

No. 3 September 2004

NIAS *nytt*
Asia Insights



THEME:
De-Essentialising 'Chinese Capitalism'
in Southeast Asia

A Cultural Economy
of Ethnicity and
Capital in the
Regionalisation of
China and Southeast
Asia

'De-Essentialising
Capitalism': Chinese
Networks and Family
Firms in Malaysia

On Entrepreneurship
and Ethnic Belonging.
Ethnic Chinese SME
Entrepreneurs in
Southeast Asia

The State and Chinese
Entrepreneurs in
Southeast Asia

Re-territorialized
Guanxi Networks:
Taiwanese Capital in
Southeast Asia under
the Shadow of 'Go
West'

China and Taiwan –
Politics Still
Dominate Economics

China's Relations
with Ethnic Chinese
Entrepreneurs in
Southeast Asia: A
Research Agenda

NIASnytt is published by the Nordic Institute of Asian Studies and appears 4 times yearly with 1,500 copies distributed worldwide.

Editorial and production

Nordic Institute of Asian Studies (NIAS), Leifsgade 33, DK-2300 Copenhagen S, Denmark
Tel: +45 3532 9502
Fax: +45 3532 9549
Email: leena@nias.ku.dk
Online: <http://www.nias.ku.dk>

Online version

Economic necessity forces us to print fewer copies of NIASnytt than are demanded. However, we also produce NIASnytt in a web version at <http://www.nias.ku.dk/nytt>

Responsible editor

(under the Danish press law)
Jørgen Delman

Coordinating editor

Leena Höskuldsson

Guest editor for this issue

Michael Jacobsen

Photos on pp. 10, 15, 18 and 19
by Michael Jacobsen

Editorial committee

Jørgen Delman
Leena Höskuldsson
Gerald Jackson
Timo Kivimäki
Anja Møller Rasmussen
Erik R. Skaaning

Language editor

Janice Leon

Coming Issues in 2004

4 (December): deadline 1 November

Cover illustration:

Doing business in Central, Hong Kong (Photo: M. Jacobsen)

Printed in Denmark by
Herrmann & Fischer

ISSN 0904-4337



norden

"Contrary to the general perception of Southeast Asian Chinese as constituting a coherent ethnic group, this issue of NIAS Nytt – Asia Insights argues that they consist of different segments. This differentiation is a reflection of impacts emanating from colonialism, early nation building and contemporary processes of social and political entrenchments and transformations in the Southeast Asian host communities. As a consequence, ethnic Chinese are subject to various types of 'othering' such as bumiputra policies in Malaysia and negative stigmatisation in Indonesia. Such processes of 'othering' are also noticeable in preconceptions of 'Chinese capitalism'. This issue takes a critical stance towards the latter. It argues that Chinese business practices are generally an ethnicisation of capitalist practice, not a specific Chinese economy paralleling global capitalism."

Michael Jacobsen
Senior Researcher, NIAS

Contents

A Cultural Economy of Ethnicity and Capital in the Regionalisation of China and Southeast Asia *by Vivienne Wee* • 5

'De-Essentialising Capitalism': Chinese Networks and Family Firms in Malaysia *by Edmund Terence Gomez* • 8

On Entrepreneurship and Ethnic Belonging. Ethnic Chinese SME Entrepreneurs in Southeast Asia *by Michael Jacobsen* • 11

The State and Chinese Entrepreneurs in Southeast Asia *by Chin Yee Whah* • 14

Re-territorialized Guanxi Networks: Taiwanese Capital in Southeast Asia under the Shadow of 'Go West' *by Sue-Ching Jou, Dung-Sheng Chen and Michael Hsin-Huang Hsiao* • 17

China and Taiwan – Politics Still Dominate Economics *by Camilla Tenna Sørensen* • 20

China's Relations with Ethnic Chinese Entrepreneurs in Southeast Asia: A Research Agenda *by Zhuang Guotu* • 22

Also in this issue

Re-building NIAS Nordic Platform – towards the New Ownership *by Jørgen Delman* • 3
NIAS Grants • 24

Staff News • 25

Recent Visitors • 25, 28–29

Report from the First NAJS Conference *by Martin Flyxe, Staffan Appelgren, Linus Hagström and Pia Moberg* • 26

'Chinese Capitalist' Success in Thailand – the Rise and Rise of Thaksin Shinawatra *by Duncan McCargo and Ukrist Pathmanand* • 30

New books from NIAS Press • 31–32

NIASnytt 4, December 2004

will focus on Islam in Southeast Asia. The articles will concentrate on the two main Islamic countries of the area: Indonesia and Malaysia, and different aspects will be discussed, e.g. the political role of Islam, the growth of Islamic fundamentalism and the role of syncretistic folk Islam.

Guest editor is Docent Sven Cederroth,
Centre for Asian Studies, Göteborg University

Re-building NIAS's Nordic Platform – towards New Ownership

Those who have followed the saga of NIAS's restructuring in the latest issues of NIASnytt will recall that the University of Copenhagen, Copenhagen Business School and Lund University have agreed to share the future ownership of NIAS. The official agreement between the three partners will be signed at a reception in Copenhagen on 6 October this year.



Jørgen Delman

We also invited Nordic universities and research institutes to join a new Nordic NIAS Council that will function as an advisory council for NIAS, while also being represented on the Board of NIAS, thus having influence on the activities and services of NIAS.

In June this year, the initial meeting was held with a group of stakeholders – altogether 21 Nordic institutions – to discuss ideas about the Nordic NIAS Council. At the same time, nine other institutions – unable to attend the meeting – expressed an interest in being kept informed.

We were extremely gratified by the support expressed at the meeting to maintain NIAS as a Nordic institute. We also listened carefully to a number of constructive ideas and criticisms.

Briefly, the meeting expressed support to the strategic plans and intentions presented. There was some concern about the level of ambition and recommendations were made to focus on a few priority activities in relation to our Nordic partners. Many participants wanted NIAS to state more clearly that there is a focus on all disciplines relevant to Asian studies. It would also be important for the future Nordic partners to be persuaded that membership results in value for money. The participants recommended that the Council should have a simple organizational structure with influence on the NIAS Board. Finally, they were concerned that the proposed membership fee might be too high.

Since then, we have worked on different dimensions of the recommendations, and we are now ready for a second meeting with the stakeholder group, which will be held in Copenhagen on 23 September. Here, NIAS will present ideas about the establishment of a new Nordic research school in Asian Studies, following a proposal drafted in 2003. In the draft, the school was called NorfAsia. NIAS will also present ideas for new services to be provided by NIAS LINC (<http://www.niaslinc.dk>) and SUPRA – Support Programme for Asian Studies (<http://www.nias.ku.dk/activities/supra/services.htm>). Finally, a revised draft “Agreement regarding the Nordic NIAS Council” will be presented. It takes into account the need for a simple organizational structure, easier access to influence on the NIAS Board and a lower membership fee.

We are keen on seeing as many Nordic universities and research institutes as possible to join the Nordic NIAS Council. The Nordic countries are small and the scattered Asian studies environments will continue to benefit from an international hub like NIAS. After all, our Nordic mandate is a key driving force at NIAS.

All being well, we shall see a new and reinvigorated NIAS take off on 1 January 2005. Asian studies are confronted with challenges like never before, and we shall have a new platform to deal with them. It is our aim to continue to be at the global forefront in our field. This is all thanks to the commitment of our multi-stakeholder “ownership”. In return we feel strongly committed to them as well as to our other partners worldwide.

Michael Jacobsen, Senior Researcher at NIAS, has edited the thematic articles of this issue of *NIASnytt*, ‘De-essentialising Chinese Capitalism’. They deal with an important topic: Do Chinese business people in Southeast Asia ethnicize their business relationships or does ethnic origin not play as important a role as many would tend to believe? This is particularly important against the backdrop of the current globalisation of Chinese emigration and the global expansion of Chinese business interests. Southeast Asia has a long experience in this connection! The theme has been inspired partly by a conference on China–Southeast Asia relations at City University of Hong Kong in March in which Michael Jacobsen participated as an invited speaker, and partly by the Fifth Conference of the International Society on Overseas Chinese Migration (ISSCO) that was held in May in Denmark (<http://www.nias.ku.dk/issco5>). The first was jointly organised by Southeast Asia Research Centre at City University of Hong Kong and Xiamen University in China, and the latter by the University of Copenhagen and NIAS.

Enjoy your reading!

Jørgen Delman
Director, NIAS



Michael Jacobsen is Senior Researcher at the Nordic Institute of Asian Studies (NIAS) in Copenhagen, Denmark. Formerly research fellow at the Southeast Asia Research Centre at City University of Hong Kong (2001–2003). Researcher at Centre for Development Research in Copenhagen, Denmark (2001). Nordic–Netherlands Research Fellow at the International Institute for Asian Studies in Leiden, The Netherlands (1999–2000). Author of several publications on ethnicity and politics in contemporary Indonesia, the Chinese diasporas and entrepreneurship in Indonesia and Malaysia, and co-editor of *Human Rights and Asian Values* (Curzon Press, 2000).

De-Essentialising 'Chinese Capitalism' in Southeast Asia

Michael Jacobsen, Guest Editor, Senior Researcher, NIAS

Contrary to the general perception of Southeast Asian Chinese as constituting a coherent ethnic group, this issue of NIAS Nytt – Asia Insights argues that they consist of different segments. This differentiation is a reflection of impacts emanating from colonialism, early nation building and contemporary processes of social and political entrenchments and transformations in the Southeast Asian host communities. As a consequence, ethnic Chinese are subject to various types of 'othering' such as bumiputra policies in Malaysia and negative stigmatisation in Indonesia.

Such processes of 'othering' are also noticeable in preconceptions of 'Chinese capitalism'. The latter is depicted as constituting a non-grounded transnational flow of ethnicised capital that is governed by age-old Chinese kinship, language and philosophical affiliations. The main modus operandi governing these flows is often attributed to *guanxi* affiliations.

This issue takes a critical stance towards such preconceptions. It argues that Chinese business practices are generally an ethnicisation of capitalist practice, rather than a specific Chinese economy paralleling global capitalism. Vivienne Wee writes that if there is a socio-economic phenomenon that may be contingently labelled 'Chinese capitalism', it should not be viewed as a manifestation of primordial culture. Rather, any such phenomenon should be contextualised in the field between macro-politics of ethnicisation and micro-politics of social interactions and individual agency.

Terence Gomez takes a more economic approach by pointing out that firms owned by ethnic Chinese in Malaysia provide no evidence of interlocking networks in the domestic economy. Nor are transnational business ties being cultivated on the basis of a common ethnic identity. Where

intra-ethnic networks do form, they are generally based on a firm's capacity to contribute to the production of particular merchandises.

Descending further down the relationship between local and ethnic Chinese entrepreneurs, Michael Jacobsen describes the relationship between Chinese SME entrepreneurs and their Southeast Asian host communities. As the former are more grounded and therefore more vulnerable than large international Chinese firms they are quite sensitive towards various developments in their host communities. Questions of inter-ethnic relations in the host community thus become decisive for whether to establish a business.

Reinforcing the point on the intricate and complex relationship between the host community and ethnic Chinese entrepreneurs, Chin Yee Whah focuses on how three Southeast Asian governments have responded towards Chinese business practices. He argues that these responses are governed by how the Chinese have adapted to local conditions, and how these adaptations themselves have been moulded by national policies towards the Chinese.

Ascending to the macro-economic level, Sue-Ching Jou et al. argue that Southeast Asia

provides Taiwanese firms with a diversified and internationalised environment where they learn how to address the complexities of global capitalism. This provides them with important experiences after which they turn their attention towards the Chinese markets.

Economic strategies, however, do not exist in a societal vacuum. Camilla Sørensen writes that political relations between China and Taiwan are decisive for the development of Taiwanese investments in China. After re-electing a pro-independence president in March this year, Chinese leaders have adopted a more offensive strategy towards Taiwanese businessmen who support pro-independence forces in Taiwan. Such shifts in strategy not only influence Taiwanese investments in China, but also the credibility of the Chinese market.

Finally, acknowledging that economic performance is dependent on inter-ethnic relations and political initiatives, Zhuang Goutu reaches out towards the international academic community in order to instigate a concerted effort to understand this complex web of societal interdependencies. He suggests merging various approaches employed to the benefit of all partners – not least the ethnic Chinese in Southeast Asia.

References

and other relevant bibliographical material concerning the present theme are available at: https://rex.kb.dk/F/-?func=file&file_name=find-b&local_base=nia02_ecs&con_lng=ENG

A Cultural Economy of Ethnicity and Capital in the Regionalisation of China and Southeast Asia

Vivienne Wee, City University of Hong Kong

A cultural economy of ethnicity and capital

The Chinese term *guanxi* is generally used to assert the supposedly intrinsic value of particularised relationships along which resources must necessarily be channelled. Proponents of this position see such relationships as the prime mover for capital accumulation in Chinese economic behaviour (Yang 1994, Whyte 1996, Lovett, Simmons, and Kali 1999, Li and Wright 1999, Tan and Yeung 2000, Crawford 2000, Ewing, Caruana and Wong 2000, Yang 2002). Others, however, assert that the 'Chinese' economic behaviour in contemporary capitalism is motivated by profit-maximisation, for which 'Chinese-ness' may or may not be one of the means deployed. A moderate critique of the *guanxi* literature agrees that China has a relation-based economy rather than a rule-based one, but argues that this is a situation by default, due simply to the lack of properly instituted legal resources rather than to the persistence of *guanxi* as an essential cultural value. This is a 'moderate critique' because what it disputes is not the importance of *guanxi* in Chinese society, but only the reason for its importance – i.e. the absence of the rule of law. Those who support this argument are modernists, such as Li and Li (2000), who assume that 'irrational' sentiment will invariably yield to seemingly 'rational' modernism.

A more radical critique of the *guanxi* literature argues that

those who see *guanxi* as an unchanging value essential to Chinese culture are constructing a Self-Other dichotomy, using the Occidental Self as a subject position for this discourse. They are, in effect, 'Orientalists', in Said's (1978) sense of the term 'Orientalism'. This essentialist *guanxi* discourse has permeated beyond studies of Chinese culture and society to the analysis of Chinese business practice and to business applications for those seeking deals with Chinese people, where it is asserted that without *guanxi*, no money can be made. In fact, this essentialising construction of the Chinese as an irrational Other is similar to constructions of Indians, Arabs and other non-Occidentals.

A body of critiques has emerged that debunks the primordialist thinking underlying much of the *guanxi* literature and that focuses anew on processes of capitalist development that implicate issues of culture, society, ethnicity and nationhood. For example, Chun (1989) attributes the historical success of Chinese entrepreneurs in Southeast Asia as due not to cultural values or shared experiences of sojourning, but rather, to the availability of cheap Chinese coolie labour that could be exploited through an extensive credit system. Other writings that seek to de-essentialise Chinese economic behaviour by contextualising it in capitalist processes are Jesudason (1997), Gomez (1999), Gomez and Hsiao (2001), Guhathakur (no date), Guiheux

(2002). These writers mount a critique of the culturalist arguments that propose, in effect, the existence of an autonomous 'Chinese capitalism', founded on endogenous values and particularistic relationships of kinship and para-kinship (i.e. *guanxi*).

Guhathakur (no date), for example, disputes the culturalist claim that Chinese family firms and their business networks have a unique entrepreneurial potential, as a result of being able to use trust and kinship to reduce transaction costs, increase coordination and diminish risks in business ventures. Citing Wong (1985), Goody (1996), Rose (1993), she argues that Chinese family firms exhibit the same weaknesses found in family firms elsewhere and are not necessarily the cultural platform for economic growth, as previously claimed.

Gomez and Hsiao (2001) direct two criticisms at the existing literature on Chinese businesses in Southeast Asia:

- First, this literature considers Southeast Asian Chinese as homogenous, whereas in reality, they are divided along numerous fault-lines, such as successive periods of migrations, different generations, different places of birth, different places of origin, different language groups, different classes.
- Second, it is questionable whether the intra-ethnic networks or organisations of Southeast Asian Chinese



Dr Vivienne Wee is Associate Professor in the Dept. of Applied Social Studies and Associate Director of the Southeast Asia Research Centre, City University of Hong Kong. Trained as an anthropologist, she has wide-ranging research interests in ethnicity and ethno-nationalism, nation-state evolution, the politics of continuity and change, globalisation and resource competition, development, gender and religion. She has published extensively in international journals and books. Her special expertise is on the making and remaking of the Malay world. She is currently editing a volume entitled *Political fragmentation in Southeast Asia: alternative nations in the making* (Routledge & City University of Hong Kong Southeast Asia Series: forthcoming)

actually contribute to their economic success.

Jesudason (1997) concurs with these observations and makes the additional point that Southeast Asian Chinese are not culturally static but involved in cultural change – for example, with clan and guild associations diminishing in importance among the Malaysian Chinese. He further argues that if it is claimed that Chinese culture explains Chinese business successes, then such a claim should also be made for Chinese business failures, since the same culture would logically be operative in both cases.

Guiheux (2002: 66) opines that such critiques 'call on an economic sociology that is both political and historical'. This view is in the same vein as Dirlik's (1996) proposal that Chinese business practices are an ethnicization of capitalist practice, not a specific Chinese economy paralleling global capitalism. In other words, if there is a socio-economic phenomenon that may be contingently labelled as 'Chinese capitalism', this should not be naively viewed as the manifestation of primordial identity and essentialist culture. Rather, any such phenomenon should be contextualised in the macro-politics of ethnicisation and the micro-politics of social interactions and individual agency, which, in turn, interact with capitalist processes occurring at national, regional and global levels.

This then is what I mean by 'cultural economy'. It is an analysis of the dialectic between culture and economy: it studies the economic ramifications of cultural formations, as well as the cultural ramifications of economic processes. This approach draws inspiration from Wallerstein's (1974) analysis of similar processes in European history. I suggest that a similar

mode of analysis is needed to understand the interactions between capital and ethnicity, as economic, political and social power comes to be variously configured, at global, national and regional levels. This multi-level, multi-field mode of historical analysis is particularly relevant at this juncture of time, as we witness an increasing fragmentation of power at the global level, coupled with the increasing incapacity of nation-states to steer their own destinies, and an increasing propensity for the reorganisation of power at the regional level. It is in this context of historical change that we can more fully understand the rise and renewal of 'independent capitalist groups', such as Southeast Asian Chinese groups.

Regionalising capital and ethnicity in the changing relations between China and Southeast Asia

The ambiguity of ASEAN towards China has been increasingly evident in recent years. On the one hand, ASEAN is seeking to compete with China for FDI and global market share, but on the other hand, it intends to engage China in order to take advantage of its market potential. Rapid changes have been occurring from 1978 to the present to address these two aims (Buszynski 1997). Since 2002, with the signing of many agreements between ASEAN and China, the two sub-regions are now engaged in a formal process of regional integration. Recently, China has even assumed a new role as an investor in Southeast Asia (Vatikiotis 2003).

These processes of regional integration are complex, involving multiple state players and multiple sub-regions. Much of the literature on this topic has focussed on state actors involved in such changes. There are fewer

writings about changes occurring at meso and micro levels. For example, policy shifts by specific governments in response to regional integration still constitute a relatively new area of attention. There is even greater neglect of regional changes that involve non-state actors, such as 'independent capitalist groups'.

Southeast Asians of Chinese descent are indeed important stakeholders in this changing situation. How are they and other stakeholders interpreting, managing and shaping the processes of change? Concurrent with regional market-making at a formal level, an arena of shifting alliances and oppositions is emerging among non-state actors. New sorting processes apply to cultural forms of 'Chinese-ness' in Southeast Asia. To complicate these matters, there is a visible increase in the physical presence of Chinese from China in Southeast Asian countries.

Complex relations have long existed between Southeast Asian governments and their citizens of Chinese descent, as well as between the Chinese government and Southeast Asian citizens of Chinese descent. There is as yet little attention paid to the impact of current regional changes on this situation. The emphasis in the existing literature has been on the national aspect of being Southeast Asian Chinese – e.g. whether they are integrated, assimilated or separated out. Less attention has been given to their *transnational* linkage to a cross-border ethnic category. Nonini and Ong (1997) are two of the few who deal with this aspect.

What is the impact of regional integration with a dominant China on Southeast Asian citizens of Chinese descent? In the last five decades of independence, citizenship in Southeast Asian nation-states has been caught between the

poles of civic nationalism and ethno-cultural nationalism (Brown 2001). In Southeast Asian countries dominated by ethno-cultural nationalism (such as Malaysia), citizenship has been stratified in terms of indigeneity and ethnicity (Tan 2002). However, with the growing significance of China, is it still politic to treat Malaysians of Chinese descent, with important transnational links, as less than equal citizens? Are governments that advocate ethno-cultural nationalism shifting their position on the issue of indigenous versus non-indigenous? What will be the impact of regional changes on national issues, such as definition of citizenship, the orientation of nationalism (whether civic or ethno-cultural), and indeed the shape of national politics?

To understand the wide-ranging ramifications of this unprecedented process of making a regional market, it is necessary to adopt an innovative, interdisciplinary approach that studies the embeddedness of such a market in larger contexts of politics, culture, society and the historical development of world capitalism. Narrow, uni-dimensional approaches, such as essentialist culturalism or state-centric analysis, are simply inadequate. A more holistic, multi-dimensional approach to the study of culture and capital will avoid the faults of essentialism, exceptionalism and state-centrism and analyse contemporary capitalism in terms of the interactions and interpenetrations of the economic, political, cultural and social. Furthermore, this approach will take into

consideration the significance of forces outside the region. For example, even as Southeast Asians, at both state and non-state levels, ready themselves (that is, through social and cultural re-alignments) for regional market-making, they cannot forego their existing sociocultural receptivity for US FDI (also through social and cultural alignments). At least two options emerge from this – either multi-culturality within the same people, which is a difficult feat, or cultural diversification among different groups of people, a more likely scenario. If the latter is the case, it would tend to lead to distinctive but overlapping 'cultural clusters of capital'. Therefore, even regionalisation needs to be understood, not in a vacuum, but in an implicational globalising context.

The Copenhagen Journal of Asian Studies

is a leading Scandinavian journal on contemporary Asia. CJAS publishes refereed research and review articles in the fields of international business, politics, economics, society, law, culture and international relations in Asia. Previously published by the University of Copenhagen, CJAS is now being re-launched as a biannual publication of the Asia Research Centre, Copenhagen Business School.

For subscription information and order inquiries, please contact the Editorial Office.

The Copenhagen Journal of Asian Studies
Asia Research Centre
Copenhagen Business School
Howitzvej 60
DK 2000 Frederiksberg
Denmark

Phone: (45) 3815 2509 Fax.: (45) 3815 2500
E-mail: cjas.int@cbs.dk website: www.cbs.dk/arc

1 year subscription (two issues)	300 DKK (40 EURO) incl. postage
1 year student subscription (two issues)	250 DKK (30 EURO) incl. postage
Individual issue	175 DKK (25 EURO) incl. postage
Back issues are also available on request	





Edmund Terence Gomez is Associate Professor at the Faculty of Economics, University of Malaya. His publications include *Chinese Business in Malaysia: Accumulation, Ascendancy, Accommodation*, *Chinese Business in Southeast Asia: Contesting Cultural Explanations*, *Understanding Entrepreneurship and Chinese Enterprise*, *Transnationalism and Identity*.

Dr Gomez will visit NIAS from 24 October to 10 November 2004. Here he will lecture on several topics in relation to Chinese entrepreneurs in East and Southeast Asia and visit pertinent universities and research institutes in the Nordic countries.

'De-Essentialising Capitalism': Chinese Networks and Family Firms in Malaysia

Edmund Terence Gomez, University of Malaya

A good volume of the literature on the Chinese has served to create a linkage between identity and capitalism. The theory that the Chinese share a strong collective identity that influences decision-making in business and the development of their enterprises has spawned a prodigious literature that has come to be associated with the so-called 'culturalist perspective'. According to this literature, the Chinese of the diaspora share an essentially identical set of cultural traits, just as their businesses display a uniform 'ethnic style' characterised by family firms and intra-ethnic business networks. The family firm and intra-ethnic national and transnational networks (or guanxi) play a crucial role in capital formation and accumulation. These two modes of business and social organisation, family firms and intra-ethnic networks, are apparently imbued with the 'Confucian ethic', a perennial theme of the culturalists for whom it is the key to explaining Chinese enterprise.

Chinese identity and capitalism – a myth?

This linkage between identity and capitalism tends both to essentialise patterns of enterprise development among the Chinese and to homogenise ethnic communities of this diaspora. This essentialising of Chinese enterprise has gained further currency in the United States through the popularisation of the concepts of 'ethnic enterprise' and 'ethnic enclaves'. The growing use of terms such as 'global tribes', 'bamboo networks' and 'Chinese commonwealth' has also promoted the homogenising of ethnic communities and culture.

Most scholars agree, however, that family ties are a key constituent of Chinese enterprise. To the extent that kinship ties were an important consideration in hiring staff and acquiring funds to get enterprises started in the early years after migrating, there is nothing problematic with such arguments. At the point of its creation, control of a firm normally remained in the hands of the founder and of family

members who played a crucial role in setting its style of management.

The term 'networks', however, is more contentious. The prominent scholar, Gordon Redding, asserts that Chinese networks in Taiwan and Hong Kong share commonalities that indicate 'cultural predispositions, most of which are traceable to Confucian values'. Researchers subscribing to this view argue that Chinese enterprise is a form of 'network capitalism' or 'guanxi capitalism'. Networks are said to be a unique institutional feature of 'Asian capitalism', one that distinguishes it from the Western notion of bureaucratisation and efficiency. This form of capitalism reputedly provides Chinese firms in Southeast Asia with ample competitive advantages.

Others go further, talking about 'Chinese diaspora capitalism' and arguing that this form of capitalism is based on personalised, long-term horizontal networks that bind together Chinese-owned family companies. Chinese networks are said to be embedded in

relations of reciprocity and rest on the principle of trust. This type of capitalism is said to pre-date 'modern capitalism' and to attach less weight than other forms of capitalism to corporate expansion and profit maximisation.

Few researchers opposed to this cultural perspective would deny the existence of 'networks' created by Chinese-owned enterprises. Their main criticism concerns not networks as such but the problematic notion of 'Chineseness', which they believe plays only a minor role in determining how these business people make decisions and develop their enterprises. In their view, culturalist analyses misrepresent the basis for and extent of business ties among Chinese firms. Networks are not formed in a single dimension but are primarily production chains or sub-contracting ties that undergo processes of change and operate at multiple levels. Co-ethnic cooperation for the benefit of the community is not the basis on which such networks are formed.

Chinese Enterprise in Malaysia

Networks and Intra-Ethnic Foreign and Domestic Business Ties

As with the other Southeast Asian 'tiger economies', Malaysia has attracted investments from Taiwan, but there is little evidence that these foreign firms cooperate closely with local ethnic Chinese. Taiwanese investors specialise in establishing small and medium-scale enterprises (SMEs) in the electronic and electrical sectors. These firms 'network' when they first enter the region by creating loose groupings of SMEs, brought together for the manufacture of special items. These supply chains and subcontracting ties benefit all parties engaged in producing a particular merchandise. Taiwanese SMEs usually belong to several production networks led by different enterprises. These networks, operating at multiple levels and evolving constantly in response to changes in demand, seldom survive for long. Once Taiwanese firms settle down in Southeast Asia, they try to become more profitable by disbanding old networks and creating new ones. The competition within and between these networks contributes to their constant evolution. Even partners within a single enterprise tend to break away, form their own businesses, and emerge as competitors.

Many subcontractors evolve through a process of vertical integration into producers, because it is more cost-efficient to do so. This process of vertical integration indicates that these firms have little interest in remaining within the production networks. Even in the face of competition and take-overs, SMEs are loath to merge, however much it might be in

their interests to do so, a further indication of limited co-ethnic cooperation. Ethnic identity is only important, if at all, when an investor first enters a country or area of business.

Family Firms and Generational Change

Although family businesses are common among diasporic Chinese, the incorporation of this type of enterprise has little to do with Chinese culture. Family firms emerge because of the problems migrants face in securing start-up capital and hiring labour. In a number of cases, partnerships are forged to deal with the problems encountered when starting a business. In Malaysia, Chinese entrepreneurs have a history of intra-ethnic business co-operation, especially among migrants in the colonial period; most of these partnerships have either fallen apart or evolved into family enterprises.

There is little evidence of intra-ethnic Chinese business cooperation even though the Malaysian government has an affirmative action policy that favours the development of large Malay-owned firms. In fact, the list of directors and shareholders of the leading Chinese companies shows little evidence of interlocking stock ownership or interlocking directorships. This is the case even though most big companies are still run by their founders, usually migrants, and are family-owned. Shareholding patterns indicate that Chinese-owned firms function independently of one another.

Among SMEs, recent research has shown that most SME owners are not interested in passing on their businesses to their children and would prefer that they become professionals. Most descendants of the founders of SMEs resist joining the enterprise, which eventually

has to close down or be sold off. This suggests that generational change has an important bearing on the manner of enterprise development; in particular, it threatens the survival of family firms. Some descendants try to recruit professional managers, because they are better educated or equipped to develop the enterprise or better able to work with non-Chinese. The development of inter-ethnic management and business ties leads eventually to big changes in ownership and control, a reflection of the companies' growing organisational complexity.

This evolution from family firm to professional management happens in enterprises throughout the world. This evolutionary pattern is not yet evident among Chinese enterprises in Malaysia because most are still under the control of the founding or the second generation. In other words, they are still young firms.

Conclusions

The patterns of formation and evolution of firms owned by the Chinese in Malaysia provide no evidence of the existence – or prospect – of interlocking networks in the domestic economy. Nor are transnational business ties being cultivated on the basis of common ethnic and cultural identity. These findings do not support the view that business networks are tightly-knit and embedded in sets of interlocking ownership and interlocking directorships with strong ethnic, solidaristic and cultural dimensions. Where intra-ethnic networks do form, they are based on a firm's capacity to contribute to the production of a particular merchandise. They exist in a state of flux, with little commitment on the part of members to help each other grow. The formation of such mutually beneficial cooperative

networks is not new, nor is it unique to the Chinese. Similar subcontracting ties and production networks can be found among indigenous enterprises in Europe, especially in France.

Although Chinese enterprises are predominantly family-owned, in the case of SMEs, most descendants of migrants show little interest in maintaining these enterprises, and this form of ownership rarely outlasts the migrant generation. Where the new generation do take the firms over, business ties are becoming increasingly inter-ethnic. Like production networks, inter-ethnic business ties are cultivated to achieve access to resources as a result of the government's long-running promotion of affirmative action. Although this policy discriminates against Chinese enterprises, it has not generated intra-ethnic business cooperation. The most evident trait is the desire of Chinese business people to develop their

enterprises independently.

There is more evidence of competition than of cooperation among Chinese firms, thus contradicting the widely held view that the dynamism of these enterprises is due to intra-ethnic business linkages. Competition rather than cooperation explains the growth of Chinese firms and their potential to emerge as a dynamic force, nationally and internationally. Even so, Chinese enterprises are rarely seen as innovative in terms of creating new brand products. Very few Chinese-owned Malaysian companies are associated with a brand product of international repute. One reason is that many of these enterprises diversify their ventures rather than focus on just one business. Another is that although they probably have the potential to develop productive enterprises, they rarely invest in the necessary research and development to create new technology or produce quality goods.

These conclusions call into question the existence of a distinct type of 'Chinese capitalism' and 'ethnic enterprise'. Firms that function as ethnic enterprises are family-owned, deal in products that can be classified as ethnic and cater to an ethnic community. These traits define firms incorporated by migrants when they first move abroad. Entrepreneurs set up such companies because they are effective in the initial stages of migration. All of them aspire and endeavour to enlarge their clientele beyond the ethnic community. By the time the second generation takes over, few retain much of their original character, in terms of market and organizational structure. These conclusions indicate the important need to 'de-essentialise Chinese capital' – to challenge the growing literature that argues that all Chinese businesses possess unique characteristics that determine a common path of development.



Causeway Bay, Hong Kong

On Entrepreneurship and Ethnic Belonging. Ethnic Chinese SME Entrepreneurs in Southeast Asia

Michael Jacobsen, NIAS



Michael Jacobsen

This paper assesses the relationship between ethnic Chinese entrepreneurs and their Southeast Asian host communities. The main focus is on SMEs as they are more grounded and thus more vulnerable than ethnic Chinese controlled conglomerates and large firms in relation to sudden social and political initiatives by their respective host communities. As such they are dependent on local conditions in the host community such as bumiputra policies in Malaysia and Ali-Baba relationships combined with negative stigmatisation in Indonesia. This means that questions of integration and assimilation in relation to the host community become important and decisive for whether to establish or run a business. This is illustrated through a case study among ethnic Chinese SME entrepreneurs in North Sulawesi, Indonesia, where inter-ethnic relations provide the Chinese entrepreneur with a framework within which to conduct his business.

Chinese immigrants to Southeast Asia have been documented since the 14th century. However, it was not until the 18th and 19th centuries that migrants from the south-eastern parts of China, especially Fujian, Guangdong, Hainan and Guangxi provinces, began to settle in Southeast Asia. Some worked as indentured labourers in the European-owned plantations and mines while others settled down as traders of various kinds. The Chinese networks that developed were mainly based on transplanted perceptions of common religious orientation, language or dialect, descent affiliations, together with guilds sometimes organised as secret societies.

Some observers argue that this migration led to enduring group identification, based on principles of *guanxi* (Putonghua: 'connection'), *xinyong* (Minnan dialect: 'trust') and *kongsi* (Minnan dialect: 'shared property') (personal communication, Tiong Chong Wong 2004). They further argue that such personalised affiliations within a

Chinese network were and still are a *modus operandi* for doing business within the ethnic Chinese business community (Luo (2000), Yang (1994), Weidenbaum and Hughes (1996). This argument is also prevalent in discourses on the Chinese diaspora in general (McKeown (2001), Bolt (2000) and Gipouloux (2000)). For Kotkin (1992), for example, the Chinese diaspora is characterised by a persistent sense of group identification with global linkages, and for Callahan (2002) the advantage of the diaspora's Confucian reading of capitalism is that cultural ties reduce the transaction costs of doing business in China and Southeast Asian countries (for a critical assessment of 'Confucian capitalism', see Yao 2002).

Such perceptions of capitalist practices in a Southeast Asian Chinese context as constituting a non-grounded transnational flow of ethnicised capital that thrives within close-knit circles which are maintained by age-old Chinese kinship and language affiliations, have an Orientalist

feel to them. As a critical review of the literature on the relationship between contemporary Chinese business practices and *guanxi* affiliated networks in Asia reveals, there is an absence of a profound influence of the latter on the former. For example, Wong (1998), Gomez and Hsiao (2000), and Jacobsen (2003) have problems finding evidence for a dominance of chain-related *guanxi* affiliated business deals within the diaspora. Cribb (2000) and Gomez and Hsiao (2000) furthermore question whether Chinese entrepreneurs have depended primarily on their own business networks based on shared identities to develop their corporate base. This argument is further elaborated by Qiu Liben (2000), who writes that 'Chinese networks have changed with the needs of time; they developed from the networks of *bangs* (Guanxi like organisations) to the networks of the overseas Chinese and then to the open and multi-cultural networks shared by citizens of various countries. This has enabled them

to play an important role in the sustained economic development of Southeast Asia and in the integration of the region' (Qiu 2000: 203).

This confirms Dirlik's (1996) proposition that *guanxi* business practices are an ethnicisation of universal capitalist practices. In other words, profit-driven motives prevail over identity-based affiliations, and intra-ethnic or inter-ethnic business relations co-exist as alternatives in different contexts. Southeast Asian Chinese entrepreneurs thus conduct business not exclusively with each other, but also with domestic, non-Chinese, business communities in their country of residence. This flow in and out of different types of business related networks, governed by personal strategies and contextual circumstances, is a practice that allows people to switch back and forth between mono-ethnic and multi-ethnic spatial relations, be they local, national or international.

Such an approach is furthermore critical of the assumption that ethnic cohesiveness permeates the Chinese diaspora. This author subscribes to the idea that a diaspora constitutes a decentred, multi-levelled and fractious ideational network that people can move in and out of, depending on their current social and political situation in their host community. What holds this ideational network together is an elusive sense of being 'othered' by more indigenous 'selves'. The adherence to a given diaspora thus depends on relative processes of 'othering'. An understanding of, for example, the Chinese diaspora therefore does not depend on systemic network approaches that treat the diaspora as if it was a solitary entity. Rather, a more appropriate approach is to

analyse socio-political contexts on the grounds of delineate individual elements that may or may not form part of this ideational diaspora. By taking such an approach, it is thus imperative to focus on those social, political, and economic forces that can either 'other' (i.e. separate out as distinct) or integrate people who can otherwise be identified as being of Chinese descent.

It is against the background of such an approach that studies of ethnic Chinese SME entrepreneurs become significant, as they are much more 'grounded' than the major Chinese firms and conglomerates, which have a much higher level of mobility both nationally and trans-nationally, when local social and political conditions in the host community become too problematic. The primary concern of the ethnic Chinese SME entrepreneurs is their freedom of manoeuvre in their countries of residence, a freedom that is guided just as much by social, cultural and political strategies as by cynical economic calculations and an emotional or ideological attachment to 'the old country'.

In the following case study that deals with the Manadonese ethnic Chinese SME entrepreneurs in North Sulawesi, eastern Indonesia, the complex interplay between entrepreneurship and ethnic belonging comes to the fore. Here questions of negotiated identities and inter-ethnic relations clearly illustrate that a positive handling of these important questions set the preconditions for doing business in this part of Indonesia.

The Manadonese SME Entrepreneurs in North Sulawesi, Eastern Indonesia

Two factors stand out when studying the Manadonese Chinese Business community.

The first is a high emphasis on assimilation into the main ethnic group, the Minahasa – a group that dominates the political and administrative sectors in the province. This preferred societal positioning on behalf of the Chinese is underlined by referring to oneself as a *peranakan*. Stressing assimilation instead of integration and categorising oneself as *peranakan* is similar to stressing both a diachronic and synchronic sense of belonging. Being a *peranakan* emphasises having roots in the local community and being assimilated refers to an abolition of ethnic differences. At face value these two main aspects of being Manadonese Chinese could be one of the factors that explain why there have not been any violent clashes between ethnic Chinese and Manadonese both before and after the fall of Suharto's New Order regime.

The second factor about the Manadonese Chinese is that others do not perceive them as constituting a distinct ethnic group. On the contrary, even the Minahasa stresses an almost total assimilation of the Chinese into the local communities. It seems as this stress on assimilation may be attributed to the fact that the mechanisms for marking oneself out, as part of a distinct group, do not influence the current inner functioning of the Manadonese Chinese conceived of as an ethnic group. For example, *guanxi* affiliations do not play an important role within the ethnic Chinese business community even though they can still be identified as a social signifier amongst the Manadonese Chinese. As such it is the profit motive that plays the greatest role for the Manadonese Chinese entrepreneurs when conducting business, not ethnic factors or cultural preferences – an observation that confirms perfectly Dirlik's previously mentioned

point about an ethnicisation of capitalist practices. *Kongsi* practices and *guanxi* affiliations are thus only invoked if they can lead to higher or more stable profit margins. In this sense continuing to stress *guanxi* as a dominant aspect of Chinese business practices, at least in Manado, can be viewed as a kind of cultural chauvinism within a specific business environment.

An interesting consequence of the non-dominant position of *guanxi* in the Manadonese Chinese business community is that, because it is so weak, it actually undermines the functioning and effectiveness of *kongsi* organised businesses. Arguably, *guanxi* affiliations can be conceived of as reinforcing the inner workings of *kongsi* organised businesses, as both ideally strive towards reinforcing relations between the Chinese partners and thus indirectly promote a distinct Chinese-ness in terms of business practices. However, *guanxi* only constitutes one of several business strategies when establishing *kongsi* based companies. This de-linked relationship between *guanxi* and *kongsi* thus reinforces processes of inter-ethnic assimilation and downplays the development of a distinct ethnic identity. Such a development is reinforced by yet another factor, namely religious affiliations, as Christianity, the dominant religion in North Sulawesi, is generally seen as a facilitator between non-Buddhist Chinese and Christian Minahasa. And as Christian Chinese by far outnumber the Buddhist Chinese, processes of assimilation are further reinforced.

However, taking processes of assimilation to their ultimate limits leads to the assumption that distinctive ethnic features become hybridised to such an extent that the original ethnic identities involved are gradually being eroded and a new common-

ly agreed cultural denominator arises. Such a perspective can only be a naive illusion. Processes of assimilation are always based on asymmetrical power relations. In the case of the Manadonese Chinese and the Minahasa the latter is the dominant part and it would be ridiculous to imagine that they would concede an inch of their perception of ethnic supremacy in relation to the ethnic Chinese. Processes of assimilation can thus only be a means to an end and never an end product in themselves. As such assimilation processes are about stipulating power relations that are manifested in social integration and more or less peaceful co-existence. Ethnic distinctions remain despite these processes but descend towards a lower level of social practice. They only resurface during ceremonial occasions, which are socially acceptable to the dominant 'other'. This is why the Manadonese Chinese can celebrate their 'traditional' customs, as the latter are viewed by the dominant 'other' as socially detached exotic fabrications that are worth a picture!

A somewhat unexpected consequence of these processes is that the Manadonese Chinese become de-linked from the Chinese diaspora. By far the greatest numbers of informants have detached themselves from their ancestral root in either Fujian or Guangdong Province (Jacobsen 2004). Mainland China is currently being conceived of as either a potential target for doing transnational business at a future date or as an interesting tourist destination. The 'home' part of the Chinese diaspora has thus been separated from the otherwise classical triangular perception of diasporic constellations, namely the 'home-host-migrant' construct. This points towards the fact that diasporas are multi-dimensional

entities that are contextually defined. Even though the Manadonese Chinese have currently cut off the 'home' part of the Chinese diaspora the linkages are still there, but dormant. This means that when not activated diasporic links descend into a deeper layer within people's minds and remain there until various social and political events reboots them back into existence.

On the basis of this it is possible to say that a diaspora is a latent structure, that is, not a permanently established ethnic oriented national or transnational router for migrant and sojourners. A diaspora only becomes alive locally when certain social, political or economic events highlight or squeeze a certain ethnic group, for example, the Chinese, as has been the case several times in Indonesia. This confirms Riggs's (2001) notion of diasporisation and de-diasporisation, as people utilize a given diaspora when need be. In between it does not exist for them. As for now North Sulawesi provides them with a social and political safe heaven, and the Minahasa accepts them in their midst as they constitute an important economic factor in the province. So for the time being the Manadonese Chinese are highly localised, that is, 'assimilated' and thus de-linked from the Chinese diaspora. For how long these positive inter-ethnic relationships will last depends on a whole range of things; economic performance, locally as well as nationally, religious harmony, and amicable and non-competitive inter-ethnic relationships, just to mention a few areas of potential contention. When and why a shift in these relationships might occur, thereby giving rise to a potential re-linking of the Manadonese Chinese to the Chinese diaspora, can only be determined through empirical studies, not theoretical predictions.



Chin Yee Whah is lecturer in Sociology at the School of Social Sciences at Universiti Sains Malaysia in Penang. He obtained his Ph.D from Universiti Kebangsaan Malaysia in 2002. He is the author of *Budaya Dan Keusahawanan Cina Di Malaysia* [Culture and Chinese Entrepreneurship in Malaysia], 2003. He is a committee member of the Malaysian Social Science Association.

The State and Chinese Entrepreneurs in Southeast Asia

Chin Yee Whah, Universiti Sains Malaysia

It is a well-known fact that the Chinese in Southeast Asia have adapted themselves to the local settings as a result of centuries of interactions with the local populations and cultures. This adaptation is also evident in the entrepreneurship and business practices of the Chinese. In this article I argue that these adaptations have been shaped by the size of the Chinese community as a proportion of the total populations in particular countries and how the individual governments have responded to these Chinese business and entrepreneurial initiatives. I shall elaborate briefly upon the cases of Malaysia, Indonesia and Singapore.

Malaysia

Chinese enterprises developed soon after their arrival in the Malay Peninsula during colonial times. They continued to develop and expand into almost every kind of business even after independence in 1957. Between 1957 and 1969 the Chinese business community benefited from the *laissez-faire* economic system and high economic growth of an average of six per cent in the 1960s. Most of these Chinese businesses were small or medium enterprises (SMEs) and were generally family oriented or involved other Chinese partners. Their workers were also Chinese. There were only a few large Chinese enterprises, which included Malays either as business partners or workers and offered board directorships to Malay elites connected to political parties (Jesudason 1990).

With the introduction of the New Economic Policy or NEP (1970–1990) that aimed to restructure the Malaysian economy and to eradicate poverty, Chinese business practices too began to change. In 1975 shortly after the NEP was launched, the Industrial Coordination Act (ICA) was introduced. The ICA imposed a licensing system on manufacturing firms and consequently impacted upon Chinese businesses in several

ways. First, the pattern of Chinese investment changed from the manufacturing sector to trading, finance, property development and other speculative sectors that promised large profits and quick returns. By so changing the economic focus the Chinese entrepreneurs hoped to escape the clutches of the ICA (Jesudason 1990, Hara 1991). Second, due to a perceived insecurity of future, Chinese businessmen shifted their capital overseas. Third, major transfer from Chinese to Bumiputera ownership in the banking and finance sector occurred in accordance with NEP guidelines (Hara 1991).

The ICA affected the operations of Chinese owned SMEs as well as Chinese businessmen who wanted to control 100 per cent of their enterprises by using family members to start new enterprises thus escaping the ICA. However, Ali-Baba partnerships also mushroomed to escape the state's regulatory net. Baba, or the Chinese partner, was in effect the more active half of the relationship who brought into the partnership capital, skills and technical know-how. Ali, or the Malay partner, was regarded as the less active or 'sleeping' partner, who contributed political influence and connections.

No doubt, such Ali-Baba partnerships occurred due to the affirmative action policy that favoured the Bumiputeras when it came to awarding government contracts, tenders, loans and credit, especially in the construction, transport and whole-sale sectors. By setting up Ali-Baba partnerships, Chinese businessmen were able to access, albeit indirectly, such government largesse.

The implementation of the National Development Policy (NDP 1991–2000) created a new phase of Malaysian economic policy. Compared to the NEP, the NDP was driven by the private, not the public sector. This initiative was connected to the adoption of neo-liberal policies including privatisation. Inter-ethnic partnerships in business were also encouraged. Indeed ethnic quotas were held in abeyance. Hence, this period of the NDP saw the evolution of Ali-Baba business partnerships to a new form of 'genuine' partnerships. Over a period of three decades under the auspices of the NEP and NDP, Chinese enterprises in Malaysia evolved in terms of inter-ethnic partnerships, sources of capital, equity structure, and types of business venture. Compared to those pre-NEP days, the present younger generation of Chinese Malaysian entrepreneurs have more positive

perceptions of inter-ethnic business partnerships. Amongst the younger generation of Chinese entrepreneurs, Bumiputera businessmen are viewed nowadays as important partners who can help develop and expand their businesses because of their access to connections, capital and even know-how. In other words, the Chinese consider their Malay partners as equal, not just sleeping partners (Chin 2004). Contributing to this change was the establishment of the Genuine Joint Venture Promotion Council (MGUT) in October 1995 under the auspices of the Ministry of Entrepreneur Development (MED). The role of the council is to encourage Bumiputera and nonBumiputera individuals and companies to expand and share experience, knowledge, and expertise. This new partnership was in line with the government's policy to speed up the formation of a Bumiputera Commercial and Industrial Community (BCIC) as outlined in the Second Outline Perspective Plan or OPP2 (1991–2000).

In the context of state intervention in the economy and changes in the societal structure, especially the emergence of the new Malay middle (Abdul Rahman 2002) and entrepreneur classes, Chinese businessmen cannot just depend on traditional ways to compete in the market. Explanations that highlight cultural factors per se are therefore inadequate to explain the success of Chinese business in Malaysia. In fact the Chinese have been very rational and pragmatic in going into partnerships with Malays. Without acknowledging this fact, one cannot explain the continued well-being of Chinese business enterprises in Malaysia.

Indonesia

Chinese only make up three per cent of the population in Indo-

nesia but apparently they dominate the country's economy. Like their counterparts in Malaysia, Chinese Indonesians also face unfavourable economic policies. After Indonesia achieved its political independence in 1945, the state implemented the policy of

the ICA in Malaysia and the Benteng System in Indonesia bestowed the rise of 'Ali-Baba' partnerships as a new type of business operandi amongst the Chinese business community. As the state policies and societal structure changed over a period



Business centre of Johor Baru, Malaysia

'indigenisation' aimed at reducing Chinese economic strength and helping the indigenous businessmen. Two well-known mechanisms of indigenism were the Benteng System in the early 1950s, and the ban on retail trade in 1959, known as PP 10.

Unlike the ICA implemented in Malaysia during the NEP years, which successfully promoted Bumiputera ownership in the manufacturing sector and so enabled a restructuring of the ownership of wealth, the PP 10 economic policy not only failed to restrain Chinese entrepreneurs from participating in Indonesia but also brought about undesirable economic consequences as well (Suryadinata 1993). Both

of time, the Ali-Baba partnership began to evolve into new forms of business practices amongst the Chinese entrepreneurs and indigenous businessmen. Consequently, as mentioned above, the practice of 'Genuine Joint Venture' developed. However, during the New Order in Indonesia, the Ali-Baba partnership evolved into a new alliance called the 'Cukong System'. According to Suryadinata (1993: 94), Cukong is a Chinese term, which means, 'master', but in the Indonesian context it is a derogative reference to an ethnic Chinese businessman collaborating with the power elite (including those in the Army) in joint ventures.

There was little cooperation

amongst Chinese entrepreneurs and the indigenous businessmen in Indonesia in the 1970s due to two reasons: first, the indigenous middle class was small and had yet to emerge. Second, there was widespread resentment against the Chinese. It was only late in the 1990s that the economic policy became more liberal, relying on local and foreign capital and investment. The result was a dynamic economic environment for Chinese economic expansion and development in Indonesia as well as into the regional market. The state's policies had created a class of new rich, involving both the Chinese as well as the indigenous business people. In this new development a big gap between the rich and the poor emerged in Indonesia. The widening income gap spurred resentment against the Chinese that contributed to the racial riots in 1998. Consequently, many Chinese were killed, while others fled the country due to increased insecurity and the deterioration of the Indonesian economy. The scenario in Malaysia, however, was different: the emergence of the Malay middle and business classes helped to bridge the gap between the Chinese and the poor Malays. In fact political stability in Malaysia provided security for Chinese entrepreneurs to continue their investment and to live in harmony with other ethnic groups, especially the Bumiputera.

Singapore

Given its large Chinese population, the scenario in Singapore is rather different when compared to Malaysia and Indonesia. The Chinese in Singapore not only control the economy, they also hold political power. This has given many advantages to Chinese entrepreneurs. From 1819–1958 the

British colonial government in Singapore generally avoided intervening in economic affairs but encouraged the private sector, including ethnic Chinese to exploit the business potential in regional trade. However, after Singapore achieved its independence in 1959, the PAP (People's Action Party) government became involved in the national economy by emphasizing its 'two-legged' policy. This policy favoured the Multinational Corporations (MNCs) and the Government Link Companies (GLCs). As a result Chinese business enterprises generally felt neglected and received little help from the government during the 1960s and early 1970s. At the same time, some GLCs also made inroads into the traditional economic activities and thus created a 'crowding-out effect' on existing Chinese enterprises. Indeed Chinese SMEs suffered much in term of market competition, human resources recruitment and high labour costs vis-à-vis the MNCs and GLCs (Ng 2002).

It was not until the late 1970s that the government realised and acknowledged the importance of SMEs as supporting industries for the MNCs and the GLCs and began to provide technical and finance assistance to Chinese businesses although this was only on an *ad hoc* basis. The recession in 1985 opened the eyes of the government further to the importance of SMEs for the economic development of Singapore. Since then, attention has been paid to the SMEs. Indeed, the government eventually abandoned its 'two-legged' policy. Beginning in 1989, the government instituted various schemes to assist the SMEs and encouraged them to venture abroad. Regionalisation is part of the government's 'external wing' project for the SMEs, which had

a comparative advantage over MNCs and GLCs in investing in China (Ng 2002).

At the same time the SMEs themselves have taken several new initiatives as the GLCs 'crowded' them out. To avoid competing with the stronger GLCs in the domestic market the SMEs also ventured outwards. These initiatives coincided with the state's 'regionalisation policies' which further encouraged and helped the SMEs to venture into China, the ASEAN countries, as well as into Europe. Thus Chinese entrepreneurs in Singapore developed wider business networks, captured greater markets and performed relatively better in European countries compared to their counterparts in Indonesia and Malaysia.

Conclusion

State policies have shaped and affected Chinese business development in Southeast Asia. The different economic and political policies in Malaysia, Indonesia and Singapore have affected their adaptive abilities in their respective country's market economies as well as in foreign markets. Many Chinese entrepreneurs in Singapore have ventured into the regional market both forced and assisted by the state. In Malaysia, the affirmative action policy has discouraged Chinese SMEs to develop their enterprises. Not given the necessary governmental assistance, they remain small, and have become more inward looking and less competitive in the global economy. Finally, in Indonesia, recent development, especially the 1997 economic meltdown, political instability and ethnic riots of 1998, have caused the out migration of Chinese Indonesians and capital.

Re-territorialized Guanxi Networks: Taiwanese Capital in Southeast Asia under the Shadow of 'Go West'

Sue-Ching Jou, Department of Geography, National Taiwan University

**Dung-Sheng Chen, Department of Sociology,
National Taiwan University**

Michael Hsin-Huang Hsiao, Center for Asia-Pacific Area Studies

Since the mid 1980s, the total share of Foreign Direct Investment (FDI) originating from developing countries to that of the world has started increasing. Taiwan is one of the most significant contributors of FDI in Asia. Unlike the patterns of outward FDI from advanced countries, a significant amount of Taiwan's outward FDI does go to developed countries such as the United States, but more than half goes to less developed countries, especially Southeast Asian countries and China, the so called 'second-tier Newly Industrializing Economies (NIEs)' (Figure 1).

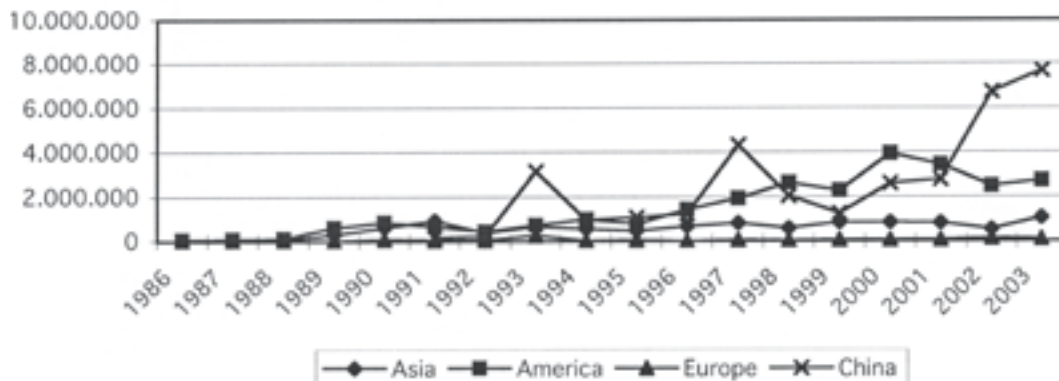


Figure 1: Taiwan's approved outward foreign direct investment by continent, 1985–2000. Unit: 1,000 USD.

The record

With the increasing growth of capital export, there have been three waves of outward FDI from Taiwan. The first wave started around the mid 1980s to the early 1990s, in response to the rising production costs for many Taiwanese manufacturing plants. It was undertaken by small and medium enterprises (SMEs) and then followed the investment from large firms. During this period, outward Taiwan FDI was underestimated because the re-location of many small firms to offshore sites was not documented. At that time, based on limited resources and capabilities of internationalization, they could only move to nearby less-

developed countries and regions that had the advantage of cultural affinity and geographical vicinity. The surge of outward FDI to China in 1993 was partially due to the officially legalized direct investment to China in 1991, and the reassurance of China's open door policy after Deng Xiaoping's 'Southern Excursion' to Guangdong in 1992. From then on, the amount of outward FDI from Taiwan to China significantly exceeded that to Southeast Asian countries.

From the mid-1990s, Taiwan's outward FDI entered a second phase in which an ex-pansive rather than a defensive strategy reigned. Medium and large firms began

to play a far more significant role in relation to Taiwanese outward FDI than before in both developed and less developed countries. During this period, the cross-border investment in Southeast Asia stagnated while it continued to grow in China. Undoubtedly, increasing production costs and political as well as social instabilities in some sites, as well as the Asian financial crisis, hindered the growth of Taiwanese FDI in Southeast Asia. As a result, these created another surge of direct investment toward China. However, the extension in the scale of production to enhance Taiwanese capital's competitiveness for export remained the



Sue-Ching Jou is Professor of Geography at National Taiwan University. She is the chief editor of Journal of Geographical Science in Taiwan. Her research interests focus on urban policy and politics and cross border investment of Taiwan capital.



Dung-Sheng Chen is Professor and Chair of Sociology at National Taiwan University. He is the author of Gold-Power City: A Sociological Analysis on Local Factions, Corporate Groups and Urban Development in Taipei and Organizational Networks in Taiwan's Integrated Circuit Industry.



Hsin-Huang Michael Hsiao is Research Fellow at the Institute of Sociology and Executive Director at the Center for Asia-Pacific Area Studies (CAPAS), both at the Academia Sinica. He is also Professor of Sociology at National Taiwan University.



Financial centre, Singapore

major feature of Taiwanese FDI in Southeast Asia and China.

Taiwanese FDI to China surged dramatically to another phase from the year 2000, while the growth rate of overall outward FDI to China began to stabilize. Taiwanese FDI toward China finally outreached that toward the advanced countries from 2002. The accumulated proportional share toward China reached 47 per cent of the past total accumulated share from 1952, the year that Taiwan started FDI, in 2003. The expansion in the China market became a major investment strategy for Taiwanese capital, even though expanding production for export in the global market was and still is important.

Although the amount of Taiwan's outward FDI to China has significantly exceeded that to Southeast Asian countries since 1992, the path and effect of the earlier *southward* ('Go South') experiences cannot be ignored for the internationalization of Taiwanese firms. At first, production sites in Southeast Asia contributed significantly enabling Taiwanese firms to cope with the escalation of production costs in the home country in the late 1980s and early 1990s. This successfully sustained the continuous growth

for many Taiwanese firms, both large and small export-oriented enterprises, by increasing their overall production capability. Second, Southeast Asian countries provided a more internationalized environment to push Taiwanese companies to adapt and to learn to be transnational companies, even though Taiwanese firms tended to invest in areas populated with overseas Chinese. Third, the localization of management and production of Taiwanese firms in Southeast Asia helped them accumulate more diversified human resources for their internationalization and expansion at the later stage.

In brief, Taiwanese firms with the above advantages greatly enhanced their capabilities in their later investments in China, and in the search for opportunities of scaled economy of production at each production site. It also significantly helped Taiwanese firms to utilize the advantages of division of production at different industrial sites.

Re-territorialized Taiwanese production networks in Southeast Asia

Since Taiwan's economic development was based on the export-oriented industrialization

(EOI) in the earlier days, global competitiveness highly depended upon Taiwanese firms' ability to control the production costs and to maintain the flexibility of production systems. Although the lower costs for some production factors, especially the land and labor costs, could be provided in the Southeast Asia, the issue of how to maintain production systems as efficiently and flexibly at the host countries as those in home country was one of the most important tasks for Taiwanese firms. Networked production systems, which have long been well known by Taiwanese firms in the international division of labor for many industries, were partially transplanted or reproduced at the overseas sites. This is also the process through which Taiwanese firms 're-territorialize' their production networks at the foreign sites.

Based on a multi-year research project on transnational production networks for Taiwanese firms, several patterns of how Taiwanese capital reproduced production networks in Southeast Asia have been observed (Jou and Chen, 2001). In the first pattern, Taiwanese firms adopted a strategy of 'industrial transplantation'. This pattern is rare, but a very famous case occurred in Penang in 1989 in which a large electronic company brought around fifty collaborative suppliers with it. It transplanted almost the whole production network from Taiwan to Penang, and thus became more spatially concentrated than at home.

The second one, the most common pattern, is to partially reproduce Taiwanese production networks. While investing abroad, large-scale companies encourage their suppliers of important parts and bulky products to come with them. These parts are critical for just-in-time delivery and sensitive to

transportation costs. At the overseas manufacturing site, these production networks will later extend their production networks by including Taiwanese firms that are usually suppliers for others. This pattern has occurred at industrial districts that are near large cities or have already had some manufacturing bases of related industries.

The third pattern is more for SMEs that were requested by their foreign buyers to invest abroad. Production networks for these Taiwanese firms would be more open than those in Taiwan to connect with other local or foreign firms at the investment site. There were also cases when Taiwanese firms were requested by buyers or traders to establish plants at some areas abroad, thus attracting more Taiwanese firms to come over. As a result, these places became industrial clusters based mostly on Taiwanese net-works. The shoe industry in Hai Phong, Vietnam is a typical case.

The fourth pattern is that Taiwanese production networks are largely based on local industrial districts and production networks rather than reproduced from Taiwan. Taiwanese textile production networks in Bandung, Indonesia, are typical cases. These networks are established locally, and mainly by small- and medium-sized Taiwanese firms and start-up factories of former black-hand Taiwanese employees. It is a spin-off pattern of network expansion, though, occurring in the foreign sites with significant local social embeddedness, which is very similar to what has happened among SMEs in Taiwan.

For all the above cases, Guanxi networks based on strong ethnic and personal ties play an important role for re-establishing the networked production systems for Taiwanese firms at foreign sites, though they are

always supplementary to or even replaced later by other formal organizational networks (Chen et al, 2004; Chen and Jou, 2003). Besides, the processes of re-constructing the production networks to maintain the Taiwan-ese firms' global competitiveness involve relatively more clustered and territorialized production networks than those at home.

Conclusion

Cross-border capital flows from the NIEs in the past two decades have had a great impact on the global economic system. The NIEs, such as Taiwan, are no longer areas of capital recipient. For the past two decades, their contribution to globalization via outward foreign direct investment and international trade has begun to play a far more important role than before, as they have been successfully integrated into the international division of labor in 1960s and 1970s (Fröbel et al, 1980; Dicken, 2003).

Taiwanese firms, as other transnational corporations from the emerging economies, are the

new players in the global economy (Dicken, 2003; Yeung, 1999). Their cross-border investment in Southeast Asia as well as in China, is characterized by how they consciously maintain or rebuild flexible and efficient production networks like those in Taiwan to continuously support their global competitiveness (Chen and Ku, 2004). The driving forces behind this involve processes of how Taiwanese firms re-territorialize their production networks at the foreign sites.

Southeast Asian countries provide a far more diversified and internationalized environment for Taiwanese firms to learn and to accommodate the complexities of global dynamics. In addition, the *southward* experience provided benefits for the globalization of Taiwanese firms. This is why this article questions the assertion that Taiwan's outward investment has been overwhelmingly dominated by the *westward* trend since the mid-1990s.

A shop selling Chinese calligraphy, Xiamen





Camilla Tenna Sørensen, who recently completed her MA-thesis on the Security Situation in Northeast Asia at the University of Aarhus, is based at NIAS while working on a PhD proposal – a further elaboration of her MA-thesis with a focus on the developments in the security situation in the Taiwan Strait.

China and Taiwan – Politics Still Dominate Economics

Camilla Tenna Sørensen, NIAS

The development in the political relations between China and Taiwan and the more general development in the security situation in the Taiwan Strait are decisive for the development of Taiwanese investments in China. After the re-election of the pro-independence president Chen Shui-bian in March this year, the Chinese leaders seem to have shifted towards a more offensive strategy, where they are not only trying to attract Taiwanese businessmen but also to apply sanctions to those Taiwanese businessmen perceived as having connections to the 'pan-green'-camp of the pro-independence forces in Taiwan. Such a shift in strategy if permanent could have serious consequences, not only for the development of Taiwanese investments in China and cross-strait political relations, but also for the international credibility and attractiveness of the Chinese market.

Chen's re-election and the Chinese reaction

After a highly divisive and dramatic election campaign leading up to the presidential election in Taiwan on March 20, 2004, and subsequent disputed results, it is now clear that Chen Shui-bian from the Democratic Progressive Party (DPP) will be the Taiwanese president for the next four years. Since the Chinese leaders had predicted victory for the Nationalist Party or Kuomintang (KMT) candidate Lien Chan, they were clearly caught by surprise. In the weeks immediately following Chen's re-election the Chinese kept relatively quiet as they digested the results and worked out an internal consensus on how to respond to the strengthening of the pro-independence camp in Taiwan.

Up until and after Chen's inaugural speech on May 20, 2004, a very harsh Chinese rhetoric has arisen in which the Chinese are strongly critical of Chen and warn the US not to support him, as this will lead to serious crises and confrontations in the overall bilateral relationship between the US and China. It is clear that the Chinese do not trust Chen, and they seem certain that he will use the next four years to push further towards *de jure* Taiwanese

independence. In particular, China fears Chen's plan to introduce a new Taiwanese constitution through a public referendum by 2008. Beijing perceives a step like this as a declaration of independence and do not feel reassured by Chen's more moderate constitutional reform strategy outlined in his inaugural speech. In this speech Chen stated that the constitution would be revised under established legal procedures, which rules out a public referendum, and any changes would not affect the island's name or territorial boundaries. In addition, the Chinese no longer trust the US to put pressure on Chen to moderate his position. On the contrary, China claims that the US is encouraging the pro-independence forces by continuing their weapons sales, intensifying high-level political and military-to-military contacts and strongly supporting World Health Assembly (WHA) observer status for Taiwan.

Chen's re-election has stoked a fierce debate among the Chinese elite about China's Taiwan policy. As this debate continues to evolve, recent developments show clear signs that the Chinese leaders are adopting a tougher stance along with new tactics to constrain Chen, ease domestic critics and

regain the initiative in the cross-strait agenda. These new tactics include developing a stronger military deterrence, where it is publicly stated that the primary purpose of the Chinese military modernisation is to be able to invade Taiwan to prevent independence. Recent statements and policy developments in the economic sphere also indicate that the Chinese are adopting a new, more offensive and sophisticated strategy.

China's strategy to prevent steps towards independence through the economy

Despite the increasing political tension beginning in the fall of 2003 as Chen Shui-bian launched his re-election campaign, the economic exchange between Taiwan and China has continued to increase dramatically. According to Taiwan's Board of Foreign Trade (BOFT), trade between Taiwan and China in the first four months of 2004 rose 33.5 percent, compared to the same period a year earlier, to 18.35 billion dollars. Taiwanese investments in China also continued to increase in the first four months of 2004, when the Taiwanese Council for Economic Planning and Development estimates that more than 65 percent of Taiwan's outbound investments went to China. This

development is partly the result of the Chinese 'united front' strategy, where China from the beginning of the 1980s tried to encourage all Taiwanese businessmen to invest in China by offering attractive tax conditions and allowing huge trade deficits with Taiwan. The logic behind this strategy was that closer economic cooperation and Taiwanese economic dependence on China would gradually change the feelings among the Taiwanese towards political reunification (Zhao 1999: 22–30).

The developments in Taiwan, especially the re-election of Chen Shui-bian, have illustrated the shortcomings of the 'united front' strategy and strengthened the fraction in the Chinese elite, who wish to apply tougher measures (Suettinger, 2004). In the economic sphere this has led to increasing pressure to use sanctions to hurt the Taiwanese economy and halt moves towards independence. The adoption of a more offensive and sophisticated Chinese strategy towards Taiwanese businessmen seems to be the result.

Tougher stance

The first clear sign of this new strategy was seen on May 24, 2004, when Zhang Mingqian, spokesman for the Taiwan Affairs Office (TAO), argued for the use of economic sanctions against Taiwanese independence activists doing business in China, whereas other Taiwanese businessmen would continue to enjoy favourable policies (PD, 2004). Beijing hopes by this divide and rule strategy that the Taiwanese businessmen in favour of independence will gradually compromise by remaining silent or diverting their loyalty and leave Chen Shui-bian isolated and thereby force the Taiwanese leaders into a more accommodating position. Zhang's statement was quickly followed by

strong criticism in the official Chinese media by the Taiwanese businessman Hsu Wen-lung. Hsu was the chairman of the board of directors for the Taiwanese Chi Mei Group, which has placed heavy investments in China and has scored large profits on the Chinese market, but Hsu is also a strong and active supporter of the pro-independence forces in Taiwan. The more or less forced retirement of Hsu as the group's chairman, and the promise of his successor not to talk about politics in the next 50 years, have largely been displayed in China as a success for the new strategy. It is likely that this will only encourage those in China that wish to increase the pressure on the Taiwanese economy and argue for an economic blockage of Taiwan or a freeze of Taiwanese businessmen's assets in China if they support Taiwanese independence.

Potential implications

It is still too early to say if the recent shift in the Chinese strategy develops into a permanent strategy. However, the current political climate in Beijing with an apparently increased power struggle within the Chinese elite between a fraction led by the president and party chairman Hu Jintao, and a fraction led by the former president and present chairman of the powerful Central Military Commission (CMC) Jiang Zemin, makes a more flexible and less coercive Chinese approach seem unlikely (Kahn, 2004; Pan, 2004).

The implications of this for the near and medium term economic and political cross-strait development could be serious. If the Chinese leaders allow arbitrary economic threats or sanctions against individual businessmen or firms, the international insecurity about the development in the Chinese legal economic framework may

increase, and then China could lose its appeal to Taiwanese and other foreign investors. The Taiwanese businessmen in China, in particular, if facing increased public control and the threat of sanctions, might have to reconsider their investment strategy as their ability to reproduce the traditional kind of Taiwanese production networks and strengthen their Guanxi networks in the local Chinese community could be put into question.

As the Chinese leaders' ability to continue the successful economic policy and modernisation process is highly dependent on a continuing flow of foreign investment, it could also have serious domestic consequences to institutionalise the new strategy. Considering the close division of labour between Taiwan and China, where Taiwanese firms in 2004 as a whole employ around 12 million people in China, sanctions against these firms could result in serious economic and social problems (AFP, 2004b). Regarding the political cross-strait developments, a coercive strategy based on threats only alienates the Taiwanese people and increases the support for the pro-independence forces.

The Chinese leaders are undoubtedly aware of the potential economic and political implications and risks of a more coercive strategy. Nevertheless, it seems as if they are willing to continue with this strategy, which strongly reflects the increasing worry and frustration within the Chinese elite concerning the recent developments in the Taiwan Strait. This illustrates, how politics still dominate economics in China, especially in relation to issues, which the Chinese leadership perceive as issues of national dignity and sovereignty, which is certainly the case with Taiwan.



Prof. **Zhuang Guotu** is the Dean of Research School of Southeast Asian Studies in Xiamen University; Director of the National Key Institute of Southeast Asian Studies; Member of Academic Committee of Xiamen University. President of China's Society for Southeast Asian Studies; Vice-President of China's Society for History of Sino-Foreign Country Relations; Vice-President of China's Society for World Ethnicity Studies; Vice-President of China's Society for Overseas Chinese Studies; and Member of Board of Directors (ISSCO), International Society for Studies of Chinese Overseas.

China's Relations with Ethnic Chinese Entrepreneurs in Southeast Asia: A Research Agenda

Zhuang Guotu, Research School for Southeast Asian Studies, Xiamen University

During the last three decades China's rapid economic development and the growth of Chinese overseas' economic strength have attracted worldwide attention. Much research has been done on these phenomena, but mostly from a separate perspective. Scholars outside China have paid much attention to the ethnic Chinese in Southeast Asia; the nature of their transnational entrepreneurship, various business strategies, their changing identities, processes of assimilation together with studies on guanxi and Chinese philosophy. Within China, most researchers tend to focus on the economic relations between China and ethnic Chinese in Southeast Asia because of the successful cooperation between Southeast Asian Chinese and Mainland Chinese.

The driving forces behind the rise of China as an economic superpower relies on many factors. However, no one has argued that the Chinese overseas' investments into China are one of the most important impetuses. It has been estimated that 80 per cent of the total FDI into China, which has been the main driving economic force during the last 30 years, came from Chinese outside the borders of China. Most of the overseas Chinese investment into China, or about 50 per cent, came from Hong Kong, and about 7 per cent or about US\$30 billion came directly from Southeast Asia where about 80 per cent of the overseas Chinese are living. In fact, the Chinese in Southeast Asia played, to some extent, a very crucial role in relation to the flow of FDI into China by not only being the vanguard of FDI senders from the beginning of the 1980s, but also indirectly through extensive investments in China through their Hong Kong branches, which resulted in Hong Kong becoming the biggest investor there. Many Chinese scholars have recently attached great importance to the role of the Chinese in Southeast Asia, especially from the period when China emerged as an international manufacturing centre and all the

way up to today where it constitutes a key regional economic power. One of the pioneers in these studies for the past 20 years has been the Research School for Southeast Asian Studies (RSSAS) at Xiamen University in China, which has continuously concentrated on the study of the economic relations between China and the Chinese living outside of China's borders.

The Research School for Southeast Asian Studies (*Nanyang Yanjiu Yuan*) was established as the Research Institute of Nanyang at Xiamen University in 1956 jointly by China's Central Committee of Overseas Chinese Affairs and Xiamen University, thus making it China's earliest research institution on Southeast Asian and Overseas Chinese studies. During the Cultural Revolution the institute was closed until 1972. In 1996 it was re-organized into a research school as the staff increased and the research programmes were expanded. In 2000 RSSAS, at that time called the 'Center for Southeast Asian Studies', was jointly sponsored by both Xiamen University and the National Council of Overseas Chinese Affairs of PRC and became one of the hundred national key institutes for humanities and social science.

Today there are 45 full-time staff at RSSAS, including 31 researchers and some 100 graduate students.

In the last two decades, great achievements have been made by the researchers at the School, especially in the study on the relations between China and the ethnic Chinese in Southeast Asia. With pains-taking efforts in field studies and extensive interviews with Chinese returnees from South-east Asia, substantial materials on ethnic Chinese investment in China have been collected, which has resulted in the formation of a huge database. The RSSAS research agenda includes the following themes:

1. Southeast Asian Chinese Enterprise Groups

The researchers in this programme study how these entrepreneurial groups came into being, their business structures, market strategies and international expansion. One of the main research priorities has been to study how these groups cooperate with each other in stockholding and joint investment through their branches in Hong Kong. This research has resulted in a whole range of books and articles, the most important of which are *Dong-*

nanya Huaren Qiye Jituan Yanjiu (Studies on the Chinese Enterprise Groups in ASEAN), edited by Wang Muheng and published by Xiamen University Press in 1995, and *Dongnanya Huaqiao Huaren Jingji Jianshi* (A Brief Economic History of the Ethnic Chinese) written by Li Guoliang and published by Economic Science Press in Beijing in 1998.

2. Southeast Asian Chinese Investment in China

The researchers engaged in this theme concentrate on both historical and current investment patterns. Prof. Lin Jinzhi lead a research team working on a survey of overseas Chinese investment in China since 1949. This survey took three years and gained a wealth of information about 908 overseas Chinese enterprises in the provinces of Fujian, Guangdong and Shanghai. The survey materials were edited in three volumes entitled *Jindai Huaqiao Tuozi Guonei Qiyeshi Ziliao Xuanji* (Selected Materials of the History of Overseas Chinese Enterprises in China in the Modern Period), and published by Fujian People's Press and Xiamen University Press in 1985–1989. The volumes were divided into a Fujian volume, a Guangdong volume and a Shanghai volume. Based on these surveys, Prof. Lin Jinzhi published his famous works *Jindai Huaqiao Tuozi Guonei Qiyeshi Yanjiu* (Studies on the History of Overseas Chinese Enterprises in China in the Modern Period) published by Fujian People's Press (Fuzhou) in 1983 and *Jindai Huaqiao Tuozi Guonei Qiye Gailun* (General View of Overseas Chinese Enterprises in China in the Modern Period) published by Xiamen University Press in 1988.

A related ongoing research programme on Southeast Asian Chinese current investment in Qiaoxiang, where most of the

Chinese in Southeast Asia originate from, began in 1997. A research team headed by Prof. Zhuang Guotu undertook a survey of Southeast Asian Chinese small and medium-sized enterprises in Jinjiang in Fujian which concentrated on the investment pattern in this area. The survey showed that about 80 per cent of such enterprises gained profits in China. This survey furthermore resulted in a book titled *Zhongguo Qiaoxiang Yanjiu* (Studies on Qiaoxiang in China) edited by Zhuang Guotu and published by Xiamen University Press in 2000, and a paper collection entitled *New Studies on Chinese Overseas* published by IIAS (International Institute for Asian Studies) in Leiden 2000. The latter is the result of an international conference on Qiaoxiang in China. This research team, now collaborating with the Southeast Asia Research Centre at the City University of Hong Kong, is engaging in another survey of Southeast Asian Chinese investments in Fujian and Guangdong since 1978. The first results of this survey appear in a Ph.D. dissertation entitled *Gaige Kaifang Yilai Dongnanya Huashang Zai Zhongguo Dalu de Tuozi Yanjiu* (Studies of Southeast Asian Chinese Investments in Mainland China Since 1978) by Wang Wangbo in 2004.

3. Emigration from Mainland China Since 1978

Soon after the introduction of China's reform policies and the opening of the economy to the outside world after 1978, Chinese started emigrating abroad again. This migration began on a great scale from the middle of the 1850s and stopped in 1949. It has been estimated that at least four million Chinese from China have migrated since 1978. The current research programme on contemporary Chinese emi-

gration at RSSAS focuses on Fujianese overseas emigration to the US, Europe and the Philippines, and will later concentrate on Chinese emigration to Southeast Asia. During the last three years this research team has finalised a survey in Fuzhou City from where the emigrants headed for the US, from Sanming City where the emigrants went to Western Europe and from Jinjiang City where the emigrants' destination were the Philippines.

All together 3,125 families and 46 villages have been interviewed so far. The survey shows that Fuzhou City alone accounted for about 550–600,000 emigrants who moved to the US during the last 20 years, and some 200,000 Chinese from China emigrated to the Philippines during the last 15 years. Some 10,000 people emigrated from Mingxi, a small county with a population of about a hundred thousand and with no history of previous emigration. They ended up in Europe during the last 10 years. Most of these emigrants are poorly educated with only secondary schooling or lower. That is perhaps one of the contributing factors behind the fact that more than half of them immigrated illegally or settled down illegally in their destination countries.

Many scholars and governments in both China and Southeast Asia have ignored the Chinese migration into Southeast Asia during the last 20 years, although the number of migrants into Southeast Asia probably runs up to millions, and is rapidly increasing. It is not only a historically conditioned revival of migration, but also the result of an accelerated interaction between an increasingly mobile labour force together with easier access to capital during the last 20 years thus making the immigration

possible. This research program at RSSAS will soon initiate a survey on the migration, in particular to Burma, Cambodia, Thailand, Singapore and Malaysia.

4. Relations between Ethnic Chinese and Mainland China

This is a traditional theme at RSSAS. The researchers in this programme focus on three main topics: the changing PRC policies towards migration, the political, economic, educational involvement of the ethnic Chinese in China past and present, and finally a study of the donations of Southeast Asian ethnic Chinese to and relations with Taiwan. Since the 1990s, researchers at RSSAS have published a number of books on this theme. For example, Prof. Lin

Jinzhi, Cai Renlong and Li Guoliang published *Huaqiao huaren yu Zhongguo Gemin he Jianshe* (Overseas Chinese Involvement in China's Revolution and Economic Construction) by Fujian People's Press in 1993. This book focuses on the historical relations between Southeast Asian Chinese and China. Prof. Zhuang Guotu published *Huaqiao Huaren yu Zhongguo de Guanxi* (Relations between China and Ethnic Chinese) by Guangdong Higher Education Press in 2001. The book paid much attention to the Chinese government's policies, including the policies of Taiwanese authorities, towards the Southeast Asian Chinese since 1949. The book edited by Gu Hongting and Zhuang Guotu,

Haixia Liangan yu Dongnanya (Taiwan Strait and Southeast Asia) is published in Taipei by Daoxiang Press in 2003. Its main focus is on Taiwanese investment in Southeast Asia and how Chinese capital is flowing and mixed in these regions during the last 20 years.

The studies on ethnic Chinese in Southeast Asia at the Research School for Southeast Asian Studies at Xiamen University are still quite incomplete in relation to the themes of their relations with China. Further work also depends on future surveys in China and on the ethnic Chinese communities together with data that can be extracted from the Chinese

continued on p. 27

NIAS Grants

Guest Researcher Scholarships for Nordic Scholars

This type of scholarship is designed for senior researchers and doctoral candidates based in the Nordic countries. It offers researchers an opportunity to work at NIAS as an affiliated researcher for 2 or 4 weeks. A scholarship includes inexpensive travel to and from Copenhagen and accommodation with full board in a NIAS room at Nordisk Kollegium. The guest researcher enjoys full access to the Institute's library services and research tools, computer facilities, contact networks and scholarly environment. Stays are arranged subject to a time schedule administered by NIAS. The application form is available at <http://www.nias.ku.dk/activities/supra/NIASNordicGuestResearcherSch.doc>

Contact Scholarships for Nordic Graduate Students

These scholarships are designed to make NIAS's library and other resources accessible to graduate students in the Nordic countries. A scholarship covers inexpensive travel to and from Copenhagen and accommodation with full board in a NIAS room at Nordisk Kollegium for a period of two weeks. Stays are arranged subject to a time schedule administered by NIAS. The application form is available at <http://www.nias.ku.dk/activities/supra/NIASContactScholarshipsAppli.doc>

Øresund Scholarships

Researchers and students from Lund and Roskilde universities are invited to apply for NIAS's 'Øresund Scholarships'. The candidate will be seated in the library's reading room and will be offered the same extended library services as the regular holders of contact scholarships. Only transport costs are covered by the scholarship. Accommodation costs and incidental expenses are not covered. Stays are arranged subject to a time schedule administered by NIAS. Find the application form at <http://www.nias.ku.dk/activities/supra/NIASresundScholarshipAppliac.doc>

Application Deadline

Monday 15 November 2004 for scholarships during the period January–April 2005.

Further information on NIAS's scholarship programme on the web: <http://www.nias.ku.dk/activities/supra/scholarships.htm#students>.

Staff News



Randi Mørk Lildballe has a NIAS 'studieplads' for six months, starting 25 August. Randi Mørk Lildballe is specializing on India; she is writing an MA thesis on 'Characterization of BJP: A Nationalist, Fascist or Fundamentalist Organization?'



Ruben Thorning recently finished his MA in International Politics and Security at the University of Bradford, UK, with distinction. He will be based at NIAS until the end of December 2004, to finalise his manuscript entitled 'Paramilitaries and the privatisation of security. Exploring the social organisation of civil protection in Indonesia and Nigeria', to be published by NIAS Press in 2005.

Recent Visitors



A roundtable discussion took place at NIAS on 11 June, with Professor **Chaibong Hahm**, p.t. Director of the Division of Social Science Research at UNESCO in Paris, as the invited guest of honour. He gave a presentation on 'The Two Koreas', with a focus on the present situation in North and South Korea, the relationship between the two countries and their relations to the United States. A group of specially invited representatives from the Danish Foreign Ministry, the Confederation of Danish Industries, the press and NIAS's academic environment participated in the discussion.



NorDoc 2004, the annual meeting of the Nordic library, information and documentation group on the third world, took place in Copenhagen 10–11 June hosted by DCISM and NIAS, with the assistance of Mellemfolkeligt Samvirke. Around 40 librarians from different Nordic libraries participated.

Report from the First NAJS Conference

By Martin Flyxe, Staffan Appelgren, Linus Hagström and Pia Moberg

During three intensive days in April, thirty-five scholars within Japanese studies gathered in Göteborg, Sweden, for The First NAJS Conference. On the agenda were presentations of contemporary Nordic research on Japanese society and discussions on its conditions.

NAJS, the Nordic Association for the Study of Contemporary Japanese Society, was formed in 2002, with the aim to encourage research on modern Japanese society in the Nordic countries. Japanese studies in this geographical context faces a major obstacle in its scattered nature. This problem has been particularly evident during the last decade, characterized by a general lack of interest in Japanese society. In order to contribute to the establishment of stable research environments within Japanese studies, NAJS aims at becoming an interdisciplinary forum for interaction between researchers at various stages in their careers.

One central aim of NAJS is to organize an annual spring conference. The purpose of the conference is to give Nordic researchers focusing on contemporary Japanese society an oppor-

tunity to present and discuss their research in a friendly, informal atmosphere. The First Conference was convened in Göteborg, Sweden, on 22–24 April 2004. The Conference was sponsored by Centre for East and South-East Asian Studies of Lund University, Göteborg University, Nordic Institute of Asian Studies (NIAS), Swedish Institute of International Affairs and the Swedish Research Council.

As a prelude to the Conference, a colloquium sponsored by the JSPS (Japan Society for the Promotion of Science) gathered eleven young scholars from the Nordic countries and Japan. One intensive day of discussions concentrated on the conditions for Japanese studies and it ended the following day in a panel discussion open to the public under the provocative title 'Does Japan Matter?'. It became obvious from the discussions that whereas 'Japanese studies' as a field – albeit contested – makes sense in the Nordic countries, and largely due to its small scale, it does not in Japan. Several participants noted that special effort must be made not to reproduce the exclusive and non-comparative character of Japanese Studies, and that the importance of research on Japanese society lies in its general relevance in the social sciences and humanities, rather than in its continuous existence as a special case. Indeed, arguing that 'Japan matters' might paradoxically reinforce its irrelevance.

With such thoughtful comments still reverberating, the Conference started off the same afternoon by presentations of the invited Japanese scholars. During the following two days the participants, drawn mainly from the Nordic countries, but also from Germany and Estonia, gathered in sessions with paper presentations, and in informal group discussion where opportunity was given to also put forward work in progress.

Breathing space was provided in the form of a much-appreciated keynote address, held on Friday morning by Professor Brian Moeran, Copenhagen Business School. Under the title 'Fieldwork Practices-Ethnographic Theories', Professor Moeran talked about the importance of different levels of social networks in research on Japanese society, with rich references from his extensive fieldwork experience. Another welcome feature was a presentation of the collections of the Asian libraries in the Nordic countries, given by Asian specialist librarians, who held a meeting in conjunction to the Conference.

In the Conference presentations, the importance of language and communication for Japanese studies was emphasized on several occasions. Lars Larm (Oxford) presented the characteristics of expressions of modality in Japanese, and Susanne Kreitz-Sandberg (Duesseldorf)

From left

Linus Hagström is Ph D and works at the Swedish Institute of International Affairs

Pia Moberg, Ph D, works at the Center for Asian Studies, Göteborg University

Staffan Appelgren is Ph D Candidate at the Dept. of Social Anthropology, Göteborg University

Martin Flyxe is Ph D Candidate at Dept. of Oriental and African Languages, Göteborg University



discussed the role of intercultural communication in Japanese studies. A new project was put forward by Pia Moberg (Göteborg), focusing on how politicians and other top leaders are trained in argumentation and debate skills. Kosuke Shimizu (Kansai Gaidai) used discourse analysis to explain how contemporary politicians and social scientists narrate the socio-political history of Japan and its relation to their advocacy of strong leadership.

That the last decade has brought tremendous changes to Japanese society was obvious from many papers dealing with political and economic issues. Harald Conrad (German Institute for Japanese Studies) showed how Japan's pension policy has reacted to the challenge of a declining number of contributors having to finance an increasing number of pensioners. Partly due to reforms during the 1990s, mergers and acquisitions occurring in Japan are both increasing and changing in nature according to Richard Nakamura (Stockholm School of Economics). Bruce Henry Lambert (Stockholm School of Economics) discussed how Japan must now develop more systematic and active methods for attracting talented specialists from overseas. The role of Prime Minister Keizo Obuchi in establishing human security as a prospective key element of Japan's long-term foreign policy was explored by Bert Edström (Göteborg). Marie Söderberg (Stockholm School of Economics) outlined the organizations of Korean Japanese and their role in the formulation of Japan's North Korea policy. Linus Hagström (Swedish Institute of International Affairs) presented a forthcoming project aiming to analyse Japan's North Korea policy, and in particular to assess Japan's state agency as expressed

in its foreign policy.

Education, and in particular schoolbooks, was the topic of three papers. Two dealt with moral education: Päivi Poukka (Helsinki) focused on the situation in schools today and Martin Flyxe (Göteborg) looked at moral issues in textbooks of the early Meiji period. In Tomochika Okamoto's (Waseda) presentation postwar history textbooks in Japan and the USA was examined, pointing at globalization as the major force influencing the presentation of information about national unification in history textbooks. Hirotaka Kasai (Tsuda) continued on the theme of nationalism, advocating for a new perspective, which takes into account the globalization of neoliberalism. Carl Cassegård (Kristianstad) outlined a new project where he will investigate the rise and fall of the anti-globalism movement NAM (New Associationist Movement). Other ways of expressing resistance to society were presented by psychiatrist Rika Kayama (Tezukayama), discussing wrist cutting and *hiki-komori* in relation changes in society.

Popular culture is a phenomenon that is gaining interest. Riikka Länsisalmi (Laurea Polytechnic) dwelt on images associated with post-war modern *taiko* drumming and how 'Japaneseness' is articulated on websites of *taiko* groups. Staffan Appelgren (Göteborg) argued that exploration of one's self-identity and the worlds of others is possible within themed environments based on the model of foreign places. Lars-Martin Sørensen (Copenhagen) showed how Japanese feature-filmmakers of the Occupation Period conveyed criticism of the Occupation authorities and reforms in spite of censorship. In the paper by Bart Gaens (Helsinki) gender was brought

to the foreground, examining the role of manga in negotiating the image of the *sarariman* through recent economic changes. Gender was also discussed by Akane Onozawa (Ryukyus) in her paper on the effort to abolish Japan's system of licensed prostitution and trafficking of prostitutes in the interwar era.

Before concluding the Conference the future of NAJS was discussed. There was general agreement that the first conference had been successful. Characteristics such as its informal nature and the aim that everyone should take part actively were especially lauded.

The Second NAJS Conference will be held in Copenhagen 28–30 April 2005 under the auspices of NIAS. See www.ceas.gu.se for further information, where papers and abstracts from the the First NAJS Conference are still available.

continued from p. 24

literature and other fields of data. Most of the publications from RSSAS are in Chinese. It is our hope that many of these works will be translated into English in the near future. Finally, we hope to be able to extend our research theme towards the ethnic Chinese societies themselves in Southeast Asia, particularly their integration into the local communities and their political participation in their host countries. As such, the ethnic Chinese in Southeast Asia and their relations with China will still be our main priority. In the framework of the future China–ASEAN Free Trade Area, the pace of ethnic Chinese capital and overseas Chinese labour mobility between China and Southeast Asia will accelerate on a much greater scale. As such the ethnic Chinese in Southeast Asia will play an even more important role in these regional developments than before. It is our hope that we can cooperate with foreign institution in this field of research.

Recent Visitors



Jinfu Wang and Pekka Lund visited NIAS in June. **Jinfu Wang**, University of Oslo, held a Contact Scholarship. He is writing an MA thesis on *Expectations of University Students in China: A Case Study in Shandong University*. **Pekka Lund**, University of Helsinki, held a Guest Researcher Scholarship. He is carrying out a PhD project on *The Saviours of the Saviour: Finnish Missionary Work in China in the Late 1920s*.

Mr. **Kairat Osmonaliev** from Chui University in Kyrgyzstan, who is presently a visiting scholar at Padrigu, Göteborg University, visited NIAS in the beginning of July. Mr. Osmonaliev is carrying out a research project about cooperation against drug trafficking in Central Asia.



Jenni Teuri, University of Turku, had a Contact Scholarship in July. She is working on an MA thesis on *China's Membership in the WTO and Its Impact on Agriculture*.



Professor **Rashila Ramli** and Professor **Junaenah Sulehan** from the National University of Malaysia visited NIAS on 18 August. From December this year Professor Ramli will take up a position as Guest Professor at the Department of International Relations at the International Christian University (ICU) in Tokyo. The research interests of Professor Ramli are gender studies and international relations focusing on ASEAN regionalism. Professor Sulehan's research fields are gender studies and research on poverty alleviation in Sarawak & Sabah. Ida Nicolaisen, NIAS, discussed research interests with the guests.



Juha Vuori, University of Turku, had a Guest Researcher Scholarship in July. He is carrying out a PhD project on *The Social Construction of Security – The Grammar of Securitization in the People's Republic of China*.



In August, NIAS had guests from the China Institute for Reform and Development (CIRD) based in Hainan: (from left) Assistant Director **Miao Shubin**, Professor **Sun Kuanping**, Executive Director **Chi Fulin**, Programme Manager **Tang Bing**, Director **Chen Wen** and behind is interpreter **Chen Xian**. In the picture are also Jørgen Delman, Mads Holst Jensen and Camilla Tenna Sørensen from NIAS. The CIRD group was in Scandinavia to study the welfare state and social reforms; the tour was arranged and supported by the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) under the Sino-German Economic & Structural Reform Programme.



Trudy Jacobsen, Research Fellow at Griffith University, Brisbane, is based at NIAS for 6 weeks in September and October on a visiting fellowship funded by the Swedish School of Advanced Asia Pacific Studies (SSAAPS). Whilst at NIAS she will be delivering a series of seminars in Denmark and Sweden.

The Asia Intelligence Service

10-day free evaluation opportunity

AsiaInt's 'Asia Intelligence Service' is a comprehensive information resource for everyone with professional or business interests in Asia. It comprises two 'monthly reviews', a weekly briefing service, special reports, and 24/7 access to the AsiaInt on-line intelligence database.

You may register for a 10-day free evaluation by visiting <http://www.asiaint.com> and selecting the free-registration link.

Asia Intelligence Ltd, 33 Southwick St,
London, W2 1JQ, +44-20-7402-4044



Kristiina Korhonen (right), Helsinki School of Economics, held a Guest Researcher Scholarship; she is writing a PhD thesis on *Development of Finno-Korean Politico-Economic Relations*. **Gyda Marås Sindre**, University of Oslo, held a Contact Scholarship. Gyda Sindre is writing an MA thesis on *Political Violence in Indonesia: The Political Function of Violence in "the Actually Existing Democracy"*. Both visited Nias in June. Also on picture is Geir Helgesen, NIAS.



In August, NIAS had guests from the PRC: (from left) Editor **Cai Yiping**, *China Women's News*, Professor **Li Hongtao**, China Women's College, Professor **Bu Wei**, the Chinese Academy of Social Sciences and Professor **Du Fangqin**, Tianjin Normal University. They also visited **Hilda Rømer Christensen** (4th from left), Co-ordinator for Gender Studies in Denmark.



Duncan McCargo is Professor of Southeast Asian politics at the University of Leeds. The author of two research monographs on Thai politics, he recently edited *Reforming Thai Politics* (NIAS 2002), the standard work on post 1997 developments in Thailand.

Ukrist Pathmanand is Assistant Director of the Institute of Asian Studies, Chulalongkorn University, Bangkok. A political economist specialising on interactions between business and politics in Thailand, he has been tracking Thaksin for several years, and has published numerous articles of related issues.

‘Chinese Capitalist’ Success in Thailand – the Rise and Rise of Thaksin Shinawatra

Duncan McCargo, University of Leeds, and Ukrist Pathmanand, Chulalongkorn University

In many parts of Southeast Asia, the economic success of migrant Chinese and their descendants has not been reflected at the political level. This is not the situation in Thailand, with a long history of Chinese in-migration. Perhaps because these migrants and their descendants intermarried with locals, today the Sino-Thai are assimilated and admired. Nor have they been restricted to success in the economic sphere. For instance, several among them have reached high political office. Latest among these – and most significant – has been Thailand’s current prime minister, Thaksin Shinawatra.

Given Thaksin’s high profile both domestically and (increasingly) at the international level, it is a little surprising that no serious study of Thaksin has appeared in English until now and that – when this finally should happen – that two books appear. Both are published by NIAS Press with details opposite. What follows is abridged excerpts from the book from McCargo and Ukrist. In fairness, we should note that the authors have not had the opportunity to proof this text.

Thailand has long been characterized by competing tendencies towards democracy and authoritarianism. ... [After decades of short periods of parliamentary rule and longer spells of military rule] Thailand embarked on a process of gradual political liberalisation [that in 1997 culminated in] a thoroughgoing attempt to reform the Thai political situation in a liberal direction. As the first general election held under the auspices of that constitution [and which saw Thaksin sweep to power in an electoral landslide], the January 2001 election was of pivotal significance.

These political developments cannot be understood in isolation from wider processes of socio-economic change in Thailand during this period. Thailand was growing economically at a rapid rate from the early 1960s onwards, and was experiencing a transformation from a rural-based agricultural economy to a more modern economy characterized by thriving agribusiness, export-oriented industrial production, and a dynamic service sector fuelled by a highly successful tourist industry. This change had a number of effects. First, many farmers became workers in the industrial and service sectors, leaving their villages either permanently or

for much of every year. A new middle class emerged in urban areas, supported by the growth of university and college education. A wealthy Bangkok-based business elite emerged, as did an overlapping elite whose income derived mainly from provincial business. Some of these businesses were perfectly legal, but others included smuggling, people trafficking, illegal logging, gambling, prostitution and even drug-dealing.

These changes had direct impacts on the political system. In the 1930s, 1940s and 1950s, the political order was dominated by government officials (both civilian and military), officials who were

mostly ethnically Thai. High status in Thai society was reserved for ethnic Thais who came from well-known families (ideally with some connection to one of the many branches of the Siamese royalty), and was based on class, educational status and formal position. The Chinese were largely excluded from direct political power: instead, they formed mutually beneficial business arrangements with ethnic Thais. A Thai official or general would put some deals or contracts in the direction of a Chinese collaborator, and would be well rewarded for doing so. But by the 1960s Sino-Thais were eligible to enter the ranks of the military and the civil service themselves; they were now Thai citizens, and had less obligation to kowtow to ethnically Thai officials. Increasingly, Sino-Thais sought to assume senior government positions themselves.

The opening up of the political order, combined with the economic successes of Thailand, saw a new generation of Sino-Thai politicians starting to emerge. Many sought to use bases in the provinces to have themselves elected to parliament; others assumed the role of provincial or regional power brokers, who could help determine who became MPs and ministers. By

Thaksin constructed his life story as a tamnan (legend) for political purposes. The early part of his autobiography positions Thaksin as a man of the people, starting from rural origins, and rising by a struggle patterned on the stories of first-generation Chinese migrants. The reality is actually a more interesting tale stretching over four generations.”
(Pasuk and Baker, p. 25)

the 1990s, Thailand's prime ministers, for all their differences of class origin and career, were overwhelmingly of Chinese descent, including Anand Panyarachun, Chuan Leekpai, Banharn Silpa-archa and Chavalit Yongchaiyudh. No longer did the Chinese need to work through Thai patrons and fixers – they could achieve the highest levels of power themselves. However, none of these Sino-Thai prime ministers had come from the big Chinese families that dominated Bangkok's business community; none was a true representative of the country's nouveau riche entrepreneurial class. The only real businessman was Banharn, and he was a representative of the provincial business sector rather than the national-level elite. Thaksin's rise to the post of prime minister demonstrated that a leading Sino-Thai businessman could attain the country's highest office. By 2001, as many as 90 per cent of Thai MPs had some Chinese ancestry. Thaksin's arrival in Government House was a postponed reality, the culmination of processes of socio-economic and political change that had been taking place throughout the 1980s and 1990s. Thaksin was the ultimate outcome of the merger of money and politics that had characterized this 20-year period.



Asia's Berlusconi?

NOW AVAILABLE

Thaksin – The Business of Politics in Thailand

Pasuk Phongpaichit and Chris Baker

Thaksin Shinawatra has often been compared to Italy's Silvio Berlusconi. Both are fabulously wealthy media magnates who have entered politics. And both have a possessive passion for football. Berlusconi owns Forza Milan and – as many of its fans noted with mixed feelings – Thaksin narrowly failed to acquire a 30% stake in Liverpool. But there is more to Thaksin than football. He became Thailand's prime minister in early 2001 following a landslide election victory in which he promised to “think new, act new” to transform the country's economy and politics. Since then, Thaksin has been highly popular but also highly controversial. Two long-standing observers have described him as “the best prime minister Thailand has ever had” and “another grubby businessman.” This book is the first serious study of Thaksin in English. It examines where he comes from and what he is trying to do. The authors – an economics professor and independent author – have previously written **Thailand: Economy and Politics**, **Thailand's Boom and Bust**, and **Thailand's Crisis**.

NIAS Press, August 2004, 311 pp.

Pbk • 87-91114-78-0 • £13.99

OUT SOON

The Thaksinization of Thailand

Duncan McCargo and Ukrist Pathmanand (University of Leeds and Chulalongkorn University)

The 1997 economic crisis ended two decades of pluralism in Thai politics and helped create the conditions for the landslide election victory in January 2001 of Thaksin Shinawatra, a fabulously wealthy telecommunications magnate often compared with Italian premier Silvio Berlusconi. Prime minister Thaksin has since exercised an extra-ordinary degree of personal dominance over the Thai political scene. The emergence of Thaksin and his Thai Rak Thai (Thais love Thai) Party has transformed Thailand's electoral landscape, rendering previous analyses of Thai politics substantially outdated. This book will examine Thaksin's background, his business activities, the emergence of Thai Rak Thai, his relationship with the military, Thaksin's use of rhetoric through media such as radio, his wider political economy networks, and the future direction of Thai politics. This detailed but gripping study draws on extensive research by two leading specialists in the field.

NIAS Press, November 2004, 272 pp.

Hbk • 87-91114-45-4 • £40

Pbk • 87-91114-46-2 • £13.99

NOW AVAILABLE

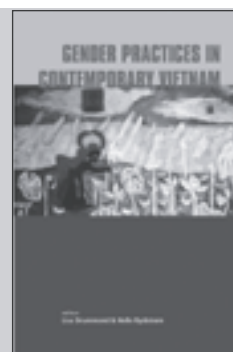
Gender Practices in Contemporary Vietnam

Edited by Lisa Drummond and Helle Rydstrom (York University, Toronto, and Lund University)

Confucianism, colonialism and socialism have all contributed significantly to gender relations in Vietnam. More recently, political and social change associated with modernization and globalization have also had an impact. How do the Vietnamese display their social positions and their identities as male or female? This volume examines negotiations, and transgressions, of gender within Vietnamese society, looking at gender family, social and work relations, bodily displays, body language and occupation of space. Of special interest is a discussion of sexual harassment in schools and the workplace, and the strategies women adopt to deal with it, the first discussion of this issue by a Vietnamese scholar. “Gender-related studies on contemporary Vietnam are few in number, and most writing concentrates on socio-economic topics. This book's focus on the fundamental issues of gender roles is a significant contribution.” (Bruce M. Lockhart, National University of Singapore)

NIAS Press, July 2004, 286 pp., illus.

Pbk • 87-91114-72-1 • £16.99



New titles from NIAS Press



Commoners and Nobles
Hereditary Divisions in Tibet
Heidi Fjeld
(International Peace Research
Institute, Oslo)

 **Sociology, Tibetan Studies**

November 2004
224 pp., illus.
Hbk • 87-91114-17-9 • £40



Nature and Nation
Forests and Development in
Peninsular Malaysia
Jeyamalar Kathirithamby-Wells
(Cambridge University)

 **History, Environmental Studies,
Malaysian Studies**

November 2004
415 pp., illus.
Hbk • 87-91114-22-5 • £55
Pbk • 87-91114-49-7 • £17.99



**Indonesian Literature vs
New Order Orthodoxy**
The Aftermath of 1965–1966
Anna-Greta Nilsson
Hoadley (Lund University)

 **Politics, Literature,
Indonesian Studies**

November 2004
224 pp., illus.
Hbk • 87-91114-61-6 • £36



Divinity and Diversity
A Hindu Revitalization Movement in
Malaysia
Alexandra Kent
(Gothenburg University)

 **Religious Studies, Sociology,
Anthropology, Malaysian Studies**

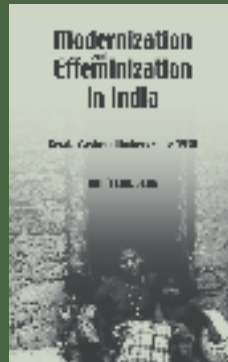
November 2004
200 pp., illus.
Hbk • 87-91114-40-3 • £40



**Four Masters of Chinese
Storytelling**
Full-length Repertoires of
Yangzhou Storytelling on Video
*Edited by Vibeke Bordahl, Fei
Li and Huang Ying*

 **Language and Literature
Studies, Performing Arts, Chinese
Studies**

October 2004
288 pp., illus., short film on VCD
Hbk • 87-91114-64-0 • £48



**Modernization and
Effeminization in India**
Kerala Cashew Workers since 1930
Anna Lindberg (Lund University)

 **Anthropology, History, Gender
Studies, Development Studies, Indian
Studies**

October 2004
288 pp., illus.
Hbk • 87-91114-21-7 • £45

~~RETURN ADDRESS~~
~~NIAS~~
~~Leifsgade 33,~~
~~2300 Copenhagen S~~
~~Denmark~~

European orders:

Marston Book Services
Fax: +44 1235 465 555
E-mail: orders@marston.co.uk

All other orders:

University of Hawai'i Press
Fax: +1-808-988-6052
E-mail: uhpbooks@hawaii.edu