Behavior of Cambodian People Response to Chinese Investment in Cambodia

Ky Sereyvath^{*}

ABSTRACT

Over the past 10 years, the relationship between C ambodia a nd C hina h ave been strengthened due to geographical conditions with the economic aids (concessional loans), investment, trade, tourism and banking. With China economic relation, Cambodia has boosted its economic power from Western sanctions, including the United States and the European Union. Around Cambodia's economic growth, FDI inflows total \$ 2155 million in 2017, that 24% from mainland China, 11% from Hong Kong. Cambodian largest investment source is China with investment total amount of US \$ 860 million and accounting for 61% of total foreign investment.

However, this investment can make Cambodia's mindset changes. The influence of Western ideology is also a factor, beside economic and socio-cultural factors, distorts the relationship between China and Cambodia. How these factors influence the relation?

The goal of the research is seeking for the effect of Chinese investor, workers, peoples, and tourist on Cambodian society, and economy in order to find out the feedback from public on the Chinese investment. It will the keys for both government to harmonize and strengthen the relaitonship between Cambodia and China in the framework of BRI. The research objectives are the effect of Chinese investment on Cambodian society and economy.

This is a mixed research between qualitative and quantitative data which is base on Grounded Theory and Survey.

Keywords: Investment, social disorder, development, and economic growth. JEL: O10, O11, O43

INTRODUCTION

Through the Belt and Road Initiative, China has expanded its influences in the economic sector as well as in political sector by the Silk Road, to ASEAN countries, especially to Cambodia, that located in the center of Southeast Asia. Over the past 10 years, the relationship between Cambodia and China have been strengthened due to geographical conditions with the economic aids (concessional loans), investment, trade, tourism and banking. With China economic relation, Cambodia has boosted its economic power from Western sanctions, including the United States and the European Union. At the same time, the growth of the Cambodian economy is in a position of remarkable growth rate around 7% per year from 2005 to 2018. According to Ministry of Economy and Finance, the inflation rate is stability between 3 to 5% per year. By this economic growth rate, Cambodians receive annual average income, rising from \$ 468 in 2005 to \$ 1,560 in 2018. Cambodian exports have

Ky Sereyvath, PhD. Professor, CamEd Business School. Email: kserevvath@cam-ed.com grown from US\$ 5 billion in 2011 to US\$ 11 billion in 2016 (the National Bank of Cambodia), of which 40% are exported to the European Union and 21% to the United States and 8% to Japan. Cambodia's total trade volume is \$ 29 billion (Denzan, 2017), which accounts for about 161% of Cambodia's GDP. Around Cambodia's economic growth, FDI inflows total \$ 2155 million in 2017, that 24% from mainland China, 11% from Hong Kong. About 25% of FDI is provided on financial sector, 18% for manufacturing, 17% for real estate and only 10.8% for agriculture and 10.5% for the accommodation and food sectors (National Bank of Cambodia 2016). Cambodian largest investment source is China with investment total amount of US \$ 860 million and accounting for 61% of total foreign investment.

In addition, concessional loans from China have increased steadily from 2011 to 2015, around US\$ 274 million, that mostly used on infrastructure and national defense. China's concessional loans compared with public debt increased from 40% in 2013 to 47% in 2015 (National Bank of Cambodia). By the year of 2016, China provided US\$ 238 million in concessional loan and grant US\$ 15 million to reduce debt of US \$ 89 million.

For China's trade as a first order import partner of Cambodian goods since 1998. Over the period of 2011-2014, imports of goods from China to Cambodia account for an average of 41%, of Cambodia's total imports (National Bank of Cambodia). And according to data from the Chinese embassy in Cambodia, China's total trade volume to Cambodia amounted to US\$ 4.4 billion in 2015 and in mid of 2016 rose up to10% last year, while Cambodia exported rice to China double times is 200,000 tons per year.

At the same time, the growth of Chinese tourists has increased to second in Cambodia, accounting for 14.5% of the total tourists in 2015, while the Cambodian government prepares policy for foreigner tourists (China Ready) especially for increasingly Chinese tourist 2 million in 2020. By 2017, Chinese tourists have reached 1.2 million people (Ministry of Tourism, 2018).

In addition, the banking sector also had better relations with China Bank and ICBC with total outstanding assets of US \$ 1.5 billion, accounting for 8.3% of total banking assets and 5.4% Total loans by the end of 2015.

In the context of influx of Chinese trade, loan, investment, and bank, and the belt and road initiatives conducted China's Going Out Policy to push out Chinese investment to abroad, which is an enhancing model for strengthening the economic relationship between Cambodia and China.

In response to China's trade and investment flows, Cambodia has made all kinds of reforms to create a harmonious investment climate, including reform of tax, education, vocational training, and export system on trade sectors. Otherwise, Cambodia has granted 100% foreign ownership rights, providing an exemption period of up to 8 years of tax exemption to import taxes for equipment, machinery and equipment for use as inputs for production and encouragement for Small and Medium Enterprise (Taxation law of Cambodia 2017).

According to IMF report, Cambodia is having a chance to absorb investment from an intensive manufacturing sector from China. Due to rapid economic growth of China, which has put investors in labor-intensive production diversions toward low-wage areas, which is a sacred opportunity for Cambodia. However, this investment can make Cambodia's mindset changes. The influence of Western ideology is also a factor, beside economic and socio-cultural factors, distorts the relationship between China and Cambodia. How these factors influence the relation?

The goal of the research on The Behavior of Chinese Investment in Cambodia is seeking for the effect of Chinese investor, workers, peoples, and tourist on Cambodian politics, society, and economy in order to set up strategic policy for both government to harmonize and strengthen the relaitonship between Cambodia and China in the framework of BRI.

To achieve the goal above, the two objectives are set for the research as following:

- 1 The effect of Chinese investment on Cambodian Society
- 2 The effect of Chinese investment on Cambodian Economy

This is a mixed research between qualitative and quantitative data which is base on Grounded Theory and Survey. For qualitative data, researchers review the data collected, repeated ideas, concepts or elements become apparent, and are tagged with codes, which have been extracted from the data. As more data is collected, and re-reviewed, codes can be grouped into concepts, and then into categories. These categories may become the basis for new theory. For quantitative data, we base on the survey by using close-ended questionnaire and analyze it with Microsoft Excel.

METHODOLOGY

The Chinese investors have come to invest mainly in economic activity areas of Cambodia such as Sihanukville, Kampot, Siem Reap, Battambang, Poipet and Bavet. Our research team conducted the survey by interviewing Cambodian residents who are living closely with Chinese investors in these economic areas. The understanding of Cambodians living with closely with Chinese investors is solving our research hypothesis:

- H₁ Chinses investment is contributing to Cambodia's development.
- H_2 Chinese investment is causing disorder in Cambodia

SAMPLING

Our survey has 235 samples which is the result of interviewing in 5 provinces: Kampot 19 samples,

Sihanukeville 52 samples, Siem Reap 40 samples, Battambang 70 samples and Banteay Meanchey 55 samples. The questionnaire is in Khmer version.

SAMPLING ERROR

Confidence interval of a mean is $\overline{X} \pm Z \frac{\sigma}{\sqrt{n}}$

 $Z \frac{\sigma}{\sqrt{n}}$ is Sampling Error but the Standard Deviation σ of Population is unknown and is replaced by $\sqrt{p(1-p)}$ in p is probability of choosing a sample. Because Z =1.96 p = 0.5 and n = 235 the sampling error of our survey project is:

Sampling Error = $Z_{\sqrt{\frac{p(1-p)}{n}}} = 1.96\sqrt{\frac{0.5(1-0.5)}{235}} = 6.4\%$

GENERAL INFORMATION FROM THE SURVEY

According to our survey, the percentage of male respondent is 52.6% and female interviewee is 47.4%. The average age of interviewee is 34 years old and the average expenditure is 40,174 riels, which is approximately 10\$ per day. The highest expenditure of interviewee is 25\$ per day and the lowest is 1.25\$ per day.

Table 1: Sex of the respondent				
	Frequency Percent Valid Percent			
Missing Male	3 122	1.3 51.9	52.6	
Female	110	46.8	47.4	
Total	235	100.0		

Source: Data from survey

Table 2: Education of respondent						
	Frequency	Percent	Valid Percent			
Missing	24	10.2	33.6			
Primary School	71	30.2				
Middle School	55	23.4	26.1			
High School	36	15.3	17.1			
University	49	20.9	23.2			
Total	235	100.0				

Source: Data from survey

The data from survey reveals that the education of the respondents are more than 50% studied up to middle school, 15.3% of them studied at high school and 20.9% graduated from University.

With daily expenditure of about \$10, about 64.7% of the respondent has familly member in between 3 to 5 (see table 3).

	Table 3: Family Member					
Number of FM	Frequency	Percent	Valid Percent			
Missing 1	16 1	6.8 0.4	0.5			
2	16	6.8	7.3			
3	38	16.2	17.4			
4	54	23.0	24.7			
5	60	25.5	27.4			
6	27	11.5	12.3			
7	17	7.2	7.8			
8	5	2.1	2.3			
9	1	0.4	0.5			
Total	235	100.0				

Source: Data from survey

THE EFFECTS OF CHINESE INVESTMENT ON CAMBODIA ECONOMY

Cambodia's Foreign Direct Investment (FDI) increased by \$917.5 million in September 2019, while the annual inflows of 2017 and 2018 was \$2.7 billions and \$3.1 billions respectively. The main investing countries are China, Hong Kong, the US, and Netherlands. he construction industry attracts the largest share of foreign investors, followed by infrastructure, industry (primarily textiles), agriculture and tourism. New railways are under construction, ranging from Phnom Penh to Siem Reap all the way to the Vietnamese border in the other direction; this project also uses Chinese funding. Additional agreements with China include an economic and technical cooperation pledge and a USD 65 million grant to expand the capacity of Preah Ket Mealea military hospital in Phnom Penh. The China National Heavy Machinery Corporation has also invested USD 1.4 billion in the 246-megawatt Stung Tatai hydropower plant in the Koh Kong province; which is expected to supply 30% of Cambodia's national power grid.

Because of Cambodia has good political relation with China, and Cambodia has implemented foreign investment support policy, it has made Chinese investors the number one investment in Cambodia. In 2016¹, there were \$ 3.6 billion in foreign investment, comprising 30% of China's investment.

Investments for exports sector of china in Cambodia There are two main types: the garment and agricultural sectors. From 2012 to 2016, there was a total investment of about US \$ 2011 million, accounting for 14% of investment in agriculture and 37% in industry.

Table 4: Investments for Cambodia by Sector (Million USD)							
	2012	2013	2014	2015	2016	2012-2016	
agriculture	556.6	1,128.80	264.7	482.6	478.3	2,911.00	
industry	1,489.70	1,106.70	2,835.60	919.3	1,186.30	7,537.60	
Infrastruc- ture	227.8	2,620.80	353.5	3,129.80	544.3	6,876.20	
Tourism	691.5	106	479.6	111.9	1,400.80	2,789.80	
Total	2,965.60	4,962.30	3,933.40	4,643.60	3,609.70	20,114.60	

Source: CDC, FDI database

According to the table below, Chinese investment in 2017 was \$ 220 million (PRC \$ 148 million, HK \$ 47 million, NT \$ 24 million), which is to be 62% of total sector investment. Agriculture investment amounted to US \$ 83 million (PRC \$ 65 million; HK \$ 17 million), which is to be 35% of total sector investment. In total, Chinese investment was \$ 1152 million in 2017.

	Agri- cult	Minerals	factory	Finan- cial	Hotels & Restau- rant	іст	Real Estate	other	Total 2017	Total 2016
PRC	65.74	2.7	148.61	162.71	66.87	10.01	83.23	94.9	634.8	511
нк	17.25	10.5	47.72	16.55	30.94	0	113.32	113.06	349.3	237
NT	0	0	24.22	106.68	0	0	27.08	10.37	168.4	105
Total	82.99	13.2	220.55	285.94	97.81	10.01	223.63	218.33	1152.46	853
Per- centage by sector	35.39%	69.25%	61.89%	30.05%	30.73%	48.59%	60.80%	54.85%	41.35%	39.58%

Source: National Bank of Cambodia (2019)

The data from survey reveals that, the opinions of Cambodian people on Chinese investment is nornal and good. About 43% of the respondents chose the answer. However, among 37% of the respondent who said the Chinese investment is bad, there is 80% of them had never seen bad issue by themselves, just got information mouse to mouse.

Table 6: Opinion on China Investment in Cambodia					
	Frequency	Percent	Valid Percent		
Missing	14	6.0			
Good	48	20.4	21.7		
Bad	88	37.4	39.8		
Normal	53	22.6	24.0		
Not Know	22	9.4	10.0		
Both Good and Bad	10	4.3	4.5		
Total	235	100.0	100.0		

Source: Data from survey

This is our H_1 hypothesis which states that China investment contribute well to the development of Cambodia. The answer from Cambodian people is China investment is good is 20.4%, China investment is bad 37.4% and both good and bad 4.3%. We cannot reject the hypothesis H_1 that China investment is good to Cambodia development, because the probability is 20.4%, and we reject hypothesis if the probability is less than 5%.

According to the survey, the present of Chinese both for investment, working, and tourist cost inflation in the area they are living due to demand is greater than supply; especially, it makes changes the house rental fee from \$500 to \$4,500 or \$5,000. Another example, the price of hotel room changed from \$18 to \$60.

According to the Phnom Penh Post on Aug 23, 2019, land prices in Sihanouk province increased in comparison with the value of land in Phnom Penh, which in some areas in 2017, at \$ 1,500 per square meter, increased from \$ 3,000 to \$ 4,500 per square meter in 2018, especially in Sihanouk province, Poi Pet, and Bavet.

Table 7: Livelihood items of inflation					
	Frequency	Percent	Valid Percent		
Missing	26	11.1			
1	68	28.9	32.5		
1,2	42	17.9	20.1		
1,2,3	10	4.3	4.8		
1,2,4	5	2.1	2.4		
1,3	28	11.9	13.4		
1,3,4	6	2.6	2.9		
1,3,6	1	0.4	0.5		
1,4	4	1.7	1.9		
2	2	0.9	1.0		
2,3	1	0.4	0.5		
2,4	1	0.4	0.5		
3	6	2.6	2.9		
3,4	4	1.7	1.9		
4	6	2.6	2.9		
All	25	10.6	12.0		
Total	235	100.0	100.0		
1-Fc	ood 2-Transport 3-	Housing 4-Land			

Source: Data from survey

The most inflated item is food, which is 30%. The answer of 1,2,4 means multiple of the inflated items which include 1-food, 2-transport and 4-land.

Due to the price of real estate goes up rapidly, it causes many people become rich, and some land conflict between people and people. The survey demonstrates that 52.3% of respondents mentioned that there is no land conflict. Only 0.9% of them said that there is strong land conflict. The answer of this question is likert scale that use to measure of level of conflict in the area of the respondent which indicates that 0 is no land conflict, and 10 is strong land conflict.

	Table 8: Land Conflict					
Level	Frequency	Percent	Valid Percent			
Missing 0	9 123	3.8 52.3	54.4			
1	9	3.8	4.0			
2	13	5.5	5.8			
3	14	6.0	6.2			
4	11	4.7	4.9			
5	11	4.7	4.9			
6	16	6.8	7.1			
7	5	2.1	2.2			
8	14	6.0	6.2			
9	8	3.4	3.5			
10	2	.9	.9			
Total	235	100.0				

Source: Data from survey.

According to the research, factors leading to Chinese investment in Cambodia are: (2019)

- Cambodia has very close political and economic tired with China. The two countries signed the Trade and Investment Agreement (TIA) in 1996 and established the Economic and Trade Cooperation Commission (ETCC) in 2000². To help the country recover or restore, China has provided a lot of assistance to Cambodia.
- Cambodia has implemented investment promotion policies such as tax exemption for nine years, no import duty on raw materials.
- Cambodia has received preferential treatment from the European Union, Canada, Australia and Japan.

Factors³ that obstruct China's textile investment on Cambodia are:

- Low infrastructure: lack of water supply and electricity, which hinders production
- Labor costs are expensive compared to other LDCs
- Corruption issues
- Lack of financial services: loans to foreign investors remain still limited and high interest rates.

EFFECT OF CHINESE INVESTMENT ON CAMBODIA SOCIETY

Chinese culture flows to Cambodia with the Chinese people who came to Cambodia as migration since 3 AD. They are running business and living harmonically with the local people because they follow the Cambodian society (Kheang, Chin, and Tep 2019). However, at late 2015 many of Chinese migrates from China to Cambodia for business and work. The behavior of Chinese⁴ nowadays is different. They come as big group that their bargaining power is big due to Chinese loan to Cambodia. Some of them come with money to invest, and send their workers to work here. According to report of ministry of planning at the end of 2018, number of Chinese people in Cambodia is 0.2% of the total population.

According to the observation, Chinese people cannot enjoy foods in Cambodian restaurants. This is a reason why many Chinese restaurants are opened in Cambodia and other small business including informal business which affected to SMEs⁵ in Cambodia. The observation reveals that most of Chinese small business is restaurants and selling electric devices. The survey demonstrated that there are 18% Chinese come to Cambodia for working in construction companies, casino, online-casino, restuarants, massage, and running a small business. Those of them walk out their work in group, did not abide the Cambodia regulation. This is because of the Cambodian police and authorities made bribe with them and also due to lack of communication with them, they work ineffectively.

This is the second hypothesis H2 that China investment cause disorder in Cambodia. The asnwer zero means no disorder, and ten means very disorder. The data from survey reveals that 63.5% of them has level of disorder is less than median, in which 26.8% said no disorder. So, it is acceptable for Cambodian people who are living in the areas. Only one of 235 respondents saw Chinese broke the rule (pee on the public area).

Table 9: Level of social disorder of Chinese					
	Frequency Percent Valid Percent				
Missing 0	9 63	3.8 26.8	27.9		
1	6	2.6	2.7		
2	20	8.5	8.8		
3	11	4.7	4.9		
4	19	8.1	8.4		

Total	235	100.0	
	226	96.2	100.0
10	5	2.1	2.2
9	27	11.5	11.9
8	22	9.4	9.7
7	9	3.8	4.0
6	14	6.0	6.2
5	30	12.8	13.3

Source: Data from survey

The average of scale of disorder of China investment in Cambodia for the answers of interviewee is 2.26 which is a low level, therefore we reject hypothesis H2 that China investment is causing disorder in Cambodia.

Table 10: Chinese Prostitutes						
	Frequency Percent Valid Percent					
Missing Yes	9 80	3.8 34.0	35.4			
No	8	3.4	3.5			
Don't know	138	58.7	61.1			
Total	235	100.0				

Source: Data from survey

The data from survey reveal, Chinese prostitution is available in Cambodia, but only few people know that. 34% of the respondent proof that Chinese prostitution is available, especially in Casino, massage shop, and hotels.

Furthermore, our respondent mentioned about drug consuming by Chinese which is 6.8%, less than drug consuming by Cambodian which is 16.6% (see table 11 below).

Table 11: Drug Problem						
	Frequency	Percent	Valid Percent			
Missing	13	5.5	5.5			
Cambodian	39	16.6	16.6			
Chinese	16	6.8	6.8			
No Drug	20	8.5	8.5			
Don't know	71	30.2	30.2			
Both Cambodian and Chinese	76	32.3	32.3			
Total	235	100.0	100.0			

Source: Data from survey

Beside bad things complained by Cambodian people, Chinese investment provide Cambodia more development. It is such kind of Capital injection, many construction, and big building. Moreover, people see the development of infrastructure constructed by the Cambodian government in the area with the loan from Chinese government.

The research reveal that 49.8% of respondent mentioned that the building and infrastructure constructed by Chinese firms has quality of below medium. However, the mean of this distribution is medium quality with the frequency of 15.3%.

Table 12: Chinese Investor is Developing Cambodia			
Level	Frequency	Percent	Valid Percent
0	37	15.7	17.8
1	11	4.7	5.3
2	22	9.4	10.6
3	25	10.6	12.0
4	23	9.8	11.1
5	36	15.3	17.3
6	20	8.5	9.6
7	18	7.7	8.7
8	7	3.0	3.4
9	8	3.4	3.8
10	1	.4	.5
Total	208	88.5	100.0
Missing	27	11.5	
Total	235	100.0	

Source: Data from survey

The average of scale of answers of quality of Chinese infrastructure and building in Cambodia is 3.76 which is a low level. This is just opinion of local Cambodian people, but if we look at the FDI of China into Cambodia, China ranks number 1 investor in Cambodia economy.

Since Chinese FDI inflows lots to Cambodia, the Chinese firms bring their people, workers to work in Cambodia due to lack of communication with Cambodian workers. To get chance to work in Chinese firm, Cambodian people sent their children to study Chinese. Even an old lady, Sokha⁶, who sells street sea food at Oh Chheu Teal beach, can speak Chinese. According to the observation, not only Sokha, but also most of sellers at Oh Chheu Teal beach can speak some Chinese language.

Table 13: Having Children learning Chinse			
	Frequency	Percent	Valid Percent
missing	8	3.4	
No Learning	166	70.6	73.1
Learning	61	26.0	26.9
Total	235	100.0	100.0

Source: data from survey

The data illustrates that 70.6% of the respondent do not have children who are studying Chinese language, but 26% of them has. The reason why studying Chinese, the answer very clear that working with Chinese earns more salary than working with Cambodian firms. According to the interview⁷ with Cambodian who are working for Chinese firm as driver earn \$600/month, hotel and restaurant worker earn \$300/month, and seller at Chinese mart or market earn \$300/month. As well in Poi Pet and Bavet, the driver earns \$500/month, and worker at the hotels and restaurants earns \$250/month⁸.

According to the survey, people see that the salary of worker who can speak Chinese is higher, that why 31.14% of people who sent their children to study Chinese want to work with Chinese firms.

Table 14: Why Learning Chinese			
	Frequency	Percent	Valid Percent
Missing	198	84.3	
Want to learn Language	8	3.4	21.6
Communication	1	.4	2.7
High Salary	9	3.8	24.3
Want to work with Chinese	19	8.1	51.4
Total	235	100.0	100.0

Source: Data from survey

Another indicator to measure how Cambodian people likes Chinese or not, we use a question "which nationality you want to make friend with?". In this case, the research demonstrates that most of Cambodian people likes to make friend with Japanese and follow by European and Chinese respectively. The total percentage of like to make friend with Japanese is 29.36% and with European is 13.62%, with Chinese is 11.91%, with American is 10.21%, and Vietnam 3.4%. Other 12.34 doesn't care about nationality, it seems no nationality discrimination for them because their answer is like to make friend with any nationality.

In this case, Chinese people is preferred by Cambodia in average manner due their loudly behavior.

Table 15: Which Nationality Want to make friend with			
	Frequency	Percent	Valid Percent
Missing	72	30.6	
1	17	7.2	10.4
1,2	7	3.0	4.3
1,2,3	1	.4	.6
1,2,4	1	.4	.6

Total	235	100.0	100.0
All	29	12.3	17.8
5	19	8.1	11.7
4,5	2	.9	1.2
4	22	9.4	13.5
3	3	1.3	1.8
2,4,5	1	.4	.6
2,4	5	2.1	3.1
2, 4, 5	1	.4	.6
2	53	22.6	32.5
1,5	1	.4	.6
1,3	1	.4	.6

1-Chinese 2-Japanese 3-Vietnam 4-European 5-US American Source: Data from survey

However, some people is happy with and congratulates to the Royal Government of Cambodia (RGC) which making good and comprehensive relationship with Chinese Government and allow Chinese investment inflow to Cambodia. The data from survey reveals that 92 people out of 235 said that it is wrong way that RGD does in allowing Chinese investment to Cambodia, while 24.7% agreed.

Table 16: Cambodia Government does the right way in Chinese investment in Cambodia			
	Frequency	Percent	Valid Percent
Missing	69	29.4	
Both wrong and right	15	6.4	9.0
Right	58	24.7	34.9
Don't know	1	.4	0.6
Wrong	92	39.1	55.4
Total	235	100.0	100.0

Source: Data from survey

CONCLUSION

As the result of the observation and survey on the behavior of Cambodian people response to Chinese people, Chinese investment in Cambodia is not bad issue as some news spread in the country. The bad issue that people know and dislike just heard from the facebook sharing and news which is considered as fake news. According to our analysis, the hypothesis H1 stating that Chinses investment is contributing to Cambodia's development.

However, the attitude of Chinese people who are working and living in Cambodia makes Cambodian people feel unhappy. The result of data analysis shows that the hypothesis H2 Chinese investment is causing disorder in Cambodia is accepted. Moreover, Chinese investment in Cambodia cause both good thing and bad thing that is why we cannot reject definitely. Furthermore, Chinese people like to learn Chinese language and would like to getting job with Chinese firm. It means that people who live close with Chinese preferred the present of Chinese investment, while some of peoples who are living in the capital city and received bad issue from facebook and fake new not preferred.

The main problem of the issue is law and regulation implementation. In order to harmonize Cambodian society government ought to take this action and make Cambodia becomes the rule of law. Strengthening law and regulation implementation should be done by Cambodian authority for all both Cambodian and Foreigner according to Cambodian laws.

ENDNOTES

- 1 Cambodia: Foreign Investment, in www.Santandertrade.com (retrieved on Jan 08, 2020)
- 2 Jinmin Wang et al (2008), The expansion of textile and clothing firms of China to Asian Least Developed Countries: The Case of Cambodia
- 3 Ibid
- 4 Chinese = new Chinese migration from China in 21 AD
- 5 SMEs= small and medium enterprise
- 6 Interview on March 8, 2019 at 11:00pm at Oh Chheu Teal Beach by Ky Sereyvath.
- 7 Interview on March 7, 2019 at 09:00am to 10:00pm at markets, massage shops, restaurants in the city of Sihanouk
- 8 Interview on March 28, 2019 at Poi Pet city, and Interview on Apr 5, 2019 at Bavet city.

REFERENCES

- Charmz K. (2000), Grounded Theory: Objectivist and Constructivist Methods, in Denzin N. K. and Y.S. Lincoln (eds) Hanbook of Qualitative Research, 2nd edition, London, Sage Publication.
- Chheang Vannarith, "Toward elections in Cambodia: Current debates and prospects", East Asia Forum, 25 July 2013, http://www.eastasiaforum. org/2013/07/25/toward-elections-in-cambodiacurrent-debates-and-prospects/ (accessed 15 January 2014).
- Chheang Vannarith, "Cambodia breaks political deadlock at last", East Asia Forum, 23 August 2014, http://www.eastasiaforum.org/2014/08/23/ cambodia-breaks-political-deadlock-at-last/ (accessed 23 August 2014).
- Denzan Shira, et. al. (2017), Cambodia's FDI Outlook for 2017: Understanding the Challenges and Opportunities Ahead, in Asean Briefing.
- Hing Thoraxy, (2002), Foreign Direct Investment: Opportunities and Challenges for Cambodia, Laos, and Vietnam, Hanoi.
- Jinmin Wang et al (2008), The expansion of textile and clothing firms of China to Asian Least Developed Countries: The Case of Cambodia, in Asia-Pacific Research and Training Network on

Trade (ARTNeT), an initiative of UNESCAP and IDRC, Canada., Working Papers.

- Ky Sereyvath, Lee Cheon Woo, Peter J. Stauverman (2013), Regional Integration in GMS: Perspectives and Risks, Changwon National University, Korea.
- Strauss A. and J. Corbin (1998) Basics of Qualitative Research – Techniques and Procedures for Developing Grounded Theory, 2nd edition,, London, Sage Publication.

National Bank of Cambodia, Annual Report 2017

- National Bank of Cambodia, (2018) Annual Report 2018
- National Bank of Cambodia (2019) Financial Stability Review

CDC: FDI Database

www.santandertrade.com

APPENDIX

Questionnaire

Date:_____Interviewer: _____ Code:

Address:

- 1. Gender: □ 1. Male □ 2. Female Age: _____
- Education: □ 1. Primary Sch. □ 2. Middle Sch. □ 3. High Sch. □ 4. University
- 3. Occupation: _____ How your occupation improved?
- 4. Family member:_____ Daily expenditure_____ more expensive?
- 5. What item price increase? □ 1. Food □ 2. Transport □ 3. Housing □ 4. Land □ 5. ____
- 6. How do you think about Chinese investment?
 □ 1. Good □ 2. Bad □ 3. Normal.
 □ 4. Don't know
- 7. What is level of land conflict in your commune? 1 2 3 4 5 6 7 8 9 10
- 8. What is the occupation of Chinese?
- 9. What is level of social disorder in you commune? 1 2 3 4 5 6 7 8 9 10

- 10. Is there any Chinese prostitution in the commune?

 1. Yes
 2. No
 3. Don't know
- 11. Who consume drug in the commune?
 - 1. Cambodian
 2. Chinese
 3. Not available
 4. Don't know
- 12. How do you think about Chinese infrastructure? 1 2 3 4 5 6 7 8 9 10
- 13. Do you children study Chinese?□ 1. Yes □ 2. No Why?
- 14. Which nationality you would like to make friend with?

□ 1. Japanese□ 2. Chinese□ 3. Vietnam□ 4. European□ 5. American

- 15. Does RGC correct or not allowing Chinese investment in Cambodia?
- 16. Do you have any suggestion?

Thank you for your sharing!

Behavior of Cambodian people response to Chinese investment in Cambodia

