in October 2004 and was the first least developed country to obtain the full accession process as a member.

Trade and commercial policies are potential benefits. Based on the view, in the Khmer Times, a leading English-language newspaper in Cambodia, Premier Li said "I look forward to renewing China-Cambodia friendship during my upcoming official visit to Cambodia at the invitation of Prime

Minister Hun Sen." Li stressed that he has expected stronger Lancang Mekong cooperation (LMC) and committed for more progress to China-Cambodia economic relations and beyond.

Chinese Ambassador to Cambodia Xiong Bo, as of October 2017, China is stood up as the biggest source of china financial inflow to Cambodia, with the agreed investment amount to Cambodia accounting for 12.57 billion dollars which represents almost for 37 per cent of the country foreign investment as a whole. [...] within the LMC mechanism, China, Cambodia and others countries have agreed to set up of international law-enforcement cooperation in joint crackdown on cross-border crimes in the LMC area. Since 2011, law-enforcement agencies of the six countries have pursued 65 joint patrols and four joint operations against drug trafficking, smashing 39,000 drug cases and rescuing 120 civilian vessels [43].

Li claimed that LMC combined six countries, namely Cambodia, China, Laos, Myanmar, Thailand and Vietnam. Phnom Penh, Jan. 9 (Xinhua) - Chinese Premier Li Keqiang said he expects stronger LMC and progress in China-Cambodia relations in a signed published article here on Tuesday. Li laid out the plan that the (LMC) in water conservancy, education, culture, youth and other areas. His article, titled "Building bridges of friendship and cooperation in the Lancang-Mekong region and between China and Cambodia", was published in the Khmer Times, a leading English-language newspaper in Cambodia. Li attended the meeting in Phnom Penh and paid a state visit to Cambodia for two days. The Lancang-Mekong River, which stretches for nearly 5,000 kilometers, "brings the six countries together into a community with a shared future featuring equality, sincerity, mutual assistance and kinship."

Noting that this year celebrates 60 years of China-Cambodia diplomatic ties, Li said: "We have given each other mutual support throughout the years when it comes to issues concerning our core interests, major concerns and principles of national dignity, sovereignty and independence." the premier added "The great friendship spanning more than half a century between King Father Norodom Sihanouk and Chinese leaders had become a legend in the history of China-Cambodia and even international exchanges,". Li said the Sihanoukville Special Economic Zone, which was absorbed more than one hundred companies from China and the rest of the world and offered job opportunities nearly 20,000 jobs for the local employees, stands as a symbol of renewed China-Cambodia friendship.

"China stands ready to facilitate deep synergy of its development strategies with those of Cambodia to advance bilateral cooperation across the board," Li said, adding that Chinese investment, technologies, industrial capacity and tourists will continue to contribute their share to Cambodia's economic and social development [44]. Chinese Foreign Ministry spokesman Geng Shuang stated that China, Cambodia, Laos, Myanmar, Thailand and Vietnam-will review the progress made through the sub-regional cooperation and it is required widely discussed the upcoming cooperation, which was initiated by China in 2014, the LMC mechanism is focused on five priority areas of cooperation: connectivity,

production capacity, cross-border economic cooperation, water resources management, as well as agricultural improvements and poverty reduction [45]. Since the early 1990s, Cambodia and China trade has reached to \$4.3 billion in 2015. This figure is a significant increase, is accounted for 15.9 percent from the \$3.8 billion in 2014 [46].

- *China's Strategies on The Cambodian Development Context*

Cambodia has become an independent state from France since 1953. Over fifty years of independence, it was conflict-widen with next door country which was mainly involved with countering complexity of forces of the cold war and Cambodia was identified as the hot point in ASIA and many great power and super power game players are involved. Cambodia was deeply in Vietnam War and then in 1975 Khmer Rouge forces took control of the country following the defeated of the United States and the reunification of Vietnam. The effects of Khmer Rouge rule were devastating and it was made Cambodia fell down to year zero: it was estimated that about one-quarter of the population perished owing to mass executions, malnutrition and disease, or fled the country for asylum. The Khmer Rouge also closed down and abolished most formal institutions of the state, belonging such as private property and currency. Following its overthrow by Vietnamese forces in early 1979, the country then experienced a decade of intermittent civil war, as well as international isolation, embargo and sanctions. By late 1991, with the signing of the Paris Peace Accords, it was one of the poorest countries in the world. Much of its physical infrastructure had almost been destroyed. Most of its educated community had either perished or fled. The country hardly possessed any of the key attributes of a modern state (Naron, 2011), the bureaucracy and the formal legal system were barely functioning, property rights were ill-defined, and there was little trust in the currency. The security stability was remained fragile, while it was a critical problem, particularly along the border with socialist Vietnam and beyond [47].

In addition, this article has explored the vital roles of foreign assistance in obtaining in foreign policy and diplomacy interests. Based on experience of Arjan de Haan makes the observation that debate on development, and in particular the search for effective aid, has neglected the role of political aid. Moreover, the high political symbolism of aid has obtained, particularly in the last decade, has received relatively little attention. This study has hypothesized that reinforce on progressive principles around international development can be a supportive and correlated elements of a strengthened diplomacy in globally [48].

The Lancang-Mekong River's committee has formulated concept of mutual interests, common contribution and shared benefits for stakeholders. It is aimed to strengthen and deepen good relations with neighborliness and pragmatic cooperation among six countries. It is served to the individual economic social development of sub-regional countries. The Lancang-Mekong River's roles has emphasised on a community of shared peace and prosperity for countries' member in the future, support ASEAN Community building as well as regional integration, and enhancing South-South Cooperation

and the implementation of the UN 2030 Agenda for Sustainable Development goals [49].

In addition, social outcomes of China economic initiatives have lagged economic growth, and economic advancement. The inequalities economic development associated with the inflows of foreign capital and skills, and the focused on political issues that benefit from this inflow, has undermined social cohesion and may provoke a nationalist criticism. To ensure that the China's economic openness is commonly beneficial and durable, the impressive progress to the current need is combined by a higher priority for social spending, extending the tax base to the very wealthy, a more inclusive political system, and institutional, legal and civil service reform [50]. Chinese has invested in estate's investment in Cambodia, for real estate agents are attempted to brushing up on their Mandarin, across this traditionally low-rise Cambodian capital, a building boom is becoming more noticeable as it pushes higher into the sky, and its largest projects are often engaging toward Chinese investors, who have only recently taken huge interests in the nation's real estate market. In Cambodia, this is an estimated that Chinese investors accounted for 80 percent of buyers so far [51]. China's economic diplomacy was made a lot of changes. It is also the direct result of the reformation of Chinese foreign policy since China's economic restructuring and opening. Therefore, the transition of the overall diplomatic strategy is the internal force of the economic improvement and diplomacy [52]. It is indicated that multilateral development banks, the IMF or G20, politicians and diplomats alike think it is time to rebalance. This article does not doubt. China is acquired to rebalancing between China and the EU's needs [53].

Three foreign policies are formulated under President Xi Jinping over the past three years have considerably enhancement of China's global influence, partnership diplomacy, the Silk Road economic diplomacy, and the new financial diplomacy. Partnership diplomacy of China seeks to forge ahead of a global partnership with others. The Silk Road economic diplomacy is the signature foreign policy suggestion of Xi. In this sense can be seen as the economic pillar of Xi's grand strategy for rejuvenation of China on the world stage [54].

Since the breaking out of the Arab revolted in late 2010, China has endorsed to support its 'business-first' economic diplomacy towards the Arab countries, a policy driven by China's geo-economic interests. The ten-year-old China-Arab States Cooperation Forum serves as the nucleus for China's economic connection in Middle East. The intertwined geo-political and geo-economic factors that have emerged since the Arab revolts might make it harder for China to grab economic interests [55].

The paper is presented the result of an analysis of the role of the Chinese factors in global economic integration processes. China has engaged with Eurasian Economic Union (EAEU). It is proven that a key mechanism to strengthen the role of China with the EAEU, and other integration associations, is the strategy of the new of China's regionalism. Chinese government offered a softening economic expansion

using economic, political, ideological and cultural relations [56].

The goals of initiative economic ties are highlighted the issue of a possible competition between China and Russia in the struggling for strategic accessing resources of the Central Asian. China and Russia are not only the rivalry, but also compete with each other as well. It is emphasized that the underestimation of the specifics of the China's "New Regionalism" by the Russian counter side might lead to a lowering of its competitive advantages in the process of implementation of joint programs and projects [57]. Politically, Cambodia is one of China's most trusted allies. Economically, China is ranked at the top foreign investor, a major donor, and an increasingly important trading partnership with Cambodia. Culturally, Chinese values are deeply rooted and embedded influenced in many aspects of Cambodian society via Cambodian-Chinese half-blood minority [58].

III. CONCLUSION AND REMARKS

In Summary, it is undeniably true that Cambodia has enjoyed great relations with China, particularly in terms of aid and loans, military cooperation, bilateral trade and investment but for the top leadership and some business tycoons. However, lower ranking of people to people are still less and limited cooperation.

China claims in respond to great power and tries to demonstrate powerful economic diplomacy. China has started to provide foreign assistance in increasing trade, finance and aid. China has consistently sought to leverage on international institutions through its economic diplomacy. However, China is far from being a kind hegemon because of its level of development, domestic political constraints, and tension between political and economic interests [59]. China is clearly as an increasingly influential economic power. Among the more notable features of China's influence has been its trade potential to provide a large source of regional demand, the absence of which has long been considered as substantial economic and political integration. The creation of AIIB is seen as a source of financial assistance and loans for infrastructure development.

Economic diplomacy is identified as a very important China's economic instruments for a small state economy like Cambodia. China's foreign trade has grown and developed. Economic diplomacy, which can help promote foreign trade, is therefore essential to improve the economic situation in Cambodia's economies, especially those affected by the current economic demand. This is in part because the Chinese leadership under Xi Jinping was formed a new economic diplomacy, putting relationships with all countries at the top of the Chinese foreign policy objectives. The initiation of OBOR is used as China's economic integration. Cambodia has remained a challenge to China's new economic diplomacy. China has strategic and security goals can only be realized in cooperating with great powers in regions. China has interests in peace and stability in Cambodia. Interview by expert, media analysis has extensive literature reviews. This paper uniquely contributes to the existing discussion on China-Cambodia relations by closely examining the controversies of China's

investment and aid, critically analyzing China's interests in Cambodia, and asking if the relationship between the two nations is positive-sum game. There is a need for the new administration to carefully consider how to deal with China. While multilateralism, involving ASEAN, the US and the middle powers, remains a channel to incentivize good neighborliness from China, Cambodia must also alleviate its diversity of capability in effectively responding to China's economic diplomacy actions. It is hoped that a deeper appreciation of economic diplomacy can improve strategic calculations.

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