

ECONOMIC DEVELOPMENT OF THE OVERSEAS ETHNIC CHINESE IN THE AGE OF ASIA-PACIFIC

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Introduction

We must see the current Overseas Ethnic Chinese issue not as the Overseas Ethnic Chinese issue itself only, but as the Ethnic Chinese issue in a wider sense, including the Chinese in mainland China, Taiwan, Hong Kong and Macao and the Overseas Ethnic Chinese in Southeast Asia and the world. Then, we can see very large changes have occurred about the Overseas Ethnic Chinese.

I. Recent Very Large Changes

A. From Overseas Chinese Society to their Descent Society

One of the most important turning points for the Overseas Ethnic Chinese issue after the WWII was the founding of New China in 1949. Since then, the relationship between China and the Overseas Chinese residing nations was cut off and new migration from China to these nations had stopped.

This was due to the following facts. Fundamentally speaking, emigration had disappeared in China because of her socialization. On the other hand, the governments of the Overseas Chinese residing

nations, particularly Southeast Asia, feared China's "export of revolution" through the Overseas Chinese as the "fifth column" and prohibited new immigration from China.

As a result, the first-generation Chinese have decreased. The first-generation Chinese are "Overseas Chinese", 華僑 (hua-qiao) in Chinese, who were born in China, can speak Chinese (including dialects) and have or once had Chinese nationality. On the other hand, the second-, or third-, or ... generation Chinese have increased. The second-, or third-, or ... generation Chinese are "Overseas Chinese Descendants", 華人 (hua-ren) in Chinese, who were born in their residing nation, can speak local language (some can speak Chinese including dialects as well) and have local nationality (some have dual nationality and some have no nationality).

Hence, the Overseas Chinese society, which was made up of those working away from home land and dreaming to return home in glory as soon as possible, was changing to the Overseas Chinese descent society, which was deepening the extent of settling down to their residing nation.

In other words, their society is strengthening localization or indiginization. As a result, their main economic activities are changing from the previous commerce-oriented ones to the present productive ones. Even if they engaged in agriculture in the past, it was market-oriented agriculture, not self-sufficient agriculture nor natural economy. Nowadays, their economic activities are directing towards more productive ones, particularly manufacturing industry.

As a result, the term "Overseas Chinese" (華僑) is gradually going out of use and becoming obsolete. Instead, the term "Overseas Chinese Descendants" (華人) is used very often. Sometimes, the term "Overseas Ethnic Chinese" can be used for those including both

Overseas Chinese and their descendants.

In this paper, "Overseas Chinese" means mainly those who are the first-generation, having Chinese nationality, and being able to speak Chinese (including dialects). "Overseas Chinese Descendants" means mainly those who are the second-, or third-, or ... generation, having local nationality (sometimes dual nationality of China and the residing nation, or non-nationality) and mainly speaking local language. My tentative definition is shown as follows:

A Tentative Definition

Chinese: Those in mainland China, Taiwan, Hong Kong and Macao, excluding foreigners. They are called zhong-guo ren (中国人) or zhong-guo min-zu (中国民族) or zhong-hua min-zu (中華民族) in Chinese.

Overseas Chinese or Chinese Abroad: mainly those who are the first-generation, were born in mainland China, Taiwan, Hong Kong and Macao, have or once had Chinese nationality, can speak Chinese (including dialects). In Chinese, they are called hua-qiao (華僑).

Overseas Chinese Descendants: mainly those who are the second-, or third-, or ... generation, were born in their residing nation, have local nationality (sometimes have dual nationality of their residing nation and China or non-nationality). In Chinese, they are called hua-ren (華人). Later generation overseas Chinese descendants are sometimes called hua-yi (華裔) in Chinese.

Overseas Ethnic Chinese: Overseas Chinese and their descendants. In Chinese, they are sometimes called hua-zu (華族).

Ethnic Chinese: Chinese in mainland China, Taiwan, Hong Kong

and Macao and Overseas Ethnic Chinese. They are also called hua-zu (華族) or hua-ren (華人) sometimes. They are zhong-guo min-zu (中國民族) or zhong-hua min-zu (中華民族) in a wide sense.

Ethnic Chinese population is shown in Table I.

B. Five Outward Movements and Two Inward Movements of the Ethnic Chinese

As mentioned above, after the founding of New China in 1949, the relationship between China and the Overseas Ethnic Chinese residing nations was cut off and new migration from China had stopped. Naturally, even after that time, there were some kinds of Ethnic Chinese migration, such as from Hong Kong to Great Britain, from Taiwan to the U.S., from Indonesia to Holland and so on. But, these were not so remarkable at those times.

However, since the end of the 1970s, and especially since the beginning of the 1980s, the situation has changed completely. International migration of the Ethnic Chinese began to be vitalized.

It was mainly due to the following five outward movements and two inward movements of the Ethnic Chinese.

1. Five outward movements

- (1) Outflow of the Overseas Ethnic Chinese refugees from Vietnam or Indo-China.
- (2) Outflow of people and money from Hong Kong which will be returned to mainland China in 1997.
- (3) Outflow of money and people from Taiwan which developed her economy very fast, accumulated a very large amount of foreign currency reserves and finally has become at the top in the world of the foreign currency reserves.

Table 1. Ethnic Chinese Population in the World

Classification	Population
1. Overseas Chinese (with Chinese nationality)	about 2,000 thousand
Overseas Chinese Descendants (with local nationality)	about 24,000 thousand
Sub-total (Overseas Ethnic Chinese):	about 26,000 thousand
2. Taiwan Chinese*	20,204,880
Hong Kong and Macao Chinese	6,130 thousand
Sub-total:	26,334,880
Sub-total of the Ethnic Chinese outside mainland China (1 and 2):	about 52,334,880
3. Domestic relatives in China of the Overseas Chinese	26,454,750
Domestic returned overseas Chinese in China	906,789
Sub-total:	27,361,539
Sub-total for 1, 2 and 3:	about 79,696,419
4. Total Chinese population in mainland China including #3:	1,133,682,501
GRAND TOTAL OF 1, 2 and 4:	1,186,017,381

Note: * include the population of the islands of Jinmen and Mazu in Fujian province belonging to the Taiwan authority.

Source: All are the figures published by the Chinese government, of which 2 and 4 are the figures of the Chinese National Bureau of Statistics as of zero o'clock in the morning, July 1, 1990, published in October 30, 1990. The figure of 3 is that as of September 1986 by Yang Wan-xiu ed., *Overview of the Overseas Chinese and their Descendants* (in Chinese), Guang-dong Renmin Chubanshe (Guang-dong People's Publisher), 1989.

(4) Outflow of the Overseas Ethnic Chinese and their money from the world, particularly Southeast Asia.

(5) Outflow of people from mainland China which had started the economic reform and open-door policy since 1979.

2. Two inward movements

(1) Inflow of money and people, particularly the former, from Hong Kong to mainland China, particularly Guang-dong province.

(2) Inflow of money and people, particularly the former, from Taiwan to mainland China, particularly Fujian province.

C. From the First-time Outward Movement to the Second-time Outward Movement

Of the above-mentioned five outward movements, excluding the fifth one, i.e. the outward movement from mainland China, all of the four outward movements, from (1) to (4), are the secondary, derivative migration or re-migration after the first-time, primary or original migration from mainland China.

After the first-time migration from mainland China, the Ethnic Chinese in Vietnam (or Indo-China), Hong Kong (Macao as well), Taiwan and the world, particularly Southeast Asia, started their second-time migration from Vietnam (or Indo-China), Hong Kong (Macao as well), Taiwan and the world, particularly Southeast Asia.

There are some whose migration is the third-time or the fourth-time or ... migration. For example, a father migrated from mainland China to Southeast Asia and his son migrated to the U.S. from Southeast Asia. The latter case can be regarded as the second-time migration as well.

Nowadays, one of the most important characteristics is that the secondary outward movement has become the main stream of the

Ethnic Chinese emigration.

D. The First-time Inward Movement to Mainland China

Inward movement going back to China also exists. Especially, the first-time inward movements from Hong Kong and Taiwan to mainland China are very remarkable. The Inflow of money and people, particularly the former, from Hong Kong and Taiwan made the economies of Guangdong and Fujian provinces in mainland China develop well. As a result, Hua-nan (Southern China) Economic Zone is being formed.

However, excluding the above-mentioned two inward movements to mainland China, other inward movements are mainly to go back to the original country or region, such as Vietnam, Hong Kong, Taiwan or the whole world, particularly Southeast Asia where they had lived before the outward migration.

E. Changes in People's Movement and the Beginning of Money Movement

The next important characteristic is that not only poor people as the same as before, but also all sorts of people including rich people, professionals, intellectuals, students, gangsters, refugees and so on are moving abroad. Therefore, not only people, but also money or wealth is moving abroad.

F. Globalization

In the past, the main destination for the Chinese emigration was neighboring Southeast Asia. As a result, the Overseas Ethnic Chinese concentrated in Southeast Asia. Or besides those in Southeast Asia, those in the U.S. at most were relatively numerous in the past.

Nowadays, although Southeast Asia is still the center of the Overseas Ethnic Chinese population, its share is declining and the Overseas Ethnic Chinese are expanding to the whole world. They are

expanding to the whole area of the Asia-Pacific Region, including the U.S., Canada and Australia. In North America, they are expanding not only to the western area (or Asia-Pacific Region), but also to the eastern area (or Western Atlantic Region), such as New York and Toronto.

Furthermore, they are expanding to the Eastern Atlantic Region, such as London, Paris, Amsterdam and so on and to Latin America as well. This is the globalization of the Ethnic Chinese movement. In other words, this means internationalization of the Ethnic Chinese societies.

As a result, the key words for the Overseas Ethnic Chinese have changed from the past (1) Chinese, (2) emigrants, (3) Southeast Asia to the present (1) Ethnic Chinese, (2) Indiginization and Internationalization, (3) the total area of the Asia-Pacific Region and moreover the world.

II. New China Economic Zone and New Ethnic Chinese Economic Network

A. New China Economic Zone or New Chinese Economic Zone (NCEZ)

Originally, looking from the historical view points, mainland China, Taiwan, Hong Kong and Macao were united into one. They were all Chinese territories.

Nowadays, due to the changes in these areas, economic ties among these areas are becoming closer and closer with each other. Concerning the political unification or integration with mainland China in the cases of Hong Kong and Macao, it is already decided to take the first step toward the unification or integration by the beginning of

the twenty-first century. Yet, in the case of Taiwan, it is not clear.

Nevertheless, concerning the economic aspect, interconnections or integration are being gradually strengthened. We can call this kind of economic connections or network "New China Economic Zone" or "New Chinese Economic Zone"(both are NCEZ).

In the case of mainland China, Taiwan, Hong Kong and Macao, we can not deny the future possibility for the Zone to be organized based on an official agreement among the private people concerned or based on an official agreement among the political authorities concerned in mainland China, Taiwan, Hong Kong and Macao.

However, nowadays, even if the Zone is not an official one, the virtual Zone is being formed among those areas. This is the present NCEZ.

"New" means that in the past there was old one. In old China before the founding of New China in 1949, there also existed the zone. We can call it "Old China Economic Zone"(or "Old Chinese Economic Zone") (both are OCEZ).

However, not only at the time of Old China, but also even at the time of New China, besides mainland China which employed closed-door policy, economic connections or network existed among Taiwan, Hong Kong and Macao. Naturally, this was not an official zone. Nevertheless, it was a virtual one. It was a continuous zone from before the founding of New China.

Because it did not include mainland China or its connections with mainland China were not so strong and the economic development of each area (Taiwan, Hong Kong and Macao) was not so successful as today, the connections as a whole were not so strong and their scale was not so large.

Nowadays, after the policy change in mainland China since 1979,

mainland China is a constituent of the zone and the economic development of each area goes well. Hence, the interconnections are very strong and the scale is very large. Hong Kong has played or is playing a key intermediary role both in the Old Zone and the New Zone.

B. New Ethnic Chinese Economic Network (NECEN)

Besides the economic connections or network among mainland China, Taiwan, Hong Kong and Macao, there exist economic connections among mainland China, Taiwan, Hong Kong and Macao and the Overseas Ethnic Chinese in the world, particularly Southeast Asia. We can call them "New Ethnic Chinese Economic Network" (NECEN). The above-mentioned NCEZ is a part of NECEN.

Until the policy change of China in 1979, there existed "Old Ethnic Chinese Economic Network"(OECEN) as the same as the case of "Old China Economic Zone"(OCEZ).

However, nowadays, the economic development of each component, i.e. mainland China, Taiwan, Hong Kong and Macao and the Overseas Ethnic Chinese in the World is much more remarkable than the time of Old Zone and Old Network. And their economic ties and the scale of the ties are much stronger and larger than before. Hence, we can call them New Zone and New Network respectively.

In the Network (both of the Old one and the New one), sub-networks are formed based on the relationships among Ethnic Chinese. The relationships based on the same family (blood relationship), the same home district in China (usually the same dialect) and the same occupation were called "three relationships".

Usually based on the relationships, very strong groups were organized formally or informally and sometimes they had their own associations and offices.

In the case of the same home district group (or the same dialect group), five main groups, i.e. Cantonese (廣東人, Guangdong people), Fukienese (福建人, Fujian people), Teochiew (潮州人, Chaozhou people), Hakka or Hakkanese (客家, Kejia people) and Hailam or Hainanese (海南人, Hainan people) were the most important. Besides these five key groups, there still existed other small groups.

Even if they were the same Chinese nationals, they could not understand other dialects at all. As a result, each member of the same dialect group lived together and engaged in the same occupation. This led to the formation of a Chinatown or a sub-Chinatown.

Nowadays, mandarin (Chinese national language) or local language or sometimes English (in the case of the former English-speaking colonies, such as Singapore, Malaysia and the Philippines) has become very important. Yet, the role of the Chinese dialects is not small.

In Taiwan, Fukienese and Hakka are numerous. In Hong Kong, Cantonese are in majority. After migrating to foreign countries, although there are some who join the Fukienese or Hakka group in the case of Taiwan and the Cantonese group in the case of Hong Kong, most of them organize a new group of Taiwanese or Hongkongese respectively.

As a result, besides old dialect groups, new groups such as Taiwanese group, Hongkongese group, Vietnamese group and so on were formed.

Hence, in the case of the New Network, Ethnic Chinese mutual relationships are very complicated and the New Network consists of various kinds of and various strata of sub-networks.

III. Economic Development of the Ethnic Chinese

A. Remarkable Development of the Ethnic Chinese Asian NIEs

Economic development in the Asian NIEs (Newly Industrializing Economies)(Four Dragons or Small Tigers) is very remarkable. Of the four Asian countries or regions, three countries or regions excluding South Korea, i.e. Taiwan, Hong Kong and Singapore, are all the countries or regions where almost all of the total population or a large majority of the total population are the Ethnic Chinese. We can call them "Ethnic Chinese Asian NIEs".

B. Economic Development of the Overseas Ethnic Chinese

Economic Development in Southeast Asia is also very remarkable. The economic development in Malaysia and Thailand is particularly outstanding. The six countries or regions, adding these ASEAN two countries to the Asian NIEs, are called "Dynamic Asian Economies" (DAE). Under Suharto regime, Indonesia stabilizes her politics and is also accelerating her economic development. The rest is only the Philippines where the political situation is not stable.

In these ASEAN countries also, they are mainly Overseas Ethnic Chinese who are supporting the very remarkable development of the national economies.

As shown in Table 2, of the ten Southeast Asian wealthiest people including Hong Kong, nine excluding Enrike Zobel in the Philippines are all Ethnic Chinese or Overseas Ethnic Chinese. Even if excluding Hong Kong, six out of seven are all Overseas Ethnic Chinese. Three are in Singapore and one is in Thailand, Indonesia and Malaysia respectively.

This table is a little bit older one. There are some changes. For example, Chin Sophonpanich ranked first died and his son, Chatri Sophonpanich (陳有漢) succeeded him. Sudono Salim (林紹良) ranked second is said to be the most aggressive multi-national businessman in

Table 2. Asia's 10 Wealthiest
(Estimated assets. Unit: US\$100 million)

1.	Chin Sonphonpanich (陳弼臣)	(Thailand)	22
2.	Liem Sioe Liong (林紹良)	(Indonesia)	20
2.	Li Ka-shing (李嘉誠)	(Hong Kong)	20
4.	Enrike Zobel	(Philippines)	15
4.	Kuek Hong Png (郭芳楓)	(Singapore)	15
6.	Lee Seng Wee (李成偉)	(Singapore)	14
7.	Yu-kong Pao (包玉剛)	(Hong Kong)	10
7.	Pin Fang Hng	(Hong Kong)	10
7.	Robert Kuok (郭鶴年)	(Malaysia)	10
10.	Ku Tek-puat (丘德拔)	(Singapore)	7

Note: In some cases, the assets are an entire family's.

Source: *Asia is Flapping Its Wings* (in Japanese), edited by Nihon Keizai Shimbun, 1985.

Southeast Asia and at the top of the wealthiest people in the region now. Besides these, there might be some changes in ranking, amount, members and so on.

However, there might be no change in the fact that almost all of the wealthiest people in Southeast Asia excluding some royal families are Overseas Ethnic Chinese.

C. Economic Development in Mainland China

Since the beginning of the economic reform and the open-door policy in 1979, at least up to 1988, China's economic development was also very remarkable. Naturally, owing to the tightening of the national economy after the fall in 1988 and the economic sanctions by the Western developed countries, China's economic situation was not so bright once.

However, China's economy began to recover and the Western economic sanctions are gradually being removed. Japanese economic

aid is also being restored and the diplomatic relations with Indonesia were resumed. The diplomatic relations with Singapore were also normalized.

In the political field, including post-Deng Xiao Ping problem, there are many unclear aspects in China's future. This makes the economic prospects unclear as well. However, her economic strategy to develop coastal areas continues and the economic ties with Hong Kong, Taiwan, Macao and the Overseas Ethnic Chinese are strengthened as mentioned before. As a result, the prospects for the economic development in the coastal areas, particularly Guangdong province and Fujian province, are not necessarily poor.

The world is paying attention to the post-Gulf War economic reconstruction and the instability in the Soviet Union. The world economy is deepening its unclearness. Facing these situations, China is unlucky to restore good economic conditions. Yet, when the change to the economic reform and the open-door policy in China started in the end of the 1970's, the world economy was at the time of recession. Nevertheless, China's economy recorded a very remarkable development since then, though China was assisted with the world economic recovery. Nobody can deny the possibility for China to develop her economy remarkably well in the near future again.

D. The Ethnic Chinese Investment to Southeast Asia

In Southeast Asia, the foreign investment from the U.S. and Japan has been playing a great role. However, in a few years, the Ethnic Chinese investment from mainland China, Taiwan, Hong Kong, Macao and the Overseas Ethnic Chinese has held or is going to hold first place in the foreign investment to Southeast Asia. The Ethnic Chinese investment, connecting with the Overseas Ethnic Chinese in each country, has surpassed or is surpassing the American and Japanese

investment in each country of Southeast Asia.

The case of the Philippines is a good example. In 1987, the share of the American investment was 21.6%. However, the Ethnic Chinese share including Taiwan, Hong Kong and mainland China was 27.0%. In 1988, the American share was 33.8% and the Ethnic Chinese share was quite the same, 33.8%. However, if we include the Overseas Ethnic Chinese investment from other countries, the Ethnic Chinese share was higher. In fact, the American investment was said to include the Ethnic Chinese capital from the U.S.

In 1989, the American share has declined and the Japanese share has increased. Yet, sub-total of the Ethnic Chinese was 39.2%, much higher than that of Japan's.

We can see the same situation in Malaysia. Japanese share was the highest in 1989, 31.3%. Yet, sub-total of the Ethnic Chinese was 39.3%. In this case, "Ethnic Chinese" means the Chinese, the Overseas Chinese or their descendants in Taiwan, Singapore and Hong Kong. If we add the Overseas Ethnic Chinese from other countries, the share must be much higher. In the first half of 1990, Taiwan has surpassed Japan and become at the top in the foreign investment.

Hence we can say that the Ethnic Chinese investment has already ranked first or is becoming at the top in the foreign investment to Southeast Asia. In the number of the investment cases, in particular, not in the amount of the investment, the Ethnic Chinese investment has ranked first.

For the time being, the investment from mainland China might be decreasing. However, the investment from Taiwan, Hong Kong, Singapore and other Ethnic Chinese in the world are increasing very rapidly. And in the future, mainland China's investment must increase again.

E. Expansion of the Ethnic Chinese Economic Power to the U.S., Canada, Australia and the World

Japan's economic dynamism was transferred to the Asian NIEs. After that, economic dynamism of the Asian NIEs was transferred to ASEAN, particularly to Malaysia and Thailand. If this economic dynamism could be transferred to South Asia, South Asia's economy would develop well.

It is said that in the twenty-first century India might become the largest country in population, surpassing China. Therefore, if South Asia's economy could develop well following China, the world economic situations could be improved very much.

Unfortunately, however, the economic dynamism in East and Southeast Asia did not transfer to South Asia. The dynamism is being directed to East and South Pacific Regions, particularly to the U.S., Canada and Australia. Chinese and Overseas Ethnic Chinese economic power is expanding from West Pacific Region, or East and Southeast Asia, to East and South Pacific Regions.

IV. Ethnic Chinese as the Shadow Leading Actor in the Age of Asia-Pacific

A. The Strengthening of the Economic Ties through the Network

The Age of Asia-Pacific has already started. It is mainly due to the very rapid economic development of Japan, Asian NIEs, ASEAN, mainland China, the U.S., Canada and Australia. However, as mentioned before, it is also due to the remarkable activities by the Ethnic Chinese. Even in the U.S., the center of the population and economic gravity are moving from the eastern area to the western area where a considerable part of the population is Asian immigrants.

In the U.S. as an immigrant nation, immigration from Asia has become more important than that from Europe. And among the Asian residents, the Overseas Ethnic Chinese are the most or at least second most.

B. The Century for the Ethnic Chinese

As the result mentioned above, it is very clear that the Ethnic Chinese have become the shadow leading actor or at least one of the most important shadow leading actors in the Age of Asia-Pacific. And hence, even if the century for the Ethnic Chinese might not come in the twenty-first century, it might come in the twenty-second century or the twenty-third century or someday in the future.

It depends on the future prospects of mainland China, Taiwan, Hong Kong and Macao and the Overseas Ethnic Chinese. However, mainland China's future prospects are the most important. It is not so easy to mobilize the largest population in the world towards a very rapid economic development. Nevertheless, the Ethnic Chinese in the world, particularly those in the West, East and South Pacific regions excluding mainland China, have been showing very strong vitality. Nobody can deny the possibility for mainland Chinese to develop their economy remarkably well just like other Ethnic Chinese in the world.

Conclusion

Nowadays, the largest nation in the world economy is still the U.S. and the U.S. is the leading power or at least one of the most important leading powers in the twentieth century. As a result, there broke out various economic conflicts with the U.S. in the world.

In the century for the Ethnic Chinese, there might occur various economic conflicts with the Ethnic Chinese in the world. The scale of

the conflicts might be larger than that of the present U.S. Because in the case of the U.S., it is mainly due to the economic power in the American mainland itself, not to the economic power of the Americans migrated to the world. Her multi-national corporations have a very large economic power and play a very large role everywhere in the world. Nevertheless, the power and the role of the Americans migrated to the whole world are not so large.

On the contrary, in the case of the Ethnic Chinese, there are much more Ethnic Chinese than the Americans in the world and they are very active everywhere in the world. The scale of the conflicts with them might be much larger than that of the Americans. The advent of the Ethnic Chinese century will have to solve such a problem.

NOTE

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