

ຮາຍງານໃນຊ່ວງຕັ້ງແຕ່ວັນທີ 2 ມີນາຄມ 2558 ຕຶງວັນທີ 1 ມີນາຄມ 2559

ຊື່ອໜ້າໂຄຮງກາຣ : ຄາສຕຣາຈາຣຍ ດຣ.ຍສ. ສັນຕສມປັຕິ

ໜ່າຍງານ: ກາກວິຊາສັງຄມວິທຍາແລະ ມານຸ່າມວິທຍາ ດະລັບສັງຄມຄາສຕຣ ມາວິທຍາລັບເຊິ່ງໃໝ່

ໂຄຮງກາຣວິຈີຍນີ້ມີຂໍ້ເສັນວ່າ ກາຣທຳຄວາມເຂົ້າໃຈກັບກາຣກ່ອງຮ່າງສ້າງຕົວແລະພັດນາກາຣຂອງທຸນນິຍມຈິນຈາກອົດຕະຈຸບັນ ຄວຣເຮີມຕັ້ນຈາກກາຣພິຈາຮານຄວາມສໍາເຮົ້າ/ຄວາມລົ້ມເຫລວຂອງທ່ານຈິນ ໂພ້ນທະເລະລອກຕ່າງໆ ໃນອຸ້ມາຄເນີນ ໂດຍເນັ້ນຄວາມສົມພັນຮັບແບບວິກາເມວິທີ່ຮ່ວ່າງບວິບທເຊິ່ງອົງຄໍກໍາສັງຄມ (Institutional context) ກັບຍຸທະວິທີ່ທາງກາຣຄ້າແລະກາຣປະກອບຮູກກິຈ (Entrepreneurial strategies) ກາຣປະບັບໃຫ້ທຸນທາງສັງຄມແລະເຄື່ອງຂ່າຍຄວາມສົມພັນຮັບ (Guanxi network) ແລະກາຣປະບັບອົງຄໍກໍາຮູກກິຈ ໃນບວິບທຂອງກາຣຄ້າກາຣລົງທຸນທີ່ມີລັກຂະນະຂໍ້າມໜາຕີມາກີ່ນ້ຳເວື່ອຍໆ ໂດຍມີຄໍາດາມຂອງກາຣວິຈີຍຕັ້ງຕ່ອໄປນີ້

1. ອະໄຣດີອືເນື່ອໃນປັດຈຸບັນທີ່ສ່າງພົດຕ່ອຄວາມສໍາເຮົ້າ/ລົ້ມເຫລວຂອງທ່ານຈິນ ໂພ້ນທະເລີໃນອຸ້ມາຄເນີນ
2. ນັກຮູກກິຈເຊື້ອສາຍຈິນໃນອຸ້ມາຄເນີນມີສົມພັນຮັບກັບກາຣເຮືອງອຳນາຈຂອງຈິນຕລອດຫ່ວຍສາມທຄວຣະຍທີ່ຜ່ານມາຍ່າງໄວ ສົມພັນຮັບພົດຍັກລ່າວມີແນວໂນິມຈະເປີ່ຍນແປລັງໄປໃນດ້ານໃດປ່າງ
3. ໃນບວິບທຂອງໂລກາກິວຕົນນັກຮູກກິຈເຊື້ອສາຍຈິນໃນອຸ້ມາຄເນີນມີກາຣປະບັບອົງຄໍກໍາແລະກລຸທະເຊີງຮູກກິຈ ຕລອດຈານ ເຄື່ອງຂ່າຍຄວາມສົມພັນຮັບຍ່າງໄວໃຫ້ສອດຄລ້ອງກັບບວິບທຂອງຮູກກິຈຂໍ້າມໜາຕີ
4. ກາຣສ້າງເຄື່ອງຂ່າຍຄວາມຮ່ວມມືຮ່ວ່າງນັກຮູກກິຈເຊື້ອສາຍຈິນໃນອຸ້ມາຄເນີນກັບນັກຮູກກິຈຈິນແພ່ນດີນໃໝ່ແລະຮັບປາລຈິນ ຈະມີຜລກະທບຕ່ອເຄຣ່າຮູກກິຈຂອງປະເທດຕ່າງໆ ຮວມທັງກາຣພັດນາປະເທດເຄຣ່າຮູກກິຈອາເຊີຍນອຍ່າງໄວ

ພື້ນທີ່ໃນກາຣວິຈີຍຂອງໂຄຮງກາຣຄ່ອບຄຸມກາຣຕີກິກາຄນຈິນ ໂພ້ນທະເລ ໂດຍເລັກສູ່ປະເທດໃນກລຸ່ມປະເທດທີ່ຮູກກິຈຂໍ້າມໜາຕີເຊື້ອສາຍຈິນ ໃນ 5 ປະເທດສູ່ມັນໜ້າໃໝ່ ຕີ່ອ ເມື່ອນມາຮ້າ ລາວ ກັມພູ້ຈາ ເວີຍດນາມແລະໄທຍ ແລະ ອີກ 4 ປະເທດທີ່ມີນັກຮູກກິຈຈິນຈິນ ໂພ້ນທະເລຈຳນວນມາກ ຕີ່ອ ມາເລເຊີຍ ສິນໂປຣ ອິນໂດນີເຊີຍ ແລະ ພິລິປິປິນສ ຮວມທັງມີນັກວິຈີຍຈິນຈິນອີກ 1 ທ່ານ ຕີກຍາກາຣເປີ່ຍນແປລັງເຄຣ່າຮູກກິຈຂອງຈິນນັບແຕ່ກາຣປົງວິກິດຕິ ຄອມມິວນິສຕີເປັນຕົ້ນມາຈານ ຕຶງປັດຈຸບັນ ຮວມທັງປະເທດນີ້ໂຍບາຍທາງເຄຣ່າຮູກກິຈຈິນ ແລະ ຄວາມສົມພັນຮັບຮ່ວ່າງພັດນາກາຣຂອງທຸນນິຍມຈິນກັບຜູ້ອພຍພະຈາວຈິນຮຸ່ນຕ່າງໆ

โครงการนี้เป็นการสร้างนักวิจัยรุ่นใหม่/ กลาง เพื่อเป็นผู้เชี่ยวชาญลุ่มน้ำของศึกษา กับอิทธิพลของจีนในอุษาคเนย์ต่อไป รวมทั้งเป็นการสร้างภาคีเครือข่ายนักวิจัยในอุษาคเนย์ เสริมสร้างการทำงานเป็นทีมระหว่างประเทศในภูมิภาคเพื่อแลกเปลี่ยนข้อค้นพบที่น่าสนใจ และติดตามความก้าวหน้าของงานวิจัยทุก 6 เดือน โดย Progressive Workshop ได้จัดขึ้นเมื่อวันที่ 6-7 มิถุนายน 2558 ที่โรงแรมอีสติน ตัน เชียงใหม่ ซึ่งมีการนำเสนอความก้าวหน้าของงานวิจัยโดยสรุปดังต่อไปนี้

RESEARCH PROJECT:

“Chinese Capitalism, ASEAN Economic Community and Overseas Chinese in Southeast Asia”

June 6-7, 2015

Venue: T Meeting Room, Eastin Tan Hotel Chiang Mai, Chiang Mai, Thailand

Welcome Speech

Prof. Dr. Yos Santasombat: Let me introduce Professor Isra who is now program director for division one who would be supervising our project. So we change a lot of PD, I don't know why? I think we have four or five. In the beginning with Assoc. Prof. Dr. Siriporn Wajjwalku and in between, Ajarn Sawath also and then Ajarn Patamawadee, and then Ajarn Suthiphan as acting director. Acting mean no action (laughter). And then we have the real one and I hope he stays longer than us (laughter). Professor Isra is from Faculty of Economics at Chulalongkorn University. So with that note, I would invite you to open the workshop please.

Opening Remark

Assoc. Prof. Dr. Isra Sarntisart: Thank you very much Ajarn Yos for brief introduction. I try to promise that I will be with the project as long as possible but it will not be longer than five years. I would like to say that this project, that why this is kind of, I don't know what to call? Award to Ajarn Yos and his team, to prove that this project is going to be the best among the best of Thailand research fund project. I think mainly is a part of administration for standby Assoc. Prof. Dr. Siriporn Wajjwalku and Ajarn Patamawadee and I come at the end when we celebrate the award. I would like to welcome all of you to Chiang Mai, to Thailand, to the research team of the Thailand research fund. I myself graduated from Chiang Mai University. So coming here is kind of a homecoming. But my Chiang Mai was not like Chiang Mai today. It was quiet, calm and peaceful. Full of good environment, green and peace. I went to Chiang Rai two days ago, I told people over there that that was Chiang Mai University 40 years ago. But in the next forty years, Mae Fah Luang will turn to be Chiang Mai University today. But whatever they are, I believe myself that Chiang Mai University has produced good graduates and has very good professor who is leading with

project. So I am looking forward to fruitful meeting today and tomorrow. Thank you very much.

Prof. Yos Santasombat: So with that I turn the floor to Sung *loashi* who is our permanent leader.

Prof. Hsing-Chou Sung: Good morning everybody, the topic of our presentation is **Beijing's Economic Power in Southeast Asia**. Actually, I think it is not a complete paper yet. So I should make a short presentation and your comments are really appreciated. So because my presentation slides are very short and not many. So I just read as quickly and soon as possible.

- Entering the 21st century, complex relationship between China and ASEAN combined aspects of cooperation and tension is thematic in regional affairs
 1. China's aggressive posturing demonstrates in the South China Sea
 2. China's rise exerts a powerful pull on ASEAN economies
 3. This ambivalence truly embeds in ASEAN countries and makes the regional situation more complex
- China's “charm offensive” has downplayed territorial disputes while focusing on trade relations with Southeast Asia, especially several multilateral and bilateral Free Trade Agreements (FTAs).
- China's grand strategy toward Southeast Asia has been enhanced since **Xi Jinping** being the General Secretary of the Communist Party of China:
 1. “Chinese dream” has been the hallmark of Xi's presidency since he became party chief in late 2012
 2. Xi describes the dream as “national rejuvenation, improvement of people's livelihoods, prosperity, construction of a better society and a strengthened military”

- **SILK ROAD might fit with this dream's main objectives**
 1. The proposed revival of a great trade route can be traced back to two thousand years ago which bridged Eastern and Western cultures across the Eurasian continent
 2. It has become both the best policy thinking and public slogan
- **One belt, one road**
 1. Xi Jinping evoked this history in a speech at Kazakhstan's Nazarbayev University by proposing the creation of a "New Silk Road Economic Belt" running from western China across Central Asia (Sep. 2013).
 2. The following month, addressing Indonesia's parliament, Xi suggested it would be necessary to develop a complementary "Maritime Silk Road" for expanding maritime connections and cooperation between China and Southeast Asia.
 3. Both belt and road are elaborated into an integrated vision for expanding China's economic connections not just to Central and Southeast Asia, but across South Asia, the Persian Gulf, and the Middle East as well.
- **China's ambitious vision of Silk Road economic belt**
 1. It will encompass a population of 4.4 billion people
 2. It will bring with a collective GDP of US\$21 trillion (one-third of the world's wealth)
 3. It could link emerging markets with strong growth potential
- **Unsatisfied economic superpower**
 1. Given the existing trade and economic cooperation regimes, China already has close connections with the countries along this route
 2. But it really hopes to strengthen transportation infrastructure and create new regional hubs and clusters of massive industrial parks

3. This strategic planning is going to increase influence on countries along the routes, especially in Southeast Asia

- **Questions waiting to be answered**

1. What kind of influence does China have on ASEAN Countries, and how does it work?
2. What will be the economic ties between China and ASEAN countries?
3. What are two silk roads and its implication for Southeast Asia?

II. Defining Economic Power

A. What is power?

- **Power is difficult to define**

1. Joseph S. Nye: “Power is like the weather. Everyone depends on it and talks about it, but few understand it”
2. Depending on whose perspective, power can be taken on a multiple meanings

- **Joseph S. Nye divides power into three categories**

1. Military power
2. Economic power
3. Soft power

So this table means different powers: military power, economic power and soft power.

| | Behaviors | Primary Currencies | Government Policies |
|-----------------------|--------------------------------------|---|---|
| Military Power | Coercion Deterrence Protection | Threats Force | Coercive Diplomacy War Alliance |
| Economic Power | Inducement Coercion | Payments Sanctions | Aid, Bribes, Sanctions |
| Soft Power | Attraction Agenda Setting | Values, Culture Policies, Institutions | Public Diplomacy Bilateral and Multilateral Diplomacy |

You can have different behaviors like you from the currency and I am from the government policy would be different. For example, the first one, if you use military power. Your behavior would be coercion, deterrence and protection. Or the primary tendency would be threat or force and the government policy when they use military power it could be force or coercive diplomacy or war alliances. For the economic power, the behavior will be inducement or coercion. The primary currency of economic power could be payments or censuses and the government policy to use economic power would be aids, grants or censuses. The third part, soft power, the behavior should be attraction and agenda incentive and primary currencies of soft power would be value. Cultural policy, institutions and for government policy to use soft power to be public diplomacy, bilateral and multilateral diplomacy.

B. Power as a resource

- **Most politicians and ordinary citizens view power as a resource**
 1. Power is defined within this context “as the possession of capabilities or resources that can influence outcomes.”
 2. Power appears more “concrete, measurable, and predictable” as a resource
- **Growing global economic interdependence increases the cost of using force**

1. The more integrated a country is to the global economy, the more susceptible it is to the unpredictable effects of war
2. If the decision is made to use force, then it can lead to a mass withdrawal of capital from essential sectors that would hinder economic growth not only with the state in question but with the world

- **What's difference between political and economic power?**
 1. Political power is exercised by means of a negative, by the threat of punishment, injury, imprisonment, destruction
 2. Economic power is exercised by means of a positive, by offering men a reward, an incentive, a payment, and a value

C. China's Rise to Economic Superpower

- By the end of the 1980s, Chinese trade totaled \$115.4 billion, representing 24% of China's GDP and 3% of total world trade and catapulting China to the 16th largest trader in the world
- With major reforms in taxation, banking, exchange rates and foreign exchange management that took place in the 1990s, China's trade volume continued to grow as Beijing gradually moved toward an export-led development strategy
- Despite government intervention to cool down the economy in the mid-1990s and the Asian Financial Crisis of 1997, China still kept its high economic growth
 1. Imports and exports achieved remarkable annual growth rates of 14% and 16%
 2. Both imports and exports totally reached \$474.3 billion in 2000, putting China sixth in the global trade ranking
- Between 2001 and 2008, China's trade grew exponentially with imports and exports, and both crossed the \$1 trillion mark in 2008
- **Given this international political economy trend**
 1. China truly has risen to be an economic superpower

2. It has overwhelming influence on its neighbor countries, especially the Southeast Asia

III. China's Economic Ties with ASEAN

A. Trade

- The majority (75.8%) of ASEAN's trade in 2013 was with countries outside the bloc, a testament to the region's trade openness. In other words, Southeast Asia will not focus trade on economic China.
- China was the largest individual trading partner (14% share of ASEAN trade), while the United States was the fourth largest (8.2% share)
- Several ASEAN members have established integrated supply chains with both China and Northeast Asia, largely as a function of China's emergence as the world's manufacturing and assembly hub
- Since full enactment of the FTA agreement in 2010, ASEAN's goods trade with China has gone from surplus to a \$45 billion deficit in 2013

This table would show the bilateral difference between China and Southeast Asia-10 countries. For example like here the Asean total in 1998, the exports from 10 countries to China was 10,919 U\$\$ million but in 2013 the increase to 244,133 U\$\$ million. This is another measure quality you can see in my paper.

| | | US\$ millions | | | | Share of ASEAN (%) | | | |
|----------------------|---------|---------------|----------|----------|----------|--------------------|-------|-------|-------|
| | | 1998 | 2003 | 2008 | 2013 | 1998 | 2003 | 2008 | 2013 |
| ASEAN Total | Exports | 10,919 | 30,935 | 114,139 | 244,133 | 100% | 100% | 100% | 100% |
| | Imports | 12,589 | 47,350 | 137,012 | 199,402 | 100% | 100% | 100% | 100% |
| | Balance | (1,670) | (16,415) | (2,873) | 44,731 | 100% | 100% | 100% | 100% |
| High-income | | | | | | | | | |
| Brunei | Exports | 560 | 34 | 130 | 1,704 | 5.2% | 0.1% | 0.1% | 0.2% |
| | Imports | 0 | 313 | 83 | 87 | 0.0% | 0.7% | 0.1% | 0.0% |
| | Balance | 560 | (277) | 47 | 1,617 | | | | |
| Singapore | Exports | 3,901 | 8,873 | 32,325 | 45,886 | 25.7% | 26.7% | 26.3% | 26.8% |
| | Imports | 4,226 | 10,486 | 20,092 | 29,969 | 33.6% | 22.1% | 37.2% | 35.0% |
| | Balance | (325) | (1,613) | 32,233 | 15,918 | | | | |
| Middle-income | | | | | | | | | |
| Indonesia | Exports | 3,172 | 4,482 | 17,230 | 36,947 | 10.7% | 14.5% | 15.1% | 15.1% |
| | Imports | 2,462 | 5,754 | 14,387 | 31,479 | 19.6% | 12.2% | 12.3% | 15.8% |
| | Balance | (1,290) | (1,272) | 2,823 | 5,469 | | | | |
| Malaysia | Exports | 3,594 | 6,142 | 21,389 | 45,941 | 14.6% | 29.5% | 18.7% | 18.8% |
| | Imports | 2,675 | 13,998 | 32,131 | 60,068 | 21.2% | 29.6% | 27.5% | 30.1% |
| | Balance | (1,080) | (7,856) | (10,748) | (14,128) | | | | |
| Thailand | Exports | 3,170 | 3,829 | 15,521 | 32,738 | 10.7% | 12.4% | 13.6% | 13.4% |
| | Imports | 2,423 | 8,029 | 25,636 | 38,518 | 19.2% | 18.6% | 21.9% | 19.3% |
| | Balance | (1,253) | (5,000) | (10,115) | (5,780) | | | | |
| The Philippines | Exports | 3,499 | 3,094 | 9,088 | 19,836 | 13.7% | 10.0% | 8.0% | 8.1% |
| | Imports | 517 | 6,309 | 19,508 | 38,205 | 4.2% | 2.3% | 16.7% | 9.1% |
| | Balance | 982 | (3,215) | (30,420) | 1,631 | | | | |
| Low-income | | | | | | | | | |
| Burma | Exports | n.a. | 908 | 1,929 | 7,349 | n.a. | 2.9% | 1.7% | 3.0% |
| | Imports | n.a. | 170 | 645 | 2,810 | n.a. | 0.4% | 0.6% | 2.4% |
| | Balance | n.a. | 738 | 1,335 | 4,540 | | | | |
| Cambodia | Exports | n.a. | 295 | 1,095 | 3,411 | n.a. | 1.0% | 1.0% | 1.4% |
| | Imports | n.a. | 26 | 39 | 361 | n.a. | 0.1% | 0.0% | 0.2% |
| | Balance | n.a. | 268 | 1,056 | 3,050 | | | | |
| Laos | Exports | n.a. | 98 | 268 | 1,721 | n.a. | 0.2% | 0.2% | 0.7% |
| | Imports | n.a. | 31 | 149 | 1,021 | n.a. | 0.0% | 0.3% | 0.5% |
| | Balance | n.a. | 67 | 139 | 701 | | | | |
| Vietnam | Exports | 3,024 | 3,180 | 15,139 | 48,599 | 9.4% | 10.3% | 13.3% | 19.3% |
| | Imports | 217 | 1,455 | 4,343 | 16,886 | 1.7% | 3.1% | 3.7% | 8.5% |
| | Balance | 806 | 1,725 | 30,797 | 31,714 | | | | |

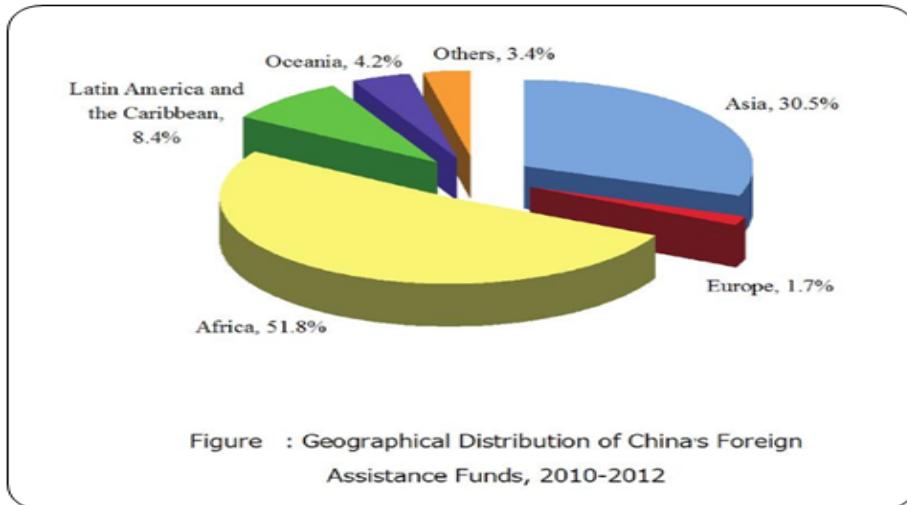
B. Foreign Investment

- China contributed a mere 2.3% of total Foreign Direct Investment (FDI) into ASEAN in 2013
- According to Ministry of Commerce of PRC (MOFCOM), ASEAN accounted for 6.7% of China's global outbound investment stock at year-end 2013, a total of \$35.7 billion

C. Foreign Aid

- **Three main categories of motives**
 1. Economic motives: the securing of natural resources, such as oil and gas, but also copper and other minerals, as well as breaking into new consumer markets and hence increasing trade
 2. Political motives: the establishment of strategic diplomacy
 3. Ideological motives: China formerly spreading communist ideals, and nowadays spreading Chinese values and hence increasing China's soft power; however, less intense compared to religious ideology or the West's quest to spread and strengthen democracy globally

- China operates under a set of “rules” for foreign aid, known as the “Eight Principles for Economic Aid and Technical Cooperation to Other Countries” introduced in 1964
- Chinese cumulative foreign aid between 1950–2009 reached 256.29 billion yuan (US\$41.7 billion)
- By contrast, Chinese foreign aid between 2010-2012 was 89.34 billion yuan (US\$14.53 billion), more than one third of its cumulative aid prior to 2010



This figure shows geographic of Chinese' foreign assistance funds between 2010 and 2012. The largest share is Africa 51.8% and second part is in Asia 30.5%.

D. Future Prospects

- ASEAN members are shifting from complementing to competing with China's economic activity, expanding their exports to Western markets while attracting foreign investment from multinational corporations
- China is involved in territorial disputes in the South China Sea with five ASEAN members: Brunei, Indonesia, Malaysia, the Philippines, and Vietnam

At the same time, through new initiatives and institutions, the Chinese leadership has revealed a bold new vision for the Asia Pacific

- China has spearheaded the establishment of two institutions that might change the calculus for foreign investment in ASEAN

- 1. New Development Bank (NDB): to improve electricity, transport, telecommunications, and water and sewage. This good for newly developing countries.
- 2. Asian Infrastructure Investment Bank (AIIB): a mandate to fund infrastructure projects to promote regional connectivity and economic cooperation
- 2014 Asia-Pacific Economic Cooperation (APEC) Summit, China got all APEC members to officially endorse the Free Trade Area of the Asia-Pacific (FTAAP)
- Others
 - 1. China completed bilateral FTAs with South Korea and Australia
 - 2. U.S.-China bilateral investment treaty (BIT) talks, it has not finished yet.

IV. Two Silk Roads and Its Implication

A. One Belt, One Road

- **Silk Road economic belt**
 - 1. Launched by President Xi during his tour of the Central Asian republics in September 2013
 - 2. Railway lines connecting several cities in western China to Europe via Central Asia, Iran, Turkey, the Balkans, and the Caucasus across the 11,000-kilometer-long Eurasian continent
- **21st Century Maritime Silk Road**
 - 1. It was announced during Xi's visit to Indonesia in October 2013
 - 2. This Road would be across Southeast Asia and has a maritime component extending across the Indian Ocean to the Persian Gulf and the Mediterranean



So this is the map for the belt. This is Xian from here in this part and plan to finish in Venice, Italy. And for the road, it starts from Fuzhou and across this way and finally to Venice and to all connect on this one belt and this goes to one road.

- This vision is inspired by China's rise to great power status and the transition back to structural bipolarity in the international system
 1. China's neighbours are becoming ever more dependent on it for money, finance, and trade
 2. While the rest of the world looks to Beijing to drive global economic growth
 3. It should be seen as a serious bid to realize a 21st Century "great rejuvenation of the Chinese nation" that will match the ancient glory of the Han and Tang Dynasties
- China has a number of reasons to invest in the two Silk Roads:
 1. It can now export higher value-added goods and services
 2. The rest of the world looks to Beijing to drive global economic growth

3. It should be seen as a serious bid to realize a 21st Century “great rejuvenation of the Chinese nation” that will match the ancient glory of the Han and Tang Dynasties

B. Strategic Thinking on Two Silk Roads

- The proposed Silk Road economic belt aims to integrate China's neighbors more closely with the Chinese economy
 1. Enmeshing them in a network of trade ties, transportation links, and multilateral regional institutions that will have China at their center
 2. Enhancing Beijing's influence over the weaker, poorer nations that surround it
 3. The Asian Infrastructure Investment Bank launched last October in Beijing is one such mechanism and will assist in funding some of the projects that will be a part of the new Silk Road

C. Silk Roads Agenda in Southeast Asia

- At the 2013 China-ASEAN summit, Premier Li Keqiang introduced China's 2 + 7 Initiative
 1. China's two fundamental principles of engagement with ASEAN are mutual security and economic cooperation
 2. Based on these principles, China proposes seven ideas
 - a. a new China-ASEAN treaty of good neighbourliness and cooperation
 - b. an annual China-ASEAN defence minister meeting
 - c. a goal of \$1 trillion in trade by 2020
 - d. the Asian Infrastructure Investment Bank
 - e. more reliance on the RMB in central bank reserves, trade invoicing, and bank finance
 - f. maritime cooperation in the South China Sea

g. and cultural exchange. This framework strengthens Chinese influence over Southeast Asia

- **In geo-economic terms**

1. Guangxi has a 637 km land border with Vietnam and has three deep seaports on the South China Sea that can be a main terminus for the Maritime Silk Road
2. Landlocked Yunnan has always been a remote and backward border province, but the Silk Road Economic Belt agenda now turns it into China's "strategic bridgehead" into Indochina
3. Yunnan also serves as China's bridgehead to the Bay of Bengal and the wider Indian Ocean region

V. Conclusion: Chinese-style Economic Integration?

- **In IR studies, The West's approach to regional integration (e.g., NAFTA and the EU) is economic liberalization**

1. It uses multilateral treaties to remove legal and institutional barriers to trade and investment;
2. And to create legally binding rules, standards, and dispute resolution mechanisms to create a flat open space for private sector actors

- **In contrast, China's approach to regional integration focuses on economic facilitation**

1. China's aim is to create transcontinental economic corridors that radiate across the Eurasian landmass (the Silk Road Economic Belt) and along the maritime rim of Eurasia (the 21st Century Maritime Silk Road)
2. It will produce geo-political and geo-economical results that channel economic flows to or from China

- **The infrastructure that constitutes the two Silk Roads is both hard and soft**
 1. Hard infrastructure is the steel, concrete, and machinery that goes into building railways, highways, ports, energy pipelines, industrial parks, border customs facilities, and special trade zones
 2. Soft infrastructure refers to development finance institutions, international trade and investment agreements, multilateral cooperation forums, academic research, cultural exchange, tourism, etc. , that constitute the social foundation for trade and investment flows
 3. Both hard and soft infrastructure will connect China with its neighbors, especially countries in Southeast Asia
- **New Silk Roads agenda opens an array of new economic and strategic possibilities**
 1. Chinese authorities hope that it will lead eventually to a situation in which Europe becomes a mere peninsula at the end of the Asian continent
 - a. economically integrated with and dependent on the Chinese locomotive
 - b. while the United States is relegated to the position of a distant island, floating between the Atlantic and the Pacific
 2. This corridor could further intensify intra-European divergences over Asia policy, cause deep differences between the United States and its European allies, sharpen commercial rivalries, and make Xi's "Chinese dream" come true. That is the end of my presentation. Thank you very much.

Assoc. Prof. Dr. Isra Sarntisart: Thank you very much Dr. Yos. When Dr. Yos invited me to Chiang Mai, I always come because I know that we will get into the new hotel and I hope that in next time; you will get into the other new hotel in Thai way or maybe somewhere else in the world on the earth, maybe along the Silk Road whatever it is. Anyway, I would like to congratulate **Sung laoshi** to present a very good paper. Good first draft paper, it is very comprehensive. Therefore, I would like to make few comments, first general comments and then specific comments. Just the beginning, first I think this first draft paper on China

Economic Power in Southeast Asia is very comprehensive. It covers a lot of things, a lot of ideas for new ideas. In fact, I'm writing China-ASEAN relationship and you cover the ground, similar to what I am thinking. So that at least we agree on that. The second point I would like to talk is your concept about power, you cover very well about the hard power and the soft power. The one that provided by Joseph Nye, however, I would like to suggest that there is another kind of power. Maybe in your thinking that is smart power, in fact, this idea of smart power was presented by Hillary Clinton when she was asked to give a hearing before she was nominated to be the secretary of states. You know Hillary has been criticizing the Bush's administration for using the hard power and it failed as it did not get much things and the congress asked her in the hearing whether what kind of power she would be using. And they expected that if she said hard power, then the congress people will criticize her for she had already criticized Bush's administration for she would be using the same power. Or if she said that she would be using soft power, then they would say that she would make America weak because the soft power would make America weak. But her response was that she would use smart power. Then they were puzzled because they did not know about what it meant by smart power. Smart power is the combination between hard and soft powers in a way, using soft first and followed by hard power. In fact, Joseph Nye later on wrote a book on this kind of power and you can look into that. Anyway, has it been successful during the first term of Obama's administration? Some scholars point out three cases. The first case is Myanmar, the second case is North-Korea and the third case is Iraq. For Myanmar, it is quite successful because first they use soft power sending direct emissaries from CSIS to be special envoys and later on China. But for North Korea, it failed. But for Iraq, it might be that we are still waiting whether it would be a plus or minus and that this is something I would like for you to maybe discuss about it. Because we all know that China is a good copier. China has copied everything not only product but also ideas. And as we all know during Hu Jintao's administration, people have been praising China for using effectively the soft power, the charm offensive and contrast that Bush's administration with hard power. But under Xi Jinping, we can see that Xi Jinping is now adopting smart power. In the sense that you can see China is getting warm, assertive politically and at the same time economically. China has been using so, these combination, I think America has failed to patent the concept of smart power. The Chinese hijacked it and has been using it in a very interesting way. So that is one thing that you can discuss and add in to the concept of power. And the comment that I want you have is that I like your trade relationship with the ASEAN part especially the

statistic part that you compare different years that we can see that very well but I would like you to add maybe the trade structure. Not only the trade volume but the trade structure what's economic sector that China and ASEAN has been trading with each other like mineral or electronic goods or energy or whatever. There are differences between each country but I think that if we add in the picture about China-ASEAN trade relations. In terms of the investment, I also would like to see similar presentation breaking down. In terms of Chinese investment and also ASEAN investment in China may be looking at from the year 2000 up to the present going back maybe too difficult that will also give you a very clear picture about Sino-ASEAN relations in terms of trade investment dimension. For the foreign aid also as you know that China has been pouring a lot of money in Cambodia, in Laos, and other countries. I would like to see statistics on that if it is possible. I think there are a few books written about this. You can take a look into it and try to compare and provide a statistical picture about this. This is another soft power of China. And also the educational aspect, the role of Confucius institute in this country. You can look in terms of the aids part of that. Now let's go to the new idea, the idea that which you mention that you said that it is going to be completed by the end of this year. I hope that by the time that we meet next time you will give us more details about ASEAN and AIIB and ASEAN infrastructure, which will also be established by the end of this year. The structure, the policy and you might compare that with ADB and also the World Bank. I think that will be an excellent paper. Now come to this **Yi Dai Yi Lu**, which also interesting. This concept of Yi Dai Yi Lu, one belt and one road “silk road belt and maritime silk road.” Although, we only hear the concept of the Chinese has not filled the details exactly what they mean by that. This is connectivity through infrastructure and investment that's why AIIB is involved. I am sure that sometime by the end of this year, there will be more detail about this and I hope that you will include. I don't expect to be 100 pages but I think 50 pages should be ok for this topic and I think it would be a good contribution to the academic world. My last point is that the future prospect, I think you are a little bit optimistic. There can be a fault in order to wear the dilemma. It may promote integration or it can bring about disintegration about ASEAN as well. And especially, I would like to bring in not only the geo-economic dimension but also geo-politic or geo-strategic dimension in the way that ASEAN, which has been drawn into China economically and they may be divided. The GMS countries may be getting pro-China and getting closer to China, maybe the maritime ASEAN may be having second thought about that. So you said that of maritime Silk Road may bring about two scenarios. The first

scenario is the further integration between ASEAN and China, and the second scenario maybe some disintegration among ASEAN. It also depends on several conditions, which I hope that you will spell out. And the last point, I would like you to emphasize or may be, focus on asymmetrical relations, asymmetrical power relations between China-ASEAN? You can see that the power asymmetrical also plays a key role in relationship and also in that impact of relation between ASEAN and China. Thank you very much.

Discussant (Prof. Dr. Thanet Aphornsuvan): I don't know why Ajarn Yos invited me to comment on this project because when I look in to the paper that wrote by Ajarn Wasana that is closer to my area history. The rest more economics and political science, IR which are not my specialty. So I just have to say whatever I have in my mind and it might not help the researcher in order to improve or make it better but I hope I can exchange some ideas. Mostly, I am interested in history, the issue of China, Chinese-capitalism and ASEAN. It is very big, and suddenly become larger and larger since four or five year ago. It's still like more a far away, distant scenario when we talk about ASEAN and China. It is like ok. It is an old story, nothing like a big change. But suddenly, now we come to the new realization. Listening to the Sung's paper this morning and that I read the paper before, this is a new, like the coming of the rise of a new China. The impact not only the one China or the old China that has been the topic of one civilization of the world. But now its entrance, its impact, its role that is going to affect ASEAN, Asia and I have to say that the whole world if you look at one belt two road whatever. The project appears, this is the new history, new world history. The world that we know was run and started by the west. Now it is going to be challenged by the new world history, the new world system challenged by China again. So that for history and historian, may have something that you can compare with the past and give an exciting, new, challenging idea. It is very exciting for me to spend some time to listen again. So my comment, actually is not my comment, I don't have anything to add on, or to criticize because I don't know economics, statistics or whatever. So everything that you say, I accept and I agree. I am enlightened that you know how much China spend and how much ASEAN play in the role of this trading. In terms of history, the thing I am interested in that I want to share with the people here is to make history interesting, you have to look at some kind of irony. If you repeat the whole history, it is not fun. No one or none of the head would want to study history because the thing you study the whole, repeat the same thing it happened hundred year or fifty years. Why we study and why we learn about it? That why I don't

want to teach that history, I am interested in the opposite of that. I am going to find something ironical, something contradictory in this new challenging of Chinese capitalism. My thesis is that if we look back the rise of the West, the West was able to somehow start what we call the world system under the capitalist economic relation and production. So capitalism gave the West the superpower and for the past 200 years or more, the West controls, dominates the world power. The force that allowed the West to do that was capitalism. Even the oldest civilization China, India, Persia, whatever, they were being defeated when Marx wrote his Economic Manifesto at 1848. In one section, he said capitalism is going to expand and dominate the whole world and they are going to knock at the Great Wall of China and the Wall is going to crack. That world war was started that day. And next, the Second World War, the biggest empire is going to move in that soon and China is going to become the same like colony of the West. Anyway, so for the next almost fifty years, China has to check the old past and the first American Revolution in 1911. They got rid of the old feudal but cannot get rid of capitalism. The next rise of communist party and ended with the civil war with the Kuomintang. Chinese communist party won that war 1949, China rise again, Chairman Mao said. We all know this cold war started from Soviet Union, Chinese communist, and America and the few started in a circle. The cold war tried to contain the communism but they stop the wide spread of the cold war in the third world. Anyway, to move faster, is that now the number one enemy, the number one force that China tries to get rid and defeat and with all the energy including the millions of millions of lives is to try to get over this capitalism. Now China becomes the new capitalist empire not just a country, but the capitalist empire, running the most expensive and most productive forces of capitalism in the world. So if we look at all these expansion or growth or whatever of China, is not China that we know. It is not the old civilization that we know but this is the new capitalist civilization in the name of China. So far that all this we know is the miracle of China, the least that I heard is the intellectual forces of civilization. The last thing about the seven ideas that you have shown, talks about culture. But that culture isn't be just for fun like you see, farewell party or in the great halls of everywhere is nothing deep or rich in terms of the culture. So I thought, I mean look at the future with divided feelings but I don't know whether I have some hope in the future that is coming because at least fifty years ago when the new generation grows up and when we looked at the future, we might have something better than this. The western capitalism and all this exploitation of men over men, something. But now, we look in the future, there is no hope for this liberalism ideas, no emancipation in

this world. We are going to move to the future with more shame in our mind, our body, in our hands, our legs in everywhere. We are going to fall under the power of super economic, super of everything, technology. For what? That's why people are ready about the new miracle that is coming from China, I have to say that I am afraid. I am really pessimistic with the rise of new China. And if we look at this, I am not IR people. But the last thing is about what U.S. and Europe are going to do? Do you think that U.S. and Europe are going to be divided? I don't think so. They are going to join more stronger. You hope that the U.S. and the Europe will be the new periphery of the new China Silk Road? No! They, being the world superpower, they will not let China kick them out from this road. So, this is pessimistic, so it might not be happen, ok. But if you listen to what's happening in the South China Sea now, it's clear that China is going to expand militarily, economically, invariably claim old history that no one believes that it is right, to claim the rights of sovereignty over these islands. And the rest of the world and some of ASEAN have to find the way how to deal with this new situation. On the one hand, you want the economic power support from China but on the other hand, you have to think about the people in your country that are they going to believe this?

Assoc. Prof. Dr. Siriporn Wajjwalku: Actually, I like your presentation very much. There are some details and also new ideas, which I would like to somehow raise some questions and also debate with you. It is also connect to what Prof. Dr. Thanet Aphornsuvan has talked about. I think the word that you used on page 5 is economic superpower. My question is how do you categorize superpower, economic superpower? There must be some indicators to clarify it that this country is the economic superpower. I don't think that we can see just only the volume of trade, or the volume of investment. There are somethings that are much more than that if we are going to say this country is an economic superpower. I think this lead to the key concept of this project as the whole project. As Prof. Dr. Thanet Aphornsuvan said, "China is going to be the capitalist country but what type of capitalism that China is going to do?" It is different from Western capitalism and I think it will be very, very fantastic if you can identity it. How different is it? For example, I am thinking when we talk about infrastructure, connectivity, actually, are really closely-related to network. For example, we look about the economic corridor, the role of ADB, Japanese investment here, this is somehow the empire of the Japan and the western countries in Asia and these connect together. So when we see the western capitalism in Asia, we have to make this picture clear.

Then, China comes in and China tries to do something, which is different but at the same time, I am not sure whether it is different or not, it might be the same as Ajan Thanet said. Or it might be different. So, I think it is very important to identify the commonality and differences between Chinese practice and the Western practice of capitalism. Through this kind of idea that China is going to work on the two Silk Road that you mentioned, compared with the economic corridor that already existed in Southeast Asia. I think this is really important and how the Silk Road will connect with the economic structure of the whole region. Because actually the economic corridor connects with the production network of Japan. And where is China in the Silk Road claim? So I think this is the most important thing that we would like to see. When you talk about software, China is working about the hardware and the software you talk about exchange of culture, academic exchange or whatever. I think key thing to facilitate trade is the rule regulation, harmonization because even you have the road connected, connecting many countries together, but when trade flows, we need rule regulations, harmonization. And that point will affect a lot of political structure of the country. Because we have our own rules and regulations in order to coordinate with other countries, to facilitate trade. We have to change our rules and regulations. We have to harmonize for that. Who set rules and regulations? Now the western countries actually choose international organizations to set rules and regulation. We follow the WTO standards in whatever, right? Then, is China able to do that? It is not just only to construct the road but there is the need to harmonize such kind of thing. Then, is China can do that? How to do it? And within few years that China would like to as you said, “To integrate the region.” So how is China going to manage, not only the hard infrastructure but this kind of soft infrastructure? I think this is the key thing and I think that you can do that to be sure. I would like to see this kind of point that you can elaborate by the final product. Thank you.

Assoc. Prof. Dr. Isra Sarntisart: As economist, I would like to ask one question and I have other three questions about International Relations. I cannot fully understand this table. When you say export and import in this table, is “exports” from ASEAN to China or China “exports” to ASEAN?

Prof. Hsing-Chou Sung: Exports to China, I think

Assoc. Prof. Dr. Isra Sarntisart: Ok, so ASEAN exports to China and also Thailand exports to China. And then Thailand imports from China. So, what is very important for me

is that Malaysia and Thailand are the only two countries in ASEAN that run trade deficits with China for the past 20 years. Right? Malaysia and Thailand are the only two countries in ASEAN that have trade deficits with China over the past 20 years. Ok, just for clarification. Now, I come back to my question. I like this page of your powerpoint very much. So, I hope you allow me to take photographs. First, Europe becomes peninsula of Asian continent, economically integrated with and dependent on the Chinese locomotive. This is very important; why the US is relegated to the position of a distant island. Have to put in the bracket “distant and very big island” floating between the two Atlantic and the Pacific. My first question, “Could you write a sentence to explain your view Chinese authority hope what ASEAN and Thailand will be?” “How are we going to be just a cap at the end of ASEAN continent?

Prof. Hsing-Chou Sung: Actually, this is only a slogan or public policy toward China people to mention they were China and that they were originally called “Komito Kingdom” where China was be the centre of the world. This slogan to introduce or tell the world that China is the centre of the world. This is only for the Chinese people.

Assoc. Prof. Dr. Isra Sarntisart: I want to understand what is the dream of the Chinese people about ASEAN?

Prof. Hsing-Chou Sung: Yes, this is one I agree with, I am saying about this people that why to challenge the world order right now.

Assoc. Prof. Dr. Isra Sarntisart: My next question is that you said that China is going to be the world’s economic superpower but I did not see where Japan is in the paper. Japan today is world economic power but it is not mentioned in your paper. I think if you can add it would be nice.

Prof. Hsing-Chou Sung: Your question is similar to her, actually, China cannot be the superpower. I think within the next fifty years because according to the 500-years’ history. If you want to be hegemonic power or the superpower, it can be last almost 100 years; for example, like the Great Britain in took 200 years, like Portuguese, like Spain and Holland. If we look at United States, it is now a hegemonic power, it has been superpower for only 60 years. So I think U.S. will still be the superpower within the next 50 years. Because the superpower will not be run down but in relative decline gradually. So China, because China

is now the second largest world economic entity. So they can wait. So in my point of view, I am not saying that China will be having so much ambition to conquer the rest of the world. They have patience to wait. In other words, I am still appalled at many Western scholars who said that China is a threat. China is so big, has so many population and has so much problems. So, I abide by the point that you have said that China has no security itself. What they have done is to search for security in order to maintain its political order. In other words, there are only 6,000 millions of communist members in all over China. In order for the Chinese communists to rule over China, they have to first priority is to maintain the domestic political order and social order. So in other words, in order to feed all the Chinese people, they have to gather all available economic resources to maintain its domestic order. So I don't think China has ambitious attempts to do some bad things in your country.

Assoc. Prof. Dr. Isra Sarntisart: For my thought however Thailand is still small. But I read two reports from U.S. sides that U.S. is preparing for something worst, not only economics, but hard power they are ready. And China is also ready for that one in the South China Sea. The gunships of both countries now enter the economic zones of other countries. So, I think what we need to add into the report maybe the responses and reactions of U.S. Otherwise, we can only see the story from one side.

Prof. Hsing-Chou Sung: Of course, you can look at some of their actions. It seems that weird and ambivalent for while on one hand, they might say it is for peace and on another, they said that they set up rules for economic power. They said several rules for the military power for peace. In my opinion, China would not change the rules, no matter economic rules or political rules in the world, but they want to change the ideas of the world people. For example, you mentioned now we already have the Washington consensus, they want to change it from Washington consensus to Beijing consensus. So in this case, they try to persuade the people by saying, "Ok you don't have to follow the Western sources because we are backwards, we are minorities, and we are developing countries. We have more people than them. So we don't follow them because you are mistreated, the same like refugees, something like that. So we are going to do is to stand in the group especially developing countries." For example, in Africa, China spends so much energy and power with Africa and the second largest area is of course, Southeast Asia. I don't know I don't promise. Imagine if you go back to Deng Xiao Ping. They called three worlds; the first world is different from the academic way of distinguishing. For the Chinese, the first world is U.S. and Soviet

Union. The second world is western democratic and Japan. And the rest of is the third world and the third world is incapacitated to fight against it. I think you have such a thing.

Ajarn Chulacheeb: Well, let me help **Sung laoshi**. I think this paper focuses on capitalism but people also want to see the implication. I think you can touch upon the idea and move over. Assoc. Prof. Dr. Siriporn Wajjwalku mentioned that there are two types of capitalism: Western and Chinese. Western, maybe, refers to private capitalism and Chinese, maybe, refers to state capitalism, but it is something that you can make it clear. Moreover, we are not only seeing the competition between state capitalism and private capitalism. In fact, we are witnessing the transition of power in a new world order that is emerging. A new world order emerging with this idea of **Yi Dai Yi Lu** with the AIIB, with the Bridge Bank, with the GMS fund, with all these financial centers. We are witnessing a new world economic order emerging. We have witnessed American-centric economic world order since the Second World War with the norms of free trades, the norms of peaceful resolution of conflict through the UN, through the IMF, through the World Bank today, what we called the Bretton Woods system. But I think China is providing a new alternative. And this alternative is new world order under the Chinese-centric economic world order with the AIIB and all the others that will be co-existent with the American-centric world order. I think this will be for many years. And I think the people will decide which one is the best. I think we are now facing the new world system in emerging and they will be competing with each other and they will also be complementing each other. The Chinese, in fact, will benefit from the Western norms that America has been creating and the Chinese will not destroy them but the Chinese will try to create a new rule. In the past, China has been a norm follower. But I think China is going to move to be a norm-maker, a rule-maker in the future. But I think the country side of the Thailand, ASEAN like us we have to decide, we have to think whether which norm would benefit whom. I think it is going to be the work of countries, like ours. America continues to be playing the active role, but it power has been declining because of the economic problem. But it doesn't mean the America is out of the big picture, America is still there and that's why we have to rally friends and allies in order to engage the world and understand that America is still around in whatever we decide. But even that British said that you are not that important; we will join AIIB and others have joined AIIB already. So I think the British and French feel that if they join AIIB, they will be able to have more weight in the way of that they can benefit from that. And the idea of that I think is the idea of Chinese propaganda that

China is the center of the world and America is a small island in big Pacific. But this is for those two countries. Whether will be a war between these two countries and we will give a talk with NEVO conference on 14th of next month. In my opinion, there will be tension between America and China for many years to come. But these two countries are engaging each other like Yin-Yang, they are conflicting and at the same time, they are complementing with each other. They know that if one falls, the other will fall. And I think they realize that I don't think they will fight with each other because they know that they will lose and they will be the laughing stock. But they will be more tension. They will be competing with each other. But in the end, I think at the end, they will try to avoid using force on each other. China has been waiting to rejuvenate, to return to the prime state of the world and they can wait for many more years to come. They realize that using force is not a good policy. But the American and Western thinking is that how to fight in order to win. But for the Chinese thinking is how to win without fighting. And that it is the Chinese strategy. They will not fight but they will keep on doing what they want to do. So that is the management of China that is the problem that is facing everybody.

Assoc. Prof. Dr. Siriporn Wajjwalku: I have one sentence to share because Ajarn Isra talked about Japan and I have read a bit about Japan. There is one book just came out. It somehow reflects the idea of Japanese government. The name of the book is "Two Titles within One Case." So it means now that Japan does not look at China as a trade or competitor but in fact different perspective of Japanese is that how to live together in peace co-existence. But of course, they have to share the benefits and of course, to balance the power within the South China Sea. Maybe it is interesting for you for this paper. I can show you this one and I think this reflects the different perspective of big countries in the world and as you said, this is the new world order.

Assoc. Prof. Dr. Chulacheeb Chinwanno: Many people argued that America wants these two tigers to fight with each other. I think ASEAN must try to manage these two tigers to share the benefits of the forest.

Commentator: Ok, just one comment to Ajarn Chulacheeb. I agree that two tigers are not going to fight. So, I think that the key factor for the future of fighting a war: They have to be the people, according to an old saying, "Who, between the West and China, who is going to able to convince the masses, the populations in each country, to follow the idea and the

ideology?" When the West started their expansion of the Europe and power capitalism, they came with the idea of emancipation and liberation of the people from darkness, from uncivilization to a new life, new world and new self. My question is what can China offer to do for this people? Liberate them, emancipate them or enlighten them from what and where to where? I cannot imagine of them, I want to hear that.

Ajarn Yos Santasombat: I think we need to move on before we move to Chinh's paper. I would like to bring us back to the main theme of our works that is Southeast Asia. We have to pretend for a moment that we are not concerned with Japan, United States, or the world. My question to you is that are we witnessing the formation of a regional economy. I am not talking about the global. I am thinking about the term before defines this new regional economy. Can we say that Southeast Asia is becoming a part of the Greater China? That's an old term, because previously when we talk about Greater China, we mean China, Taiwan, and Hong Kong, maybe including Singapore. But are we Southeast Asians suck into this concept of Greater China as far as PR Chinese is concerned? I think we need this to make sure that this is the concept that China is assuming.

Commentator: That is my question. Are we a cave or peninsula?

Commentator: Or just a port?

Ajarn Yos Santasombat: Ok, with that I like to invite Ajarn Chinh.

Ajarn Nguyen Van Chinh: Thank you very much. My topic is ethnic Chinese business in Vietnam. As you know that the scholarship about the ethnic Chinese business mainly focus on the contexts of identity and business. They tend to see the Chinese capitalism in Southeast Asia is a kind of communal and informal form of capitalism. It is contrast with the liberal capitalism based on achievement as found in the West. So there is some kind of differences between the ethnic Chinese and the Western style of business that are already documented and talked a lot about. In this presentation, I just want to focus on the major question based on the field work done in Vietnam. The question I want to raise for discussion is how the ethnic Chinese business is developed and expanded and make profitable in the context of social appearance in Vietnam where the ethnic Chinese are often faced with the discrimination and assimilation? And even sometimes they do a strike out, almost "no see" the Chinese capitalist in Vietnam. But then it is revived and has become stronger and adapt

quite well in the new context in Vietnam socialism. So this is very interesting question, and I also put a question as how ethnic Chinese play their identities and tradition in the context of political subordination that makes the advantage for this. So I would look back to the historical perspective of development of Chinese capitalism in Vietnam and focus on three major periods: (1) The Chinese capitalism under French time or the golden time of Chinese capitalism; (2) The Chinese capitalism under the socialist economic reform that almost Chinese capitalism was swept away from Vietnam socialism, economic reform; and then (3) The market oriented economy introduced to Vietnam after 1990s that we see the strong return of ethnic Chinese business as we see the strong revival of Chinese business in Vietnam. So I am just trying to search for the answer: How there is a kind of revival, the return of the ethnic Chinese business in such a context? So that is the question that I want. First, I would like to summarize who are the Chinese? How this kind of Chinese capitalism developed in Vietnam through the time and period? For the Vietnamese by law, we see that there are two groups of Chinese: (1) Refers to the Minh Chinese, Minh people. Minh people are those who migrated earlier from 16th, 17th, 18th centuries and they are integrated in the society and they are regarded as Vietnamese and they become ethnic Chinese. And the second group that we refer to the Chinese is Thanh Chinese. Thanh people, they are Hoa Kieu (*huaqiao*). They pick the Chinese citizenship and they are dominated in terms of population. They are migrated from 18th -19th century, particularly, under the French time and they are very important economic growth in Vietnam. So that're the two groups of ethnic Chinese in Vietnam by law and also the Vietnamese people refers to them as Minh or as Thanh people that is the way how we see. The Thanh people try for long residence in Vietnam more than hundred years to keep the *Huaqiao* (Hoa Kieu) status as the overseas Chinese, not the ethnic Chinese. This is very interesting to see how related with their business. So as we see it, particularly under the French time, the Chinese enjoy very much in the mobility, autonomous regime that were offered by French regime. So they can enter, they can go out. Mobility is a very high and it is increasing the number of Chinese immigrants under the French time because the French policy is that they accept the Chinese immigrants to have their Chinese citizenship. They don't care that you have to be "Vietnamized" or be nationalized whatever. The thing is that you pay taxes. They would accept the kind of informal organization, such as the Chinese overseas, the Chinese association in Vietnam. They were called Bang and then they relied on this kind of administration. The head of the Bang has the responsibility to control their members and they have to report to the government. They don't care how you do or how you

behave, for that is the responsibility of the Bang as an association. And this is the very autonomous regime that they enjoyed very much during the French time. So I have no time to talk much about. But as we see that during the French time that the mobility of Chinese are very high, they go in and out and the moving from this area to other places from the South to the central highland, to the central Vietnam and even move out to Cambodia and Laos. They feel free to move. So these we see the differences under the Vietnamese socialism control, the inclusion of the ethnic Chinese become ethnic minority from the immigrant, the autonomous. So as we see now, before economic reform, the overseas Chinese in Vietnam over 1.5 million but it's reduced, particularly after the border war and economic reforms by socialist country. Now the ethnic Chinese in Vietnam is lesser than one million depends on the way how statistics and estimation is done. And particularly also the claim of ethnic Chinese, we found that in Hai Phong, in Hanoi, in Northern Vietnam and Central Vietnam, most of the Chinese now no longer claim that they are Chinese. I think maybe they are different, before they try to keep a neutral position as *Huaqiao* (Hoa Kieu) to protect their business. But now to protect their business, they claim that they are Vietnamese in adaptation to the new political system, so that is interesting. Like in our recent fieldwork in Nai, the Hakkha people in the North Vietnam, in Bac Giang is about nearly 20,000 now and they are so angry that they are referred to as the Chinese Han. They always claim that "We are the Hakka, we are not Chinese." So it is very strange that the new development how that the Chinese are now adapted with the new situation, political. But as I said that under the France time and American time, the ethnic Chinese played a very very important role in economy. They controlled about 80 percent of the food industries: rice meals, rice export, also textile, chemical and electricity. And 90 percent of the import and export in the South Vietnam are under the ethnic Chinese business. 100 percent of wholesale in the South of Vietnam under the Chinese capitalists. During 1975, the Vietnamese communist party identified 70 percent of the bourgeoisie in South is the ethnic Chinese. So almost of the richest people in the South are Chinese. So they are very important in the economic role in South Vietnam. I think this is the Chinese, anywhere they come, they set up the market, particularly the Chinatown (Cho Lon-Saigon) in the south. And also as a kind of *Huaqiao* (Hoa Kieu), the overseas Chinese, they invested in Vietnam. They are not the national ethnic group. So they are always leading foreign investments in South Vietnam. Under the French time 21 percent and under American time 16 percent for foreign investment in South Vietnam are overseas Chinese. But they always face discrimination and assimilation that is a very

interesting thing in 1920 that is a big movement in boycotting ethnic Chinese business during French time. There were two years because of the new emerging of local Vietnamese bourgeoisie that they have to compete with the French and Chinese capitalists. So they want to gain the market and they launch a big complaint against the Chinese business. It turned out that after two years, it started peaceful but it turned out to be violent against the Chinese. They destroyed the Chinese economic base and finally, the French have to interfere to get the peace back. But just in 1955 to 1963, under the Ngo Dinh Diem regime, because of the Chinese capitalism grew, and the new government felt like threatened by the Chinese because not only in terms of economy, the overseas Chinese set up a very good communication system; number one, they merged five Bang associations in general association to make it stronger and to get more networks. And the second, they have published 11 newspapers and weekly magazines in total 22 magazines and newspapers. So the Chinese languages newspapers and magazines are very important in the way that now they propaganda for the Chinese businesses. And the Ngo Dinh Diem government felt that they are threatened, particularly, when Chinese Bang set up the schools, hospitals, and they are the kind of gathered the support from ethnic overseas Chinese. So, that's why in 1955 to 1963, the Ngo Dinh Diem again run a big campaign by the government to assimilate the ethnic Chinese and they forced the Chinese to claim the Vietnamese citizenship. And it is very importantly that they are using the economic tool to force, supposedly the foreigners, but they aimed at the Chinese, the foreigners are not allowed or prohibited to practice only 11 occupations. They aimed only at the Chinese business. And that's why the Chinese are forced to register as the Vietnamese Chinese or they have to move out of the country. And this is part of the reasons why Chinese capitalists move out from Vietnam to Cambodia, to Laos, and also to countries outside the region like the French, USA and Canada. But then the rest accepted, they have to accept the Vietnamese citizenship. And that it is a very important. In 1975 when the communist came to power and again the communists advised the Chinese to claim as the Vietnamese citizenship and this supported a lot of the reaction from Taiwan and mainland China because they felt like, the Chinese in Vietnam felt that they want to be neutral position to do their business, rather than the political. They stayed away from the political, although, they gave a lot of money to the communist party and the fund before but this is a part of their businesses rather than the political involvement. So the Vietnamese communist this time, they try to nationalize all of the properties from the bourgeoisie but not only Chinese, also Vietnamese. But mainly as I said the 70 percent of bourgeoisie in South Vietnam is Chinese.

So this is in fact, the economic reform, the main target is the ethnic Chinese. As I see after 1975, the Chinese elites left the country to the West, the USA, to the France, to the other places. So they left, a part of them, but we see that during 1975-1990, it is about 1million of Vietnamese left the country as the asylum seekers and one third of them are Chinese. So around the three hundred Chinese migrated out of the country as refugee, as the boat people. So they brought out the capital. It is a very interesting that the rest of the Chinese who could not migrate out stayed and 300,000 moved out of the city to the new economic zone in the form of economic reform. So they turned from the capitalist into the labourer because they owned the property that were nationalized. So then after 1978, there are almost no more Chinese capitalist, 30,000 enterprises were nationalized. So no more Chinese capitalists after this so-called after the economic reform because the main target was that they were so worried about the connection between mainland China and overseas Chinese in Vietnam. So that the ethnic Chinese now become ethnic minority, they no longer *Huaqiao* (Hoa Kieu) or Chinese citizenship and their inclusion into the nation state and kept the neutral position as they keep before. But it is surprising recently, Ajarn Yos and I were in Chinatown, we see the strong revival of the Chinese business. I did a survey for almost three months in the Mekong Delta and northern Vietnam and the Chinatown and we found that it is so amazing: How the businesses Chinese now restore and return and develop? As we that now in 2001, the ethnic Chinese in Saigon set up the more than 1,400 enterprises out of a total 7,000 enterprises of the whole city. How about Chinese in Saigon city living in Chinatown? And they produced about 60 percent of the total products of Saigon private sectors. But it is interesting that I examine the stock market, we see that among the 50 richest persons in Vietnam, 11 are ethnic Chinese. You can imagine only from 1990s, when the economic reforms are introduced, it is very interesting that those who reached 10 million dollars over, some of them is one billion dollars like Tinh Dove Company. It is very fast, it is only about 20 years and they make a big money that is surprising because of the most of Vietnamese that we see that they are more or less related to the political power but Chinese has no political power. So the question is how they can restore and in which way? This is the Chinese business retails that developed so fast. Seeking for the answer, I examine five cases of the richest Chinese capitalists in Vietnam. I found very much similar common characters, most of them born around 1960s from 1962, 1965 and even 1970. They are very young. Most of them are from the military and working class before 1990. So they almost come from zero from empty. So, one case that I want to make the presentation here because there is no time

to talk about the old cases that I work but Dang Van Thanh cases, he is not the richest one but he is the typical Chinese business. He is born in 1962 and his father is from Hainan, China. In 1982, he served the military in Southern Vietnam, and then he came back and graduated from the University of Economic in Saigon. In 1989, he got the job at a very small property company named Tanh Cong. In 1991, he moved from the state sector to set up his own company and he set up a small family company working on the sugar cane and producing alcohol, glutamate, and food for animals. In 1991, this is the kind of moving between socialist and market economy and he is the one who decided to merge the three small credit commodities into one bank that he joins and he becomes, what we called “Sacombank” or Saigon Thuong Tin Bank. Just a two years later, he becomes a chairman of this “Sacombank” and then he started to involve his wife and his children. He has four children but in here we can see two children one son and one daughter are involving in. So, he gets money to invest in sugar cane production and also set up the business for his wife and daughters and staff. So it is a very interesting that that the whole family now become members of the “Sacombank” in the Board of directors. So it is a very interesting to see that he started from 3 billion dong in 1991 where equaled to 300,000 dollars. You cannot imagine now a billion of dollars is the bank owned. In 2008, his wife set up a sugar cane corporation and his son set up his company “Sacomreal” which is an estate company. His daughter also owned a big corporation named “Bourbon Tay Ninh” producing sugar cane and two others more still young children, we don’t have the statistics but they are now also on the members of the Board of directors. So we look at the Sacombank now, we see that Dang van Thanh and his son own 77.7 percent stock and another one, Chinese, Tram Be also one of the richest Chinese that he did many business but he is a Teochew people and his children also join in the Sacombank with the 7.4 percent. And other Chinese, Tran Phat Minh that migrated from Taiwan now also 7 percent with the Sacombank. So we see that other shareholders from foreign 6 percent and we see that the smaller shareholders take 5.3 percent. So we can see that most important members are ethnic Chinese. So they do a kind of ethnic internalization in the business, most of the Chinese. We see after the twenty years now, Dang Van Thanh and his members now own about 1,514 billion dong. It is about 800 million dollars. This is only the stock market and we don’t know about the other properties they owned and other real estate because there are a thousand of hectares of lands in their hands. This is a very fast development. We see that this is the kind of relations that “Sacombank” and his wife Thanh Cong is his wife, also a Chinese own a big corporation producing sugar cane and

Burnbon is by daughter, Đặng Huỳnh Úc My and the real estate in Ninh Hoa by his son. So we can see that the capital flow running around the family and fellows like the Chambei, from Hainan, is Teochew people. They are working in the business in the very much informal Chinese family so I just want to come up with the some discussion to answer how the Chinese business survive and expand and develop. I have three arguments, number one I see that the ethnic Chinese capitalist is a kind of a strategy of the people and they enjoy very much autonomy under the French time. I think that they did not rely on the State but on their own organization we call the Bang, or overseas Chinese association. And this is more important than the State but they want to keep the Chinese citizenship as their *Huaqiao*. I think this is a strategy to protect their business and they also search for the protection from the government of mainland and Taiwan. That's why when they are nationalized or they are assimilated, we see that the response is very quick, very fast, and very fierce from the mainland government and Taiwan. And even Taiwan, we see the migrant when they were assimilated. They were willing to accept the Chinese to return to Taiwan to apply more pressure on the government of Saigon because when the Chinese capitalist move out, they will bring with them the money. So I can see the Bang, the Chinese association as very important at work in Chinese business. They always have their own assembly that build for the regular activities, meetings and particularly today, we see that the Bang no longer recognized by the government. It is not allowed because by the law that stated no association like that is accepted by law but they still continue activities. They continue to meet as Ajarn Yos and I visited a number of Bang associations and they invested in and the money comes from outside and inside. Now they build a big Bang assembly, the whole for meeting and maintaining the Chinese culture, custom and education. And particularly, the hospital, before the French signed the Chinese associations, five associations have five hospitals and now they restored totally this kind of nationalized and now they returned to the Chinese capitalists. You know in the way that they said this is a kind of the free hospital for Chinese but now also accepts for Vietnamese. So we see that 100 million dollars invested in the hospital, that is very important as a kind of united the ethnic Chinese around the association and this is a very important as I said that the Bang is very important. The Chinese those who are now no longer autonomous, they still try their own space to do business through the network of Bang. And the second, I think that the Chinese business is more internalization or ethnic integration and this is a something interesting if we look at other ethnic groups tend to be more integrated to nation states. But the Chinese ethnic, even now they are ethnic

minority but they tend to work among themselves. You know I called ethnic integration better than national or nation state integration and this is, I think, the number one, very important because the trend of internalization of ethnic integration through Bang association system and trade relations. So the transnational ethnicity is more important than the nation states for the Chinese businessmen and I think they have that kind of advantage that is living across the border in the region. So they are creating the networks and they can support each other very well. And I think without this kind of networks, the Chinese in Vietnam could not survive and expanded as strong as it is today. So I think this is a very important that the trade relations and ethnic integration are more important. I think this is for a longtime, why they always struggle to keep the Chinese citizenship but now they want to claim the Vietnamese citizenship as a way to adapt to the new situation. But identity, Chinese identity is very important for their business and I think that they support each other through the kind of informal organization like Bang is the most important. The last discussion I say is the rule of regional and transnational networks. As I said that the Chinese capitalism in Vietnam almost gone after 1978 economic reform up to 1990 and suddenly they have returned. We found that in all the five cases that are examined, all the money and the support from the networks, the most of the Chinese migrated out of the country is 1975 and now they return with the money. So in terms of capital flow, they went out of the country with money and now they return with their money back to their relatives and through trade relations and this is the very important and I called it as a kind of transnational networks. The reason of that network is essential for the ethnic Chinese business in Vietnam; without this kind of networks, I don't see that they can success because they don't get money from the government and they own the company from the zero as I said the working class with no capital at all. I think this is a very important network. We see all the money coming and support from even the Taiwan like British, for instance. The British, producing shoes and the sandals and now they sell in China but China is a kingdom of the shoes that they produce but now they import from the British, Vietnam, that is Chinese. But they import the techniques and technologies from Taiwan. I think like Kuki and Kinh Do, one of the richest in ethnic Chinese business, also receives the technique from Taiwan that very important: technology and capital. So they lean on their regional networks. So the Vietnamese ethnic Chinese business are connecting with the mainland and now expanded the market in the mainland of China but also Taiwan and Southeast Asia and the world. So I think the global networks, the regional networks and the mainland are the most important for survival of the ethnic and expansion of Chinese business

now. So I think I want to stop my discussion here. This is some kind of observation of the ethnic Chinese business in Vietnam, its ups and downs. I just try to explain how they can survive and how they can expand. Thank you.

Ajarn Chulacheeb: You mentioned a lot about overseas Chinese in Vietnam. However, in the past 10 years, we see the wave of the new capitalism from the mainland of China. Are they working together or are they competing with each other? That is a question I would like you to find out. Second, with the conflict over the South China Sea, you have heard about the rivalry after it in Vietnam. Were those industries or those investments affected mainly from Taiwan and from mainland China? How about the overseas Chinese in Vietnam? Were they affected or not? Why? If not, why? Do the people make distinction between overseas Chinese Vietnamese or overseas Chinese Chinese? Or whatever? I would like to hear your comments.

Assoc. Prof. Dr. Siriporn Wajjwalku: I have several questions, first regarding to your methodology. Actually, you are going to interview five big families. I am not sure because we would like to see the proportion and sample of the whole population overseas Chinese, I mean that you are going to study. So I am not sure five families can be the representative of that or not? I mean if not, if the sample size is too small, then it might be difficult to draw some conclusion? I just wonder how you are going to work on that. So this is a methodological problem. Second one, I have no knowledge about transnational ethnicity. I think this is a big word, I think we need more clarification on that. Because you try to use this concept to answer the question: How come the revival of Chinese capitalism, recently, because of the transnational ethnicity? Or, I think another way, particularly, those people are those businessmen in Vietnam. I wonder whether there is a relationship between the more open economic policies of the country and the growth of private sector in Vietnam. And overseas Chinese, actually, is a part of promotion of the private sector in the country. So in fact, I wonder how Vietnamese government classifies or categorizes those Chinese who function in the country as private sector; whether they are just private sector businessmen. Whatever they are, it does not matter? How Vietnamese government look at this? Whether this connected with Chinese policy because we look at the rise of China, it comes together at the same time, I mean the revival of Chinese business in Vietnam and the rise of the China. Is there any relation or not? So, I think these are the two big things that if you can clarify in the paper, it would be very great. Thank you.

Commentator: Ok, just ask some more questions for Chinh. Can you give the picture between the overseas Chinese and the ethnic Chinese in Vietnam? The overseas you called Hoa and ethnic Chinese is Minh or Thanh the same? What is proportion, I mean how many percentages for these two groups? Why the overseas Chinese migrate into Vietnam later, I mean at the reform period? What is the reason that provided them that they came? And then you mentioned about the Ngo Dinh Diem in 1975 that there were assimilation policies. It is very interesting; it is similar to Thailand. Almost the same period, right, in 1950s. Why and what group of overseas Chinese or ethnic Chinese that Vietnamese government wanted to assimilate? And then with the last question, is that any legacy from the socialism in Vietnam even during the struggles, down to the preparation period, continue to the new practice of so-called the ethnic Chinese capitalism. Is there any legacy in this process or not? Because listening to what you said, it looks like they started similar like ethnic Chinese in Thailand. They can be started with *gongsi*, and help out and then do business and then succeed and they became bankers. It seems to be the same story but Vietnam became socialist country. So, I wonder that might be something different or not in this idea?

Commentator: I have chance to go to Vietnam once in my life. I have many friends and students from Vietnam. What they told me is that behind the success of many Vietnamese is being a member of communist party. You get access to so many things, but you haven't touched this point in your presentation.

Ajarn Yos Santasombat: Connections!

Commentator: No, many people work hard to be recognized as member of this communist party in Vietnam and with that membership, they get access to many things.

Commentator: Oh think, he is trying to find out whether the overseas Chinese are members of the communist party or have their relatives who are members of the communist party.

Prof. Dr. Danny Wong Tze Ken: Yes, thank you. I am just wondering this is the question that I think we need to possibly resolve. Not just for my part or Chinh part, because I think it also involves the entire project perhaps. This is because we use the term "overseas Chinese." To some people, for instance, in Malaysia, we will define overseas Chinese as people who are of Chinese national, be it Chinese from like Taiwan, Hong Kong, or mainland China, who reside in Malaysia or Southeast Asia. Then we called them overseas Chinese. On the other

hand, Chinese who live as citizens of Southeast Asian country, then we would normally call them Chinese Malaysian or Chinese overseas and not overseas Chinese. There is also the way that we actually called them. Therefore, even as I listen to Chinh's discussion, which is really fascinating because it has a lot of similarities and differences with my paper. But, at the same time, I cannot help noticing the fact that we have this terminology issue: ethnic Chinese, overseas Chinese, Chinese overseas. Therefore, for instance, in Malaysia, for many many years, we used to have a group of overseas Chinese. Chinese who reside in Malaysia for almost entire life but yet they were not citizens because for whatever reasons, for legal reasons so on, whatever, they may even be born in Malaysia, but they are not Malaysian citizens, therefore, we called that group overseas Chinese (*huaqiao*). But after so many years, this group of people more or less no longer visible because of old age, because they might say, "I've got fed up! I don't want to wait for the rest of my life for citizenship that is not coming." So they move away. So, in our national census, for instance, this overseas Chinese term is no more that. So whoever that is defined as Chinese would be Chinese Malaysian or some people may call them Malaysian Chinese in that way, so we can have sub-ethnic group, the *bang* and so on. So in the same way, I notice that in our team here, we have several of us who are actually focusing on Chinese overseas or overseas Chinese. So I think the terminology should be made clear, who do we refer to in this case.

Ajarn Nguyen Van Chinh: So may I respond? Ok, thank you for questions. I think that very much stimulating for me to formulate more to clarify my paper. First, Ajarn Chulacheeb's question, the mainland China and local Chinese working together or compete with each other. I think that the new migrant, particularly the new immigrants now from mainland China now to Vietnam, to Laos, to Myanmar, to the Mekong Region. Generally, it is now about three million, it is quite big with a lot of money from mainland China. So they come with the money, they do business with the support of the government. So I think the government of China. So, they work more or less independent but in some cases like in Cambodia, in Myanmar, they rely much on the local Chinese. We called ethnic Chinese because they already got national citizenship. They are no longer Hoa Kieu. But there are some ways like the new migrant from mainland China get married to local female Chinese and they get network to penetrate to the society. So they can register, they can run the business, they can purchase the estate. I think this is some kind of cooperation. But, sometimes they also compete with each other. So they work together and sometimes they

compete with each other. But sometimes they feel so worried. You know like we talked to the ethnic Chinese in Vietnam; they always say that they have nothing to do with the new immigrant. In fact, because of the network, they continue from the history but they just try to refuse that. I think that there is the political reason rather than the economic. So, I think like in Cambodia case, the local Chinese association now is officially recognized by the government. And facilitated the business of the new Chinese immigrants, so they set up the association, the new association that is recognized and accepted by the Cambodian government. So they can do business together, because the Chinese business if we talked with the Chinese businessmen, they always think that they can do a good business with the back door. And they have no access without the local Chinese. So sometimes they work together particularly now the Chinese become a main supplier, become the middle man, and become the broker and they cannot work with the higher ranking government officer without support from local Chinese. I think sometime, they cooperate with each other. In certain way that they refute the relationship, even they claim that they are not Chinese, they are Vietnamese. So it is very interesting to see the new development, the Chinese, the new immigrant Chinese, for local or ethnic Chinese. For a long time, the Chinese business in Vietnam from the colonial time. They try to stay away from the political involvement. So in Vietnam, we see that no Chinese in high ranking of the politician. This is different with the Thai case because in Thailand, they already assimilated, they already integrated and then become Thai Chinese. But for the 100 years in Vietnam, the Chinese stay neutral. They not support for the Vietnamese, not colonial like American or French. I think it is strategy to protect their business because they worried to be nationalizes, to be mobilized as capitalists. So they try to be Hoa Kieu rather than the Vietnamese. And this is until now we see in the politician list, we don't see any ethnic Chinese. It is a long story of Vietnam, it might be much different from Thai or Cambodian, or Malaysia, or Singapore cases. So this is a kind of involvement in political. As I said they give money to the politicians, as brokers, as middlemen, to do business but they don't want to be involve, as in the question you raised, to be the communist party, you have more power. But in fact the reason we see in Ho Chi Minh City that there is less than 200 communist party members who are ethnic Chinese. It is very interesting that the Chinese power is not political power but money, the money power. So the Vietnamese communist party try to admit more Chinese into the communist party members. But in fact, the ethnic Chinese doing business in Vietnam that they use politics but they stay from being nationalized. I think that they also want to get support from the mainland

government in Taiwan rather than the Vietnamese government. So I think this is more important because they experience for a long time that they are so scared of assimilated in the nationalization of their property. I think transnational ethnicity needs to be clarified. I think the Chinese do business together based on some kind of network or I say that it is a kind of social capital. Number one is kinship, number two is a kind of good friend or trust and number three is the same language dialect like Teochew, like Hainan, Fujian and when they speak the same dialect, they feel like brothers. I don't know, I think now professor Danny Wong now working on Hakka and Hakka in the world are friends, brothers and sisters. It is very important for that kind of language dialect that they work together and this kind of, they don't care whether you are American or Fujian or Vietnamese or Singapore Fujian. The thing is that you speak Fujian and they work together. This is very important for the Chinese business and I think this is the transnational. It is not Vietnamese or American, the most important is, I called it the kind of identity. It is very important for them and they also try to strengthen this network and now we called social capital. They try to do business together, they try to support each other. A kind of promotion and this is to strengthen the social network or we can call it social capital.

About the methodology that Assoc. Prof. Dr. Siriporn Wajjwalku raised, I think the number one we have to look at the general context. We don't based on the case studies. But we have to look at the context, the context that from long history and historical perspective from the colonial time, the American time, and the Communist time. And if we want to see deeper at how Chinese business functions, we have to look at the case studies, we can just talk generally. So the case studies are to see how the Chinese businesses work. I think the case study is more important because when we talk about the ethnic Chinese, not all Chinese are rich; just only the cases that they work and they can follow. I think this is more important to see some specific cases. So as the combination, the kind of the overall looking at the Chinese business and the case studies. It is to see how they work in that context. I think that not the kind of representative. But it is only to see, to find out. I think the private sectors, the government, how they react to the China's rise in business, I think for the Ngo Dinh Diem time, the American time, and the communist time, all the governments show the feel like threatened from the Chinese business because the connections with Taiwan, connection with Hong Kong, connection with mainland. In fact the Hoa Kieu crisis 1978-79, during the border war. There were 300,000 Hoa Kieu were called to return back to China and then to

Taiwan. This caused an economic crisis in Vietnam. So, that was not only economic but that the Chinese were united in the informal organization as the Bang, as the association. So they publish, the education, they support each other as I said the hospital, education, newspaper. That's why the government of Vietnam so scared that they prohibit the Chinese to publish the Chinese language newspaper, magazine. But in Cambodia, they are encouraged by the government, so they return just like the French colonial model of Chinese association, they publish, education, and hospital. But in Vietnam, they are nationalized like the hospital, education, not allow to function; now they still function but just like the civil society, NGOs but it is not recognized by the government. So I think the Vietnamese government so scared, they have to take the eyes on over the Chinese. One way, to encourage the Chinese business, they need the Chinese business particularly now as I said 60 percent of the production in Ho Chi Minh City is very important. But they always also take an eye always on Chinese business. That's why the Chinese, the Ethnic Chinese are not happy to be nationalized, not happy to be Vietnamese ethnic citizenship. I think the comments from Danny now is also good about the concept and terminology of overseas Chinese, ethnic Chinese. One I talk about the overseas Chinese, mainly I mentioned about Hoa Kieu who try to keep their national citizenship. It is better to refer to the marginal or stateless people but they said they give the Chinese citizenship but no passport, no connection even many generation. They live like Singapore generation to generation but they are not Malaysian, not recognized by the Chinese citizenship. Particularly, 1979, 300,000 Chinese returned country under the goal of government. But they are not defined as the Chinese citizenship, they refer to this Chinese as the Vietnamese and until now many Chinese we visited in Guangxi have no Chinese passport because they are defined as the Vietnamese. This is very kind of special way to look at these different things. I think we use the term that depends on the specific context. But now we also see that the new migrant, before we called like Minh and Thanh people, as I said, Minh is already integrated become Vietnamese, we called Vietnamese-Chinese. In that case, we can mention them as ethnic Chinese because they get citizenship. But when we mentioned about Thanh people or the Hoa Kieu. Now in Vietnam, the old local Chinese are no longer Hoa Kieu but they already ethnic Chinese because they are already in inclusion into the nation-state. So they are no longer Hoa Kieu but they are ethnic minority. But the new migrants are coming in, millions now are coming, like in Myanmar, million in Cambodian less than million. But I think more or less, in Vietnam and Laos is quite the same. 700,000 are new migrants and they are Chinese and we use the term "new Chinese migrants" but in

fact they are Chinese citizenship. Some cases in Cambodia, for instance, they want to have Cambodian citizenship to facilitate their business but in case of Vietnam, they are so scared to be citizenship. So they only get married to get access into the networks. So the new migrants, we have to find the term, it is not only the old one; the overseas or ethnic. Now new migrants, we don't have the term to refer to them yet. They are Hoa Kieu, they are not Hoa Kieu. Because they will be residing for a long time in the country by now like Vietnam, 20-30 years by now. They reside in the country doing business. It is a very interesting; again come back to the concept I like to mention, is a kind of stateless. They give the citizenship but they are not under control of the Chinese mainland government, not do the kind of obligation, or duties like the citizenship in Vietnam, Cambodia or Southeast Asia because they are not citizenship. So, I think we have to find out, I agree that all of the questions. I hope that satisfy more or less. Thank you.

Ajarn Yos Santasombat: If terminology is concerned, I think we can talk about it more. We can use ethnic Chinese to refer to Southeast Asia Chinese who have stayed and to a degree, have adapted, or partially assimilated into the host country. For the new wave, we can use terms like PRC Chinese to distinguish the new wave of migrant. If anyone else has a better term, please, as far as the overseas is concerned, I don't think we have many overseas Chinese left, in case we want to use this term in the paper, maybe we can define it.

Commentator: This kind of question also kind of relating to my work as well. I think the role of the overseas Chinese state also key in the definition of who get to be or we are saying that Chinese diaspora or Chinese national overseas. I think the new migrants that are coming to Southeast Asia in the past 10-20 years now have the different relationship with the Chinese State than the overseas Chinese we know over 16th 17th to 20th centuries. For your consideration.

Assoc. Prof. Dr. Siriporn Wajjwalku: I am not sure that it is a problem of terminology, or the problem of unit analysis. I mean term is also important, but at the same time your question also raises the unit of analysis. Which group sample that we are going to study? In order to answer Ajarn Yos' question, because actually when we talk about the capitalism. We are going to see Chinese capitalism. This unit of analysis can be at state level and sector level but what we are going to study is more micro. But I am not sure that this is the thing that the project has to clarify. It is just only the term but it is the unit of analysis.

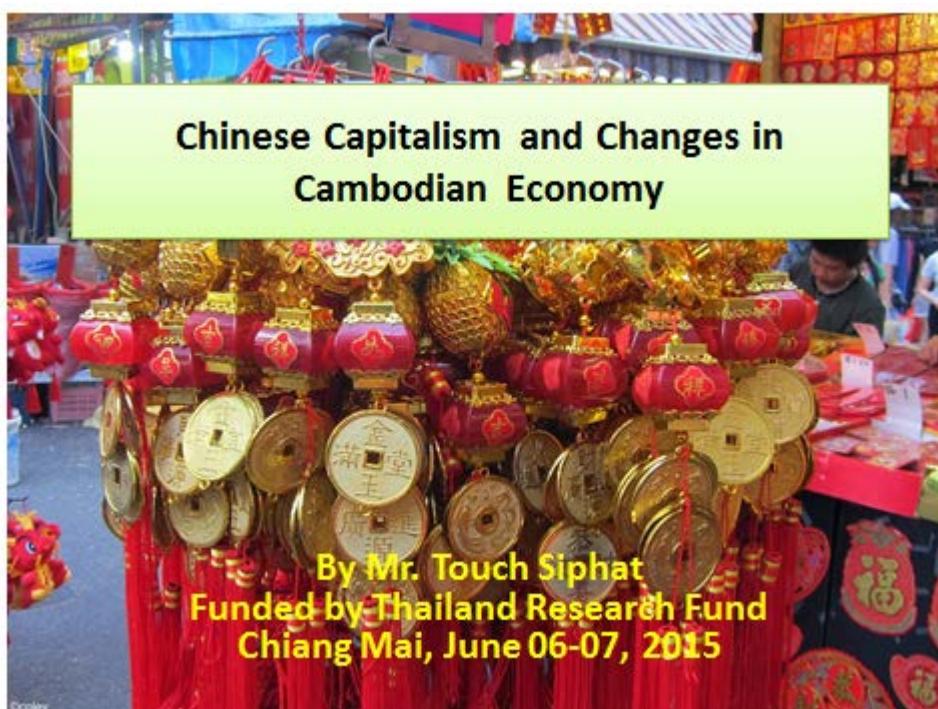
Ajan Yos Santasombat: We look at local but we think global!

Ajan Chinh: We work like a kind of historical perspective but we don't have one term because we have different meanings.

Commentator: I think the situation now day are quite complicated, not as simple as in the past. I think we should have to clarify and redefine what we mean. I think we are looking at both the overseas Chinese and the new PRC Chinese migrants. We have to separate quite clearly.

Ajarn Yos Santasombat: Ok, I think we need to move on, thank you Chinh. So we move from Vietnam to Cambodia.

Mr. Touch Siphat: Good morning, let me start my presentation. I think my presentation is might be similar to Dr. Chinh's presentation.



A lot of similarities. And this picture you see in general, you see, maybe come up around two months before the Chinese New Year and they decorate and sell all kinds of things around Phnom Penh city as well as in urban area around the city. So what I am going to present it here is to see the Chinese capitalism and changing in Cambodia economics by looking the kind of historical perspective. As we see this cartoon, just recently posted in local media, we see that the foreigner seem confused: is it Cambodia or China? Because

every activity during Chinese new year times or around the city we see like a symbol of Chinese identity in the country.



Then we say that Chinese is minority group of Cambodia citizens but if we look at the city in the town, in every urban area, they seem to be the majority group in the urban occupied the business sectors that we can see from other information. Actually, we found that, many of them came with nothing, escaping from their original place of China, where were facing war, political problem, and poverty, to seek a better life in other countries, including Cambodia. That refer to the 4-5 centuries before after the decline of Angkorian civilizing, we found a lot of Chinese migrants just coming through Vietnam, the central of Vietnam (kingdom of Champa) and it came down to the kingdom of Cambodia.

This we found that in the new country, they are just a new migrant, the new comers, it seems those people try very hard to survive because they came with nothing. They are very poor actually. Most of literature saying that they came because of the poor in China at the four, five centuries ago and those and they did everything and worked hard to make a living in the new country in Cambodia as well as in Vietnam, in the region. Then, from that hardworking, I think they learnt how to make benefits as the local Khmer people, who were long time influenced by Theravada Buddhist education, were peasants, working on land for subsistence only after the Angkorian era. We see Cambodian context was very poor as, we say, the

country ruled by the weak king in that time. And then we can see that the long term Chinese settlers and their descendants born in Cambodia were recognized as Cambodian citizens, actually. This group of people has generally we see that they predominated in commercial sector since 17th century up to now. So just going to identity the Chinese people in Cambodia for this paper that in Cambodia, we found 5 different ethno-linguistic groups among Khmer-Chinese which include Teochew, Cantonese, Hokkien, Hakka, Hainanese and the majority is Teochew ethnicity right now in Cambodia.

This recognized as the Khmer word which difficult as Khmer Chen- ឆេះ”, it mean that Chinese-Khmer, Chinese-Cambodia or Cambodian-Chinese has been defined as: First, we see that “raw/original Chinese”- [Chen Chhoav- ឆេះខ្មែរ]; who migrant from mainland China and most of them almost 100 years old, more than 80 years old, more than 90 years old but they are speaking Khmer not fluently still in Chinese accent. This Cambodian call [Chen Chhoav- ឆេះខ្មែរ]; Chhoav which means original Chinese from China. And the second we found that the “Chinese descends” or local word we say that [Kon Chaov Chen- កុងចាត់ខេះ]. It means the people who born in Chinese family but in Cambodia that we can found the first generation and the second generation, even third generation. It is still practiced in Cambodia context. And another, we can find that “Mixed Khmer-Chinese” or local term we called [Kon Kat Chen- កុងកាត់ខេះ]. Kon Kat Chen, it means mixed blood between Khmer people and Chinese. This is in the local term that generally used long time ago and until now and I put in Khmer language in order to easy to remember.

So it is how we can recognize that is the Chinese descendants, or the Chinese family, or mixed blood Chinese Cambodia or Chinese-Khmer. In generally, if they are strongly keep connection with the Chinese identity. This is how they display the ancestor altar and also they put some wisdom words on the wall or their doors of entrance. It is very common that we found it in the urban area when we enter any house, we might see how this underground altar that shows Chinese god that take care of the home or the family like that and after that, you will see the ancestral spirit put in their Chinese characteristic that you see in this.



Recognized as a person or a family as a “Chinese” or “Chinese descends” by that person’s or family’s belief such as displaying an ancestor alter in the house, adorning spring festival couplets on the doors and practicing religious event according to the Chinese calendar

Then like what I explain, I don’t need to read this one. And another as identified for those who are Chinese, you can see at the Chinese New Year time, the spring festival. No matter, in the city or in the rural who are Chinese descendants or Khmer-Chinese or even if they are not sure if they are Chinese or not but they just practice from the old generation and they just continue practice as a kind of Chinese New Year.



Celebration Chinese New Year



And in this picture, this lady actually in the rural area in Kampot province, and this year she celebrates some kind of Chinese New Year. So they have many kinds of food in order to celebrate the Chinese New Year. This is in the city and mostly they are rich, they put many things and look very nice and they spent a lot of money also but this is the Chinese way. In the public space, during three days of Chinese New Year, we see a lot of dragons dancing event in the Royal Palace, high ranking, luxurious houses, and even in some most of the business houses around the city. They invited the dragon-dancing to dance at their stores and houses. This is common and we can recognize, this is Chinese descendants or ethnic Chinese.

Also we go around the city, we see many shops or many companies that they put Khmer language and Chinese language and even some, they put English language. So they used three languages on their company's signboard to tell everyone that is their company.



I took these pictures last few months during Chines New Year and we see at this part what we called Orussey Market and we see this altar. This market today at that time, is very quiet. Do you know why? Because this is at the Chinese New Year Day, the second day, the market around the city just closed, only the shopping malls still open, but many companies, many houses, and they just closed in order to celebrate the Chinese New Year. That Phnom Penh city, especially, very quiet abnormally because people they just come together and they

celebrate in the family and then they set up plans just go to make a tour around the country or maybe abroad also. And this Phnom Penh is very easy to travel. And you see this part, even we see the bar or what KTG, karaoke also they decorate with the Chinese symbols. And this group of dragon-dancing just travelling around the city in order to make the ritual for the people around the city.

The 2015 Spring Festival hold at Diamond Island in Phnom Penh



This year, they come together to the Khmer local Chinese from China with the support from Chinese embassy, the support from Chinese association; they celebrate together the Chinese festival in recent year and invited Prime Minister and his wife to join to oversight the celebration event. And also other identification in every year, especially, in early April, we found that many people they come together and they go to their ancestor graves in order to respect and celebrate every years and I think we called “Cheng Meng.”

annual at-grave- ancestor worship (Cheng Meng)



This one is in my district just like a normal or rural people but not a better family. We can see this one, as I know, he is a big businessman, we can say a middleman, or a middle class in Cambodia but in their families, many of them work for the government, but they have their own companies which have connections with the government. And we see they celebrate very big and put many things for “Cheng Meng.” And this one is very nice and it belongs to the high ranking official of the government and his father came from China. We can say he is a first generation in Cambodia and he is now in the high ranking in the government. So it means no matter Chinese, in every sector in Cambodia from past until now.

Moon festival also represent people in the city is very busy. Selling cake for moon festival and celebrate but these three traditional practices still very active in Cambodia. But it is still some other people who are not so close, they just leave it out but some people who is very close to the Chinese, they still celebrate.

The Moon Festival



This is a wedding ceremony; actually, he is my friend and celebrates his niece married and his mother. You can see in the background; they have some close connections with the Chinese or identity Chinese and Chinese ancestor. So the background is designed with the Chinese characters there. He is not a big businessman but he is a government officer. If we say that business is just only in the business sector, it is not really in that way but many people in the government or in the working class. And even in the funeral celebration, we will see if they are very close to the Chinese, they have their own way of celebrating of the Chinese. So we see the Chinese population in Cambodia that they refer to the Chinese descendants or Chinese who migrate from long time ago that we found that in late 1980s, the Chinese migration was the minority in the city, in Phnom Penh city.

wedding ceremony



funeral celebration

In 1897, the Chinese population was majority with 22,000 p of about 50,000 p, followed by Khmer 16,000 p; VN 4,000 p; and French 400 p. This is in colonial time and during the late 1960s, Chinese were the largest ethnic minority with an estimated 425,000. But, by 1984, there were only 61,400 Chinese left. From those periods of time, even they are migrant long time and stay in Cambodia already recognized as Khmer citizen or Cambodian citizen by force independent government, King Sihanouk government, has enact a law in order to recognize that those are living in Cambodia long time ago and more than five years and they can speak Khmer in sufficient and pay some amount of money can be a Khmer citizen. Right now, the estimation is about 1 million ethnic Chinese in Cambodia, but that include the recent migration also that go back and fro to China. This is estimated by the Chinese magazine. Chinese language magazine, they published in Cambodia. They have Khmer economic magazine but they published, owned by Chinese people. They published in three languages, Chinese, Khmer and English.

So right now, we go to see the kind of the historical perspective. We can see the Chinese destiny in Cambodia is changed, maybe similar to what Ajarn Chinh just said earlier. So first we found that the progression rises up in that we will see that before the French era, Chinese people played an important role in Khmer's economic, getting rights to collect national revenue from farming activities, to monopolize businesses on gambling, drug, alcohol, fishing and logging till arrival of French colony in 1863. And then French just exercised to

control those Chinese business by not allowing them to control the rubber plantation and mining but they could run all kind of business such as teachers, hotel owners and some other businesses. And in in this paradox time, it seems much rise in terms of education. More than 50 Chinese schools have been set up in Cambodia and we found that the teachers often were recruited from China and brought new ideas from mainland China. We found that the Chinese students, Chinese descendants study at there about 4,000 students study in Chinese school but some schools still exist there. It is not so big, it is a small, small school that just one building at some places.

We can see that each dialect group had its own congregation, they have their own Bang, their own, since 17th century and this social organization recognized by French when French coming to Cambodia. Also we found in that time, some media publications, some Chinese newspapers in public space were around. Coming to the post-colonial regime in the independent regime, the Chinese community still have significance in economic and political powers. And that we see that the culture practice business oriented and education simply continued, although the government enacted the law to limit 18 businesses to foreigners that include Chinese in 1956 in the purpose of taking some kinds of careers that used to be under control of foreigners including Chinese to Cambodian people. Because Cambodian people, as we know the long history, they are very much influenced by, what we termed in theory, of the work on the farm. So right now, they try to kind of restructure the business sectors. But most Chinese companies in Phnom Penh controlled import-export businesses in this decade where we found 267 out of 346 import export companies were Chinese companies.

During the 1960s, the Chinese community affairs handled by the Chinese what we called Hospital Committee in Phnom Penh, and this organization set up in order to fund and administer a hospital established earlier for the Chinese Communities. But this area now become more than building, it becomes 42 stories building at that place in the middle of Phnom Penh city. This committee was a largest association to shift from the colonial time, of what we called in a different term but now we called association of Chinese. And mainly, who is set up the committee and who is surrounded the association are the Chinese merchants, the Chinese business people. And it was required by the organization's constitution to include on its 15-member board, representatives from all five dialects.

By 1967, there were about almost 200 Chinese schools in Cambodia and the number of Chinese students registered reached 25,665. In Phnom Penh alone, there were 27 Chinese schools with 11,350 Chinese students register for school. And also, newspapers were very active; newspapers in Chinese language at that time also active, there were 5 Chinese newspapers were found in Cambodia (Two were of Teochiu and three of Cantonese) including Journal of Trade and Commerce, Mekong Daily, Khmer-Chinese Daily, the express and afternoon news. However, by 1970s, the political situation changed in the region. As everyone knows clearly, the new government, what we called pro-U.S. regime of Lon Nol, considered China as dangerous threat and started forcing the closure of Chinese schools and newspapers, requiring the Chinese people to carry special identity papers, imposing special taxes on the Chinese and moving towards denying them Cambodian citizenship by accusing them of spreading communist propaganda. But, they still found that the commercial activities that continued from the previous regime and still occupied in the hand of Chinese ethnics in the urban area.

Coming in Khmer Rouge, the Khmer Rouge was really depressed for the Cambodian people, this coming regime that Khmer Rouge's interpretation of Maoist communism that allowed them to believe that they could create a classless society, simply by eliminating all social classes. No market, no business people. Everyone has to work collective farming, and ate communally at the rule of community. Everyone has to work on farm, no market, no money, no everything, no culture of practice, no monk, no pagoda (no wat) at that time. So everyone has to work on farm that is affected very much on people who living in the city long time ago. They don't know how to do farm, they just know only the way how to sell to make money. But when they work on farm, it is very hard on them. And then we see that in this regime, "Chineseness" reduced to an almost nonexistence. No one can say, Chinese. They just hided their identities from authority because of the Chinese were certainly the biggest part of the urbanized population, of that were classified as "capitalists." The capitalists are not in the regime' favorite because they want to make the classless society. Then we see in the picture of the city in the early 1979, Phnom Penh city is nothing, this is Phnom Penh city in 1979 after liberated from the Khmer Rouge regime.



Of course in the Pol Pot, in the Khmer Rouge regime, people have to work by their hands, nothing to do, by their hands to make canal, to work on farm, to do everything by their labors. The Chinese people who dominated in the urban area before, cannot persist with this work. Although the Khmer Rouge was defeated in 1979, the Chinese were not well recognized by the government supported by Vietnamese government because the regional political trend at that time is changing.

In terms of political, as we see that before the 1979, there were two axis connections: Beijing-Phnom Penh and Hanoi-Moscow. After 1979, there was a triangle: Hanoi, Phnom Penh and Moscow. So how China can tolerate with this? China just turned into the US. Then we see that in 1979, President Deng Xiaoping went to Washington and declared that China was going to teach Vietnam a lesson. And soon afterwards the Chinese began shelling Lang Son in northern Vietnam. Then we see that for more than 100,000 Vietnamese soldiers in Cambodia that ethnic Chinese were at the back potential traitors: they could not enter the party, but worse than that, they could not practice any culture and commerce and the towns were forbidden to them. I think it is similar cases in Vietnam that you said earlier at this time also. They were very strict to the Chinese Vietnamese population like Chinese ethnic in Vietnam also because the political trend in the region.

Throughout 1980s, Chinese were often forcibly prevented from returning to their former houses and Pol Pot regime or Khmer Rouge regime. They just moved all the city people out to work at the rural area. After liberation, some people just tried to move back to their

original houses, their old house but it was prohibit. And in that time, Chinese was not spoken; because they need to hide their identities, otherwise, they would face some problems and even their Chinese names. I know many high ranking people now, their names are Khmer name but actually they have their original names, is the Chinese name if we go deeper and dropped their named at Chinese schools continued to be banned. However, in the months following the liberation, many Cambodians were travelling back and forth over the Cambodian-Thai border because of many problems that happened inside of Cambodia. Many people just migrated out and they took opportunity to buy foodstuff, utensils, clothes, electronics and other consumer goods into some places or somewhere else. We found that those are active in this smuggling, actually, the ethnic Chinese who used to be the big business. They know the way to gain the benefit to take this opportunity. Then we can see that the ethnic Chinese revitalized in the Cambodian context. Everything began changing again in 1989 that regime is private property was acknowledged and the private commerce also was allowed. We see that from late 1990, the gov't tried to improve the freedom of the Chinese communities but in line with efforts to improve ties with Beijing government and to distance the Khmer Rouge from China's patronage because, after liberated, the Khmer Rouge just occupied along the border between Cambodia and Thailand and got some support from the Chinese government through the Thailand.

This Chinese association just reestablished in 1991, so we can see the Chinese were given a green light for formation of an association by the National Assembly Chairman at that time, and he is now a Chairman of senate of Cambodian and the head of the CPP, the ruling party. So this association has their 22 branches around the country and representative offices around 140. Its function has been as the top of the institution of the Khmer-Chinese that covering all Chinese associations to benefit all Chinese throughout the kingdom.



The association was set up at three different levels, including the Khmer Chinese Association, Associations of Chinese Dialect Group, and Family Name Asso like Ing, Lee, Lim, Gov, Chhor...etc.

It also beside the Khmer Chinese, it's representative all Chinese ethnic and they also have Chinese ethnic and they also have Chinese dialects association, five dialects that I also mentioned. Also they have many family members, family named association. This is the Lim family named association. There are many, not only this one.

Then we found that the rise again of ethnic in Cambodia, the Chinese school is up to 75 schools and more than 40,000 students enrolled to study in the Chinese school, but this time is complicated, complexity in the Chinese. Because the people who enrolled in the Chinese language school is not only Chinese ethnic but many Vietnamese in Cambodian, they also enrolled and some Khmer children also want to study Chinese for they see the opportunity to work with the Chinese companies come in so many but for Vietnamese they try to claim themselves as the Chinese some of that in order to hide their identities because Khmer people and Vietnamese people is not really associate actually up to now.

We see also newspaper, magazine also published in the city for those Chinese ethnic as well as the Chinese investors, the newcomer. The Cambodian-China friendship radio, also TV they have in Cambodia. They have their time for advertising some information. Khmer-Chinese have been moving forward prosperity and establishing a council of "Oknha," - Tycoon, a title granted by the King that often bestowed on businessmen who have contributed large sums of money to the government, at least one to two hundred thousand USD to the government. Then at least we found that from 1994 up to 2014, a list of Oknhas up to or more than 704 Oknhas (Tycoon) and most of them when we scrolled down and we see the name and look at the company and most of them are ethnic Chinese. Then we come

to here is about the characteristic of Khmer Chinese. What I found that Khmer people always say like that “Be careful of Chinese cheat [ប្រយ័ត្នទាញពាក់ដី ឬប្រយ័ត្និនក]”, it means it come to the mind of Khmer people of many generations because what they think emphasize that Chinese people dishonest, unfair in doing business. It referred that Chinese merchants have a trick in doing business in order to gain more benefits as much as possible from their customers. So they get cheat around to buy the cheap thing, in the selling in the high price. They try to convince you to borrow some money in order to return with the high interest. That is happened around the country since centuries ago. That why it comes out with this idea and most of earlier Chinese immigrants were male. They took Khmer wife in order to trade, this is in Angkorian civilizing but later on, after on we see the decline of Angkorian, they see that Chinese gain more opportunity to expand their traditional role due to growth of European consumer market and development of world network and in 17th century. This is the role of Chinese woman in Cambodia the early twentieth century led to decline number of intermarriage and a separate Chinese community was rise, at its most apparent in the city. This is perhaps a part of what the common local people saying that “Chinese approaching marketplace, while Khmer approaching ghost-[ទេរអង្វែង នូរអង្វែង].” What is the old people telling me that many denoted the Chinese generation just come nothing and they rented a house of the local people to sell thing, to make a business, to trade in the village. Later on, they gain enough money, they buy land or even they buy their houses to set up their business stores and then the owner who usually famer just move from the central village to settle the new house nearly the farm land or even open to set up their lands to be house rent. That’s why move to the ghost area, not to the populated area. Then the Chinese descents, Khmer Chinese or people with Chinese blood; or even Khmer People, who were interviewed, recognized that “most of Chinese people work hard and don’t spend much money, but save it for every cent.” I think perhaps reflect in the poverty situation that they were experiencing in their life in China in some centuries ago. This is like what general Cambodian people saying that “Chinese has only one leg of fermented salty crab, he/she made his/herself to be able to arrive in Cambodia from China.” This is very common when we refer to the Chinese people, they said Chinese people is very much stingy and very save everything they eat only one leg of crab, they can travel for many months to be to survive that it is existing in Cambodia.

Naturally, I think the people who decided to take risk in going out of their homeland because of poverty and some kinds of hardship. I think it generally that they have to work hard, not

only the Chinese people but other people also because they have nothing. They have to work hard in order to survive and then from their working hard, they might learn, they will try to make a better living standard. This is a way of human being. With this characteristic and missing competition of the local people in commercializing system, centuries ago, due to Khmer people influenced by “Theravada Buddhism” gave a great opportunity to Chinese people to occupy the commercial sector of the country until now. As long time commercial practitioners, Chinese people gain much experience and created their own ways of doing businesses such as trust, saving, hardworking that you can recognize for independence and family royalty and the most importantly, they have connections with high ranking people, patronage arrangements with the state that we see before French, until French and right now. This many Okha conned closely to the high ranking people.

These family business practices somehow have brought those wealthy businessmen to be the Oknha that we can see this title given to Chinese people since before independent till present time. And those knowledge and experiences have been passed down to their next generation. Like a man born in a better-off Khmer Chinese proudly said that “If you are raised in a Chinese family, you are definitely raised to be businessman; not for working class.” This is the way of Chinese ethnic themselves, they respond.

So currently, those typical Chinese business systems seem to be transforming in the Cambodian context of technological moderation, economic globalization, and education improvement in the country. We see that young generation seen as more professional style of doing businesses. They do not want to have anything to do with family business practices or informality in business conduct. Practices like family business, informal networks, and patronage arrangements with the state are seen as belonging to the older generations. The change is also a part of international agencies, investors, and NGOs who advocate notions like transparency, accountability, and good governance. In addition, the blooming of four, five years ago, formal banking system and financial institutions, which are sources of capital to run and/or extend their business, that encourage them be more professional conforming with international standards, like setting clear management system and accounting as well as hiring employees rather than using only family members and working hard by themselves. But they can expand. I came to the conclusion:

- Chinese ethnic groups have been playing an important role in the Cambodian business sector as well as within Cambodia's political scene since early to presently.
- They are estimated to own a vast share, it is difficult to find the statistics to show of each tycoon or business people. How much they controlled the economic but we just think that if we look at the top 10 tycoons. Most of them are the first and second generation of Chinese in Cambodia. And they have the big company and they have the multiple company that they have share from other like China, New Zealand from somewhere else that they have share. Of particular note, we can see is the combination of Khmer-Chinese's commercial experiences and knowledge, trend of regionalization and globalization of economy and China's economic role in the country gives a great opportunity to Sino-Khmer businessmen to establish their businesses in Cambodia. These I can say, many young people, they can speak Chinese and they can set up import and export company and mostly they work with the Chinese people around the region from Singapore, Hong Kong, Taiwan, mostly in mainland China.
- Those powerful business tycoons become backbone for the new Chinese businesses due to them have a very good connection with the Cambodian powerful groups, even most highly government official that have background as the Chinese. So some of them still speak Chinese language in communication with Chinese people. This success actually learnt from survival strategies, many centuries ago, and developed to be their own “family business” and passed down to their new generations.
- Of course, it is not possible to say that the Chinese people are not inherent in their culture—work hard, trust based on blood ties and personal relation.
- But, it should not ignore the experiences of Chinese communities and individual Chinese entrepreneurship under specific and different economic and political conditions in Cambodia. However, the new generation seem pays more attention on international standard of doing businesses, like setting clear management system in order to set up the computer, even they have many branches of their business. They don't need to go to control of their business, they just control from their internet, camera new system in order to develop their business. This also should say in the context of Ajarn Yos' mention that in the context of the Southeast Asia, this new

generation say that they are ready to do business cross border, in terms of language (English and Chinese), education and applying some kind of technology can we say that they ready to do business across the border that is ready for ASEAN economic integration, also for some new generations and we see some company already extend to Myanmar and Laos from those are actually their background are ethnic Chinese. Thank you.

Ajarn Chulacheeb: I found it is fascinating, enjoys very much, and you give all the socio-cultural explanations about the Chinese in Cambodia. But I think from the next six months from now I would like to add the economic dimension of it whether what's sectors, banking sectors, agriculture sectors, manufacturing sectors that oversea Chinese has been involving. Export and import. I think that will complement historical about overseas Chinese. Second, your presentation also inspire me, I think the one is terminology that we have been questioning. I would like to propose four terms. The first one use in Thailand or Cambodia, for example, for **overseas Chinese in Thailand and Cambodia**. The ancient time people now that are Chinese, they are now very few, the overseas Chinese in Thailand or in Cambodia. The second one is **Thai-Chinese or Khmer-Chinese**; these are maybe the descendants of the oversea Chinese who still maintain the Chinese surname: *Se Teaw*, *Se Ung*, or whatever and they still practice the Chinese culture for example “Cheng Meng” or the Chinese New Year or whatever. The third term is **Chinese-Thai or Chinese-Khmer**, they are now becoming assimilated, and they are becoming Thai or Khmer citizens now. They know that they having relations with overseas Chinese but they know longer practice like me. I considered that I am Chinese-Thai, my father maybe Thai-Chinese. My grandfather is the overseas Chinese. The four term, I would say **Chinese Overseas** and Ajarn Yos say PRC Chinese but to use PRC Chinese, I don't think PRC people like it very much. So using Chinese overseas or Chinese migrants, which mean that the new generation of the new migrants. So these four terms, I put on the table for you to discuss. First, oversea Chinese at the ancient people and then Thai Chinese that still adopted and practices all the Chinese culture and still have the same family named. Go to the Chinese association and then Chinese-Thai or Chinese-Khmer, now much more assimilated. Cannot speak the languages but still concern themselves to have some connection and then Chinese-overseas. The newly migrant from PRC China. I think this is what we are going to look at in the paper. By the way, I like the way you present by talking about the social cultural aspect looking at the

social institutions, school, hospital, association that are very interesting but economic activities should also add on. Business, manufacturing, import, export or banking that would make your paper comprehensive and also complement to the social and cultural dimension.

Commentator: Ok, I just followed by Ajarn Chulacheeb, beside of the economic activities. You should try to define or conceptualize these activities in what way that we are looking at commercial activity. How these groups of people conduct their business, selling, doing their business or whatever but analyze on this activity. What would be their economic activity supporting to Chinese capitalism because in the end, if we break this Chinese capitalism? I still need to show off the Chinese capitalism. I think it needs to be discussed again. Anyway, we are going to look at the capitalism as a mode of production. No matter, Chinese, American, Thai capitalism. On principle should be the same, that's is system of community of productions based on labor capital relations and exploitation or how it makes profit on you, gain the wealth or not. Should have something to do in the political economy? So this concept has been bring some out or operating somewhere in this paper. We will look at this group, selling, buying this group, so what? Hundred year ago, they did the same thing. What is significant about this study? This is we want to see the new kind of capitalism emerging and this group of people who spread it. This so called mode of productions whether it is going to be new. Whether is going to be related to this or not we don't know. We depend on how much research and we collect, and find it out. So I just added on to clarify some of the answer or questions to answer or to reflect on the main theme of the main topic.

Like other one, we talked about the Chinese newspapers in Cambodia, you mentioned that there is Teochew, Cantonese, Hokkien, Hakka and Hainanese. Because in newspaper, they teach in Chinese characters. They should be the same. The Teochew-Chinese, they would use the same Chinese accent. So what does it mean when you talk about the Teochew or Hakka newspaper? It means that author is Teochew but it is not mean the newspaper, the newspaper always Chinese newspaper. That all, what does it mean?

Commentator: I think all the four categories raised by Ajarn Chulacheeb, I think there is one category that is missing. I would like to call the newly synthesized Chinese-Thai and from your definition of Thai people like you who are assimilated already and no longer *wai jau*, Cheng Meng or whatever those things. Bu then, I think there is a new generation that study Mandarin Chinese at school. Once upon the time, I have a Chinese name and then in

order to profit from the rise of China economic dominance, they refer back to PRC Chinese-Thai. But this referring to the Chinese, it is not refer to the Chinese diaspora like Teochew or Hakka. They do not refer to themselves as Teochew or Hakka but they refers themselves as Chinese and then they connect with the economic power of the people in the republic and I think that that is the growing trend, I think the issue of the identification is problematic here. And then related to the question for the presenter that I have, at the beginning of your presentation, you show us very interesting festival, the moon festival, the Chinese New Year, and “Cheng Meng.” And I was wondering, because you have a substantial gap of Khmer Rouge regime in which all Chinese are hidden, destroyed. So, I was wondering and I talked to Dr. Chinh and he is supporting your presentation that you go to Phnom Penh, you feel like it is so Chinese now but I am wondering, if the Chineseness at Phnom Penh and also the Chinese festivals that are practiced now or new fabricated mainland Chinese traditions and not the exactly, not the same as what was practiced in the Khmer Rouge time or in the colonial time. So the revival of Chinese tradition, I am suspicious, that it is much more connected to the people republic of China then it is actually connected to the traditional overseas Chinese connection.

Mr. Touch Siphat: I think Ajarn raised question related to the Chinese newspaper, actually the newspaper published in the mandarin in standard language. But what I am going to say is the rediffusion that they usually use four languages; they divide at the day time, and the night time: what hours would be mandarin, what hours would be Khmer time, and would be English. In Teochew why not in Cantonese or Hainan, the Teochew as I mentioned is the majority in Cambodia. They put this language in that program, so in the whole paper I mentioned that they have the specific time for using difference languages. In some kind of celebration of Chinese New Year or some kind of celebration. I think I already told you that up to 1990, Cambodia government tried to get close connection with the mainland China in order to distant the patronage of the Chinese government on Khmer Rouge that occupied a lot along the border Cambodia-Thai. I think in the line, it can be both, they allowed in some Chinese association, they come to set up the Chinese association. And in this year in 1991, they started to re-celebrate the Chinese New Year back since the mainland China not yet come but the ways it can be more and more in the early slide. The first slide that showing the colorful of the red that it would be a sign from mainland China come more and more and then

the people just get the chance to make a business and to make it modern than twenty years later since it is developed.

Assoc. Prof. Dr. Siriporn Wajjwalku: Actually, I think Ajarn Chulacheeb and many already gave some comments to you. I think your serious problem in your presentation. Your presentation is very good. But your problem is the research designed since the beginning. For example, Ajarn Chulacheeb said you talk a lot about the social culture but in the conclusion, you jump to the conclusion, some sentence is about economic and how it is related? What you really need before jump into the conclusion is empirical data, you don't have it now. A lot of clarification is also necessary in your paper, not just terminology but more details of that. So I think that you need to be done. Thank you.

Ajarn Chulacheeb: May I respond shortly to Ajarn Wasana. I agree to put in fifth category, which is the Thai, the young Thai try to relate into the Chinese ethnic. (**Ajarn Yos:** Maybe it is the generation gap?) Yes, to close the gap, maybe we call Chinese-Thai (me) or her can be Chinese ethnic-Thai, which a Thai who can identify a Thai identity ethnic Chinese that something that I can offer maybe. She will return.

Prof. Dr. Danny Wong Tze Ken: I still on the same issue, I think Ajan Wasana suggested something very interesting, this is something that is also happening in Malaysia. There are a lot of sino-natives; the offspring of intermarriages between Chinese and native and therefore we called them sino-native. But subsequently because of the term, affirmative action, instituted in the country, it is preferable for them to achieve to become natives rather than to identify them as sino-native or Chinese, in that sense, although many of them would have surname. So subsequently, you see many of these surnames disappeared because they would make statutory declarations that they are not Chinese but they are descended from so many generations of people. Today, many of these people, including a few of these, so-called ultra-purists, that group of people who called themselves non-natives are coming to tell me that "look, I went back to China, I went back to China to look for my ancestor core" but insofar as their case of identity is concerned, I think it is more of the heritage that is more important than identity. Therefore, in the sense of what we are discussing, which have been more legality, want to modify the Ajarn Chulacheeb. It is actually more in the way the Chinese has been defined; either to find the ways local see, local government, local authority. All of these have connection to China. I think there is a need to relooking at this. I think this discussion

both but I think Ajarn Chulacheeb's group number four. One, two, three, I agree. But number four. I think we need to discuss about this because the Chinese overseas. Overseas Chinese, as opposed to Chinese overseas, and I think today Chinese overseas also refers to people like me who is Malaysian but also Chinese origin or ethnic Chinese vis-à-vis Chinese coming from China today. We will say mainland Chinese, Chinese national. So this is a clear distinction in the way in Malaysia to call this group of people. So again we need to work on this.

Commentator: I just have some question, similar to Assoc. Prof. Dr. Siriporn Wajjwalku. I am thinking and looking forward to the next six months or 12 months when Ajarn Yos has to write his summary report. It is possible that it excludes something but for Vietnam paper, Cambodia paper, Laos paper, Myanmar have a set of hypothesis. The same hypothesis for all paper, but it is "yes" for Vietnam but it is "no" for Cambodia. For example, Chinese always make link with the elite group in the home country. It is not true in the case of Vietnam but it is true in the case of Cambodia. It is true in the case of Thailand. Chinese always engaged in the communal sector, it is true for all countries. So that we can have some conclusion, otherwise, different papers telling different stories and cannot comprehend this comparative study. Less work for Ajarn Yos if all countries writing in the same framework, Ajarn Yos will have much easier life.

Mr. Touch Siphat: Let I respond a little bit to Assoc. Prof. Dr. Siriporn Wajjwalku. What I try to show the association is a kind of social mechanism for the Chinese to support culture of the Chinese people. School also mentioned for the Chinese culture but in that they also teach some kind of business way but what we found that who is supportive of the Chinese association, who supports? Who runs the Chinese school? That is Chinese emergence that I want to say that association or school can be a place for the business networking because they celebrate Chinese New Year annually. Those are Chinese businessmen, they are coming together to support each other, to celebrate the Chinese New Year, Chinese something but who they are? Actually they are the businessmen, tycoons, who have money, who are millionaire. They put some money in the party and their business partners, they come together to make the network.

Assoc. Prof. Dr. Siriporn Wajjwalku: I understand but I need empirical data as the table to show in the family like you put in the paper that you show four families. What are they

doing? The same way that Ajarn Chinh explain, I think you have to show us like that. Thank you.

Presentation of Dr. Bien Chiang: Ethnic Chinese Enterprises in Indonesia: A Snapshot of West Kalimantan

My presentation is about the Ethnic Chinese Enterprises in Indonesia: A Snapshot of West Kalimantan in Indonesia. My talk will be divided into five sections: introduction; economic “domination” of Ethnic Chinese in Indonesia? Cases of Ethnic Chinese Business in West Kalimantan and Investments from PRC in West Kalimantan. For some parts, I will just read through my text.

1. Indonesia has the largest number of “Overseas Chinese” in the world; 8,360,000 in 2014, consisting of 3% of the national population.
2. PRC investment in Indonesia amounts to 226.09 million USD in 2009, which makes Indonesia the third largest recipient of FDI from China in Southeast Asia, after Singapore and Myanmar. Bilateral trade between PRC and Indonesia amounts to 36.1 billion USD in 2010, which makes PRC the second-largest trading partner of Indonesia that year, after Japan. Compared to other ASEAN countries’ trade value with PRC the same year, Indonesia ranks the fourth, behind Malaysia, Singapore and Thailand.

Percentages and estimated numbers of Ethnic Chinese in various Indonesian provinces

percentages and estimated numbers of Ethnic Chinese in various Indonesian provinces

| Province | Percentage to Total Population of Province | Estimated Populations |
|-----------------|--|-----------------------|
| Bangka-Belitung | 11.75% | 143,000 |
| West Kalimantan | 9.62% | 314,000 |
| Jakarta | 5.83% | 1,629,000 |
| Kepulauan Riau | 4.11% | 83,000 |
| North Sumatra | 3.07% | 415,000 |
| Other Provinces | Less then 1% | n/a |

For the **percentages and estimated numbers of Ethnic Chinese in various Indonesian provinces**, highest is the Bangka-Belitung have 11.75% population and West Kalimantan ranked the second in terms of the percentage but in terms of the population size, Jakarta has the largest ethnic Chinese community. Of course, we can always talk about the definition of the ethnic Chinese but we will come back to this later. But in here, basically, I used ethnic Chinese as Chinese-Indonesian or Indonesian citizen who has Chinese ancestry.

This table can continue to read but this is a table of FDI (Foreign Direct Investment) distribution to different Indonesian provinces in West Kalimantan. West Kalimantan ranked about the 10th in the 34 provinces of Indonesia in terms of receiving FDI. So where is West Kalimantan? We may characterize West Kalimantan as a province with relatively high percentage of Ethnic Chinese population and middle ranking as recipient of FDI in Indonesia. It is not from other web sources, it is not considered as a highly commendable place for PRC investors in general. This is, however, with the exception of bauxite mining. That's where Western Kalimantan is. And also then you may ask me why I chose West Kalimantan as the research site. Because my previous research experience was in Sarawak, it is on the side the same border on the other of Borneo and they are also close connecting the Sarawakan Chinese community and Kalimantan Chinese community. Now let's talk a bit about the so called Economic "domination" of Ethnic Chinese in Indonesia. Basically, it is one of the most widely cited and recited discourse about the ethnic Chinese economic domination in Indonesia. This is from the Australian publication, they have the "East Asia Analytical Unit" of the Department of Foreign Affairs and Trade of Australian government issued a publication entitled "Overseas Chinese Business Networks in Asia" (1995: 37-41), in which it stated: "Approximately 3.5 per cent of Indonesia's population is of ethnic Chinese descent ... Sino-Indonesian control also used in this context. Sino-Indonesian control approximately 73 per cent of list firms by market capitalization. At the end of 1993, Sino-Indonesian (who constitute just 3.5 percent of all Indonesians) controlled 68 percent of the top 300

conglomerates and nine of the top ten private sector groups.” This statement had since been quoted repeatedly by media in and immediately after 1997, and was considered one of the catalysts of pervasive anti-Chinese sentiment in the country. But the problem of depiction provided by the Australian Study just quoted above is:

First, it did not take into consideration of the government-own and multinational companies. So the word “control” is a bit misleading here. I give you the impression in Indonesia that this group of people is controlling our country. And it also implied that the Ethnic Chinese Indonesians formed a kind of group that was capable of acting in concert to mindfully seeking to control or dominate the economy of the country. Third, it failed to differentiate the big conglomerates that were well connected with the top bureaucratic officials from those village or neighborhood shops that had mostly long-term amicable local ties.

The reason we need to look carefully of the statement made by the Australian government study is that the same text or discourse can be used in the different context. And also what's considered as one of the reasons to inspire the anti-Chinese sentiments and riots in 1998. So we need to conscious about what it means? However, the high visibility or high profile of Sino Indonesia business, especially the big business. It's probably affect.

In 1993 list, we can see that it is among top ten, only one enterprise that is owned by the pri-bumi that is the general term for indigenous Indonesia population.

Indonesia's Top Ten Business Groups

(As at 1993, by Gross Assets)

| GROUP | ASSETS (Rp billion) | ACTIVITIES | ETHNICITY |
|----------------|------------------------|---------------------------|-----------------|
| Salim | 30 403.4 | Diversified | Sino-Indonesian |
| Sinar Mas | 14 623.7 | Diversified | Sino-Indonesian |
| Bank Danamon | 8 682.2 | Finance | Sino-Indonesian |
| Gadjah Tunggal | 7 500.0 | Tyre Production | Sino-Indonesian |
| Astra | 7 492.0 | Car Assembly | Sino-Indonesian |
| Lippo | 7 076.6 | Finance, Property | Sino-Indonesian |
| Dharmala | 6 000.0 | Agri-industries, Property | Sino-Indonesian |
| Barito Pacific | 5 887.0 | Timber, Plywood | Sino-Indonesian |
| Bimantara | 4 560.0 | Diversified | Pribumi |
| Ongko | 4 200.0 | Property | Sino-Indonesian |

Source: Pusat Data Business Indonesia, *Conglomeration Indonesia*, 2nd edition, Jakarta, 1994.

East Asia Analytical Unit 1995: 41

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I compiled from the various internet sources but basically based on the 2009 issue on global Asia, the top 10 conglomerates in Indonesia in 2009, we see that they are too Prebumi businesses and the other eight were still considered as Sino-Indonesian in terms of founding, the founder of the business. But of course, in 2009, the most of those companies went international and have joined and also crossed holding among themselves and some of these also have their base outside of Indonesia. Let's take a closer look of some of the Chinese business especially SME (small medium sized enterprise) in the West Kalimantan. First case, I choose three cases to put in the presentation here. First case, Mr. Kimsem Lim, age mid-40, his business is timber and bird nest farming. Now, they are not easily called collecting because, nowadays, most of the bird nests are house farmed better than wild from the cave.

“Bird Houses” in West Kalimantan



These are some of the bird houses in West Kalimantan, you can see that there are two ways to have bird houses. One is that you build the house in the middle of paddy field or by the roadside. The second way, from the photo on the right, in the townhouse, the people can still use the first floor but from the second floor up, we can turn it into a birdhouse. We can tell that by the fact that they will seal up all the windows, no sign of human living, but they leave a small hole. Small holes open on the wall for birds coming in and out the house. So it is very low cost, but when we have house, you need to find some ways to attract the birds to come and nest in your house by using some devices, bird song, and some using scent devices. They also have competition because the neighbor stay at next door maybe have the same ideas and they use the better song devices to attract the bird. But there is usually no complaints because just the way it is. After the bird nest in your house, it is usually maintenance free. You just to wait to collect the nest when it is mature. So it is a common practice in the West Kalimantan to have this kind of bird houses. I come back to give more comments about the biography of this person later.

The second case, Mr. Suriya Hanjaya, age 32, dragon fish breeding and land clearance business. Dragon fish is agrarian fish, it is not used for food and it is considered as a good or auspicious in fengshui design for business, for office, or for shop, for restaurant. Many of those business like to have one fish tank to keep it. But the fish is local native in West Kalimantan, from the river. Originally, the indigenous people from West Kalimantan does not consider it as a kind of having value, not even tasty as salted fish, so that they just leave it alone. But then gradually appear in the Chinese market, Taiwan, Hong Kong and Singapore. The business people came to look for it and the West Kalimantan, the local Chinese, began to breed those fish. They come like a “small fry” that is the technical term for small fish about

7cm to 8cm long and those businessmen, such as Mr. Suriya, raise it until 20 cm long and ready to be shipped to the market. So the secret to the trade is that you have to breed the fish to let it grow to be big enough, it takes about three months. Then it is important to know how ship it because you need to keep the temperature and oxygen supply during the shipping. It is kind of delicate business. Then you have to get good connection with the buyer in the Chinese community at other ASEAN countries.



Therefore, now the supply chain in the business community is that usually the indigenous population, the Malays or the Dayak in West Kalimantan, is the most upstream both in the literal sense and in the figurative sense. So they collect the small fish from the river and sell it to the Chinese fish ponds' owners. The low land shown the location of the fish pond along the Kapuas River and grew it, then look for the buyers and ship it to Hong Kong or Singapore. Those middle part of the business is in entirely in the hands of ethnic Chinese businessmen of Indonesia. When grow up, this fish can live for about 20 years, so it is a very good business and the price is quite expensive but the price drop a little bit according to the businessmen. Mr. Suriya, just 32 years old, he inherited business, his father runs a grocery shop in East Kalimantan. That is only a small shop owner and he became interest in this dragon fish business and start his own business. Now he is building his big mansion for his own house. He is temporarily staying in a rented house. He is very happy with his own life and happy with his business. Now both Mr. Suriya and Mr. Kimsen, they are of the younger

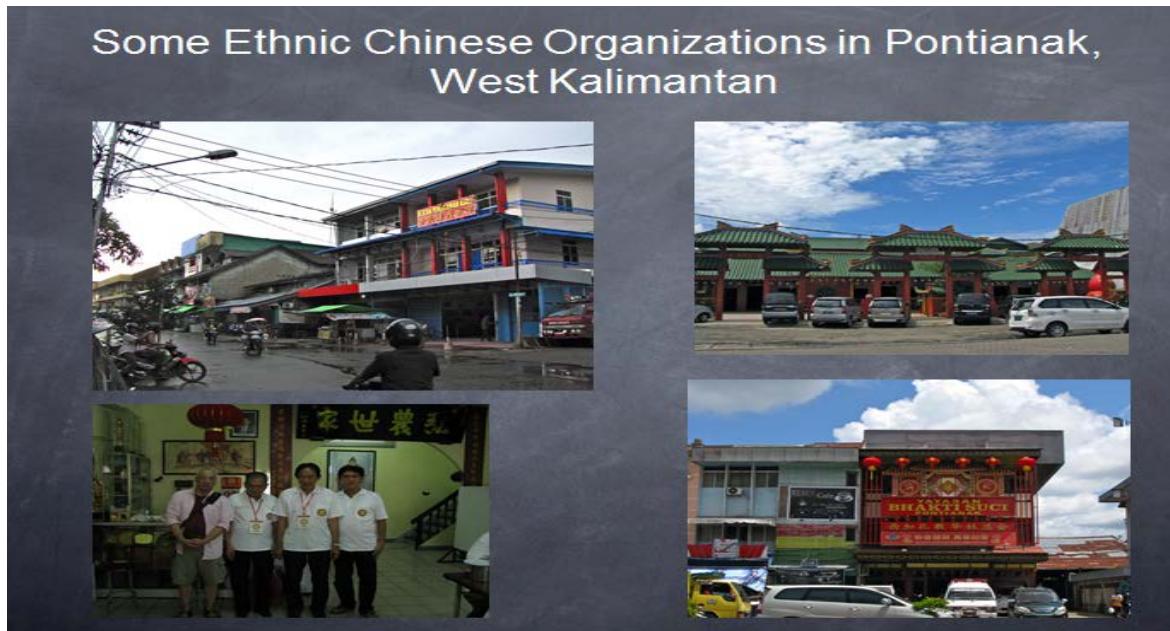
generation ethnic Chinese in Indonesia. When they grow up, they did not have any formal Chinese language education. They do speak dialect at home and they don't speak any mandarin and there is no Chinese language, although minimal Chinese language capacity. But somehow they find their ways into these two kinds of commodity businesses. Those commodities what I called "culturally invested or culturally loaded" commodities that mean the commodity itself, the value of the commodity is largely culturally dependent. So they find the niche for themselves because they are acquainted to this kind of Chinese culturally loaded commodity and of course they have, easy for them, to establish business connection outside of the Indonesia. But both of them are Catholic and no Chinese organization membership. So they are basically highly "Indonesianized" Chinese younger generation. But they still have this part of cultural heritage inside of their background. So it is easier for them to take part in this kind of business.

Now the third example is Mr. Asli. Asli is from the older generation, typical older generation of ethnic Chinese in Indonesia. He is 82 years old, he is born and grew up and went to school before the independence in Indonesia.



So he has full education in Chinese language and went to a Dutch language vocational school. So he can read Dutch, and read and write and speak very good mandarin. Also his father and his grandfather were both kind of "Kapitan" in Malaysia but in Dutch they called it "Lowthai." It is also a part of Kapitan in Malaysia, as a local leader in Chinese community assigned by the Dutch government. So he also has a very good education but his father doesn't want him to be in the politics again. So he started a business. Now he is running agro-medicine dealership business. It is also a very good business, but his business has nothing to do with Chinese culture. On the other hand, his social life, he has membership with Lee family, Leeson and clan organization and he is active in charitable organization by the ethnic Chinese, which donated and established the fire station. Because in the West Kalimantan, most of the fire stations are private and financed by the Chinese community. So they have the fire station and they have their ambulances for local service and he also visited

Taiwan and China and he has very good connections in these places. This is another type of Chinese businessman, socially, they have good both Indonesia and Chinese-ethnic Indonesia connection, and also connection with Chinese community outside of Indonesia. But their businesses, I will call that in my paper that it bears most similarities with the middleman kind of character under colonial rule. So these are the two different types of ethnic Chinese persons used as examples. These are the photos of ethnic Chinese organization in Pontianak.



You can see on upper left side, the Lee, the sure named Lee clan house. Upper right side, the biggest temple near the jade of the Pontianak, lower left side is the sir name Yang, clan house. And the lower right side is the Confucius, not the Confucius institution that teaches mandarin but it is a Confucius that as one of the officially recognized religions by the Indonesian government. This is the Confucius religion in West of Kalimantan. This institute serves as a very important function as the undertaker during 1960s when there were many deaths during the anti-communist campaign by the Suharto government. Those are the detail that I don't have time to go in.

Now let take a look on PRC Business establish in Pontianak, we can see that the products that they are dealing with include cement, bauxite, rubber, mine, coal, uhligite, palm oil, rubber and power station. We can see that the businesses that direct investment from PRC are basically for primary resource extraction. One episode of this kind of project is that in early 2015, the Jokowi president issue an order that bans all the exportation of the bauxite. This comes as surprise to all the business people. The Jokowis' goal wants to achieve by banning the local material, investors are forced to set up the local facility back to inside of Indonesia. From news of past few weeks, we see that many investors are in the process of setting up factories inside the West Kalimantan.

PRC Business Establishments in Pontianak, West Kalimantan

| Company name | Product | Amount | Activities | Remark |
|---|-----------------|-------------------|---|---|
| Anhui Conch Cement Company | cement | 600 millions US\$ | <ul style="list-style-type: none"> ■ To build cement factories with daily production of 10 thousands tons, one in West Kalimantan and one in Papua. ■ Both factories will be equipped with their own power station, harbor and other supporting facilities. | The biggest cement company in PRC |
| Aluminum Corporation of China Limited (HK) | bauxite | 1 billion US\$ | In cooperation with INDONUSA | The largest bauxite mine in Indonesia. West Kalimant has 92% of Indonesia's 30 million tons bauxite deposit. |
| Sinochem International | rubber | | 2015/1/15, the company acquires a factory in Pontianak, which has the capacity of producing 25,000 tons/year rubber. | |
| Senzhen Careall Group | bauxite | | Invest in Kubu Raya bauxite mining with a area of 65 thousands hectares | |
| Hebei Yida Construction And Development Co.,Ltd | uhligite | | <ul style="list-style-type: none"> ■ 2009/7, at joint the Lippo Group in the establishing of Yida Titanium Steel (Indonesia) Co., Ltd, for mining survey. ■ Now the company has invested in Sekadau and Sintang for sriankite mining, with a land area of 1,300 hectares. | Hebei Yida was established 2004/4/28 |
| Julong Group Ltd. | palm oil | | China's first oversea oil palm plantation (2006) and first palm oil processing factory (2011). Currently the company has planted 50 thousands hectares of oil palm and has reserve 140 thousands hectares of future plantation land. | Julong Group Indonesia (Jakarta, Banjarmasin and Pontianak) |
| Guangdong Guangken Rubber Group (Pontianak) Co., Ltd. | rubber | 26.6 million US\$ | The company was established in 2010 in West Kalimantan, with join stock from Ethnic Chinese Indonesian businesses. The annual production capacity is 40 thousand tons. | |
| China North Industries Corporation, China | Alumi-num oxide | 500 million US\$ | To build a aluminum oxide factory in Kubu Raya | Indopura Resources announced that it will join companies from China and Singapore to build a aluminum oxide factory. The construction started |

This is an example, if your government is effective or strong enough or active or energetic enough, such as Jokowi, there are still some policy-tools you can use to force the Chinese PRC to come to terms with the government and turn it in the way that you want it to. So those are the major PRC business investments in West Kalimantan including oil palm plantation and bauxite mining. The bauxite mining, at that time, early of Feb 2015, it stopped all the operation. The pipe, the material on the riverbank and none of the facilities are in operation because at that time it was announced that the exportation of the raw material is banned. Now we would come to the concluding remark, I would read this section because I don't have enough time. I just read the conclusion before inviting for discussion.

The ethnic identity and cultural visibility of the Chinese Indonesians have gone through the era of the rather oppressive Suharto regime and now enjoy a much open and relaxed governmental policy along with a more amicable inter-ethnic social atmosphere that follows. The Ethnic Chinese in West Kalimantan in general would not hesitate to tell you that, aside from the anti-communist campaign of the mid 1960s, they basically enjoy a friendly relationship with the Dayak, while keeping a sometime-uneasy co-existence with the Muslim groups. The basically assimilation oriented policy of the Suharto regime effectively eliminated the formal and legal distinction of the Ethnic Chinese. The banning of Chinese school virtually created a younger generation Ethnic Chinese who had no Chinese language capacity aside from the dialects they speak at home. And no legal ethnic categorization is followed in governmental administration. Which also has the effect of making any official attempt to act against Ethnic Chinese business "domination" unpractical.

But the Ethnic Chinese of Indonesia are far from losing their identity entirely. It is common knowledge in West Kalimantan that almost all the sizable enterprises are owned by the "Chinese". The term "*orang teonghwa*" ("Chinese people") is widely used without any

derogatory meaning, while the term “*orang cina*” (“China people”) is becoming a social taboo. “*Teonghwa*” means Chinese but “*cina*” basically means China, but the semantic roots of these two words, actually are not much different because all the semantic meanings evolve along this line. But anyway nowadays “*cina*” are used to designate people from China PRC and “*teonghwa*” means the cultural heritage, people with culture heritage. Now I was specifically told in West Kalimantan that now the people prefer to use the word “*orang*,” which means human or people, “*orang teonghwa*” better than “*orang cina*.” But the “Chineseness” means different things and has different levels of importance to different people. Among the three businessmen mentioned above, the elderly gentleman Mr. Asli maintains a more traditional Overseas Chinese way of social existence, while the two younger entrepreneurs consider “Chineseness” as a cultural matter, “things Chinese” is still a part of their heritage and can be invoked when needed, such as understanding and managing to cut a share in markets for culturally invested commodities. However, the three of them also have something in common, they all share the memory of typical Overseas Chinese forefathers who struggle to survive and then prosper stories, and they all enjoy the familial support in the creation of their own businesses career.

The PRC as a fast growing economy with a huge population is hungry for natural resources; and the country is planning to situate itself centrally in the roadmap of regional development. Indonesia is rich in natural resource and we have already seen the growing joint ventures between PRC companies and Indonesian enterprises with Chinese background, which is shown in the table. With the growing momentum of Ethnic Chinese actively participating in Indonesian politic and their willingness to accept investment from PRC, we can expect to see more joint ventures launched basing on this reputed commonality in ancestry. However, from what we observe so far, this reputed commonality is essentially performative that may somewhat facilitate the initiation and progression of business proposals. Just like the three exemplary businessmen who are no doubt self-identifying as Indonesians (with Chinese ancestry) and have no intention of achieving economic “dominance” in order to subjugate their own country, there is no sign showing that the prominent Ethnic Chinese political figures and Chinese economic establishments are inviting or cooperating with PRC enterprises because they have any alternative or extra-territorial loyalty. In sum, judging from what we have seen so far, it is more like that the “Chineseness” is supplementary to the capitalist principle, rather than capitalism taking a Chinese turn. Thank you

Ajarn Chulacheeb: I have only little knowledge on the oversea Chinese in Indonesia and so I learn a lot from your presentation. However, you seem to pick only 2 groups among the four or five groups that you have mentioned. One group is the young generation of Chinese-Indonesian. The other one is PRC capitalism. I would like to know whether in Kalimantan, are there other groups for example the overseas Chinese from the old generation that they are also active in entrepreneurial investment or not? And then how about the other groups – the second generation that Asli may be considered of that the descendent of overseas Chinese; while the younger one may be the third generation who are assimilated. And maybe the fifth group that Ajarn Wasana have just mentioned that the new, younger generation who are

trying to use their ethnic affinity to start their investment, maybe with PRC or not, or they are the special cases only the two groups that you have just mentioned.

Dr. Bien Chiang: Thank you. Actually this person is the older generation, ethnic Chinese-Indonesian. But on the other hand, including those gentlemen who is 82 years old and these two younger generation people, all of them (just talking about these three examples), all of them tell me that they are the fourth generation. West Kalimantan has a longer history of receiving Chinese immigrants from China; starting from 17th century with gold mine. Gold mine and Chinese camp to mine the gold, and also to establish the so-called well-known “Gongsi” system in West Kalimantan. So, even the older gentleman, he is already the fourth generation. But the real division from my concern, of course, absolutely I agree with you that even the younger generations who are under the Chinese economic influence in the region. Now the Chinese language education is coming back in Indonesia and there are even many younger generations at school/children age go to Chinese school to learn Chinese for career consideration. That is happening. But the three examples I chose are from 30 and 40 and 80 of age generation; so I don't really follow what second generation that you were talking about.

Ajarn Chulacheeb: The second generation by your viewpoint, you were talking about four generations in a long history.

Dr. Bien Chiang: Right, it is in a longer history. So, at the moment I don't have any information on the second or third generation.

Ajarn Chulacheeb: Do you have more cases or only three cases?

Dr. Bien Chiang: I have more interviews and I also have cases that has, maybe one quarter of Chinese descent children from intermarriage between Chinese and Dayak and other groups of people. Some cases also include Japanese intermarriage when during WWII, Japanese go out of the world and some of the soldiers because they wanted to escape from prosecution after the war; they went to forest. So there are also Chinese, who are, even though they are around 50 years old, they don't have much Chinese education because of the ban of Chinese school in 1960s. So for the purpose of my research, I do have more examples but the division line is more like in the before and after the new order and then another division line is the downfall of Suharto in 1990. Those are three different periods of time in the history that create different generations of ethnic Chinese-Indonesian. Before the new order, they enjoy the Chinese education, and during the new order, they don't have much Chinese education, and after Suharto the education and Chinese language publication and public celebration of Chinese ritual and culture are coming back. And this coincides with the rise of China. So I can probably put more cases to the final paper.

Assoc. Prof. Dr. Siriporn Wajjwalku: Actually I have the same comments, not exactly, as Ajarn Chulacheeb. But my point is about the methodology. I found from the three countries that in case of Ajarn Chinh that you select five case studies, Khun Siphat selects four case studies, then we go to Indonesia with only three case studies. So I am not sure, this is not

only three of you, but to Ajarn Yos also, I don't know how to indicate the selection of case studies. And I found from the paper Sino-Indonesian I mean what is the character of this group (**Ajarn Yos**: Sino-Thai, Sino-Malaysia). Among four groups or five groups that Ajarn Chulacheeb categorized, where are Sino-Indonesian, second and third, and your case studies are based on this or another group? And why do you select these case studies? I think we need this kind of thing, so for the whole project we can do some comparative studies. One more observation that I got from your paper and also from Ajarn Chinh and Khun Siphat is that I found there is a linkage or relation between international political reform or economic reform and revitalization of ethnic Chinese in that country. I think it would be good if you can elaborate more, for example, you told that some periods, particularly under Suharto ethnic Chinese was suppressed but after that because of the political change, they have more power again and I think in case of Cambodia, in case of Vietnam, both countries also face the same situation. This can be somehow one factor, if you can show exactly linkage of this thing. (Dr. Bien Chang: I am sorry. You said indigenization or revitalization of ethnic Chinese). Revitalization. I mean it is just my observation, it might be wrong.

Dr. Bien Chiang: Thank you for comment. Methodology is a life-long question. As anthropologists, we always face this kind of question and criticism. Because we do intensive case studies. So, of course, it is always legitimate as how we select the example. The standard answer from anthropologists to this kind of questioning is that of course it is difficult for us to claim representativeness in a numerical sense. However, one matter is that how the content of the story of these cases show something that is representative or can show something that has deeper meaning and that can be generalized. That is usually the answer we gave when questioned by people from the other disciplines. When I went to West Kalimantan, I set up the local connection, I have local researcher to help me, our connection was provided by my former connection in Sarawak site. So, I ask to get to know people who have local connection, have deeper local connection that means the local production and you need the cooperation of indigenous population. And also the product that has a market in the cultural sense. For example, if you are dealing with raw material, with oil then Indonesia oil can be sold to any of corner in the world. But there are some of the product that has strong China mark or Chinese market. So I would try to look into the kind of business that they start to have a connection on both ends, the social connection on both ends. The bird nests; you have to have the houses or you have to build the houses in the countryside or the dragon fish you have to have the cooperation of the indigenous communities to help you to collect the small fish. And on the consumer side, they have the cultural criteria in it. And so that the two younger businessmen fit that criteria but the fourth one, it is simply my local assistant told me that he is one of the richest persons in Pontianak; do you want to interview him or not? When I interviewed him, and then he is an example of really older generation of Chinese to spend his life, social life in the Chinese association and give money to the association for charity projects. And he is a Chinese, he published a book written in Bahasa Indonesian about the Chinese culture and the ritual and ceremony. So he is also educated in colonial period. So I take him as another example in contrast to the examples of newer generation. So, of course as I said, I probably should put more information to give more

comprehensive picture including the experience of all the history of ethnic Chinese before and after especially after the independence and during Suharto era and then what they enjoy after Suharto. For this presentation, I choose to focus on the presentation of my field material. Because the general history of Chinese in Indonesia there are many literature already, so the real challenge that I face is whether the story of these only three business persons convincing or make you interested on that. Because they have some characteristics that connect, on the one hand that show their social connection with local communities in West Kalimantan; and on the other hand that show the merchandise that they are dealing with, have cultural meanings or cultural values in it. So in their position, they can exploit fully cultural values of this commodity, so they can smooth their way into China market.

Prof. Danny Wong: About three case studies, what are their dialect background?

Dr. Bien Chiang: They are all Hakka, they all can speak some Teochew, but they all have stories that the older gentleman, he keeps saying that when he first came to Pontianak from the northern part of West Kalimantan on the border of Sarawak, he couldn't speak any Teochew and he was rejected or teased by the local Teochew which is the majority in Pontianak. So he tried to speak Dutch and they called him Dutch dog. There are also inter-dialect group conflict here, but they are all Hakka.

Commentator: I think I can sympathize with Bien Chiang for his field work case studies. Because when I studied history, most of the sources that I cited maybe one or two, but more than five or 10 is impossible. We studied Chinese five years in the literature, always Confucian as a kind of Chinese in thousand years ago, same as Lord Buddha cited everywhere in Southeast Asia. But let's move to the point that I interpreted here. I found that your description of ethnic Chinese Indonesian, you are very careful to talk about Chinese Indonesian in the media. I think maybe as to do with the history especially from Suharto and anti-Chinese and the great and communism. So many of the misconception about Chinese role in Indonesia. But, bring to my point that interesting again that actually in Southeast Asia when we talk about communism, we always think about Chinese communist because China term it communism and the biggest trade is coming from Chinese communism. So everywhere if you are communist, you are thought to be Chinese, it is identical. But actually Indonesian has communist party before Chinese communist party was born. 1920 Indonesian communist party was the biggest communist party in the world. That's irony. But now it is gone, that party was gone forever. Communist party in Indonesia never comes back even though you open up because the history is too established and the idea that you see in the mind of people in Southeast Asia. That's why when you touch on this issue of Chinese Indonesian you may have to see the political side. Now we move to the more interesting point about your data. I look at idea of the so-called Chinese investment in Indonesia. Most of the companies here invested in so-called industry like cement, bauxite, rubber, palm oil, aluminum and power. 600 million USD to 1 billion USD for investment of these companies. All of them are industrial capital and from your examples, it look like the Chinese Indonesian work in the small retail, trading and the so-called merchant capital. In the history of capital development, in order to transform industrialism, merchant capital has to transform into

industrial capital but now we gonna see this model gonna coming. Interesting that the local Chinese or whatever, local capital or merchant capital, I mean retail, trading, doing something in the commercial activities. Industry is coming from the big capital. In the old days, it was present capital they were coming into Southeast Asia or Asia and then has their industry. And that one built up the world system. But now we have new higher capital, coming as investment capital. I don't know in other Southeast Asia countries, this pattern is real or not, or only in Indonesia. So that means the capitalism in Indonesia will be deprived of, I mean the local capital not gonna do to transform into a higher industrial capital because you already cemented by the Chinese overseas heavy industry capital with money, with house, with everything and market too in the hand. So that's eye-opening for me, I think, for my perspective of capital economic in Southeast Asia. More the same like one hundred years ago when Western came in here and the local just performed, menial, I mean, coming to trading, sub-contracts. Indonesian economy subcontracts to Chinese capitalism. That questions. I don't if it is going to be true, but if that case happens, not much change as 100 years of capitalist development, it repeat the same thing, how capital will exploit the best to serve their interests.

Dr. Bien Chiang: It is a real economist question. When Ajarn Yos asked me to continue to join the project, I was taken aback when I was asked to cover Indonesia for Indonesia is big. So, the study of the big business and big capital inside Indonesia and their relationship. Most of them are Chinese, so-called ethnic Chinese business, and the connection with the type of democracy in the Suharto era. There is a huge amount of literature in this area. So it is a kind of difficult choice between how do I focus on Indonesia in this project. So my choice is, as you see my presentation, I don't know how to add, actually I would invite your advice on this. It looks like two tracks. One track you have the information, I don't think I can do away with this part as it is a big business and the new PRC investment big business in Indonesia even with the ethnic Chinese business in this research. But on the other hand, it was interesting me most as an anthropologist on how those small and medium sized business people, ethnic Chinese Indonesian do business in the local context. So it looks like two independent things here, but the only way I tried to conduct these two is that I don't see Indonesian government as a weak state government. They have the idea and they know what to do to sort of control or to maneuver the foreign investment, to fit national as we see in one example. But we can look into the introduction to see that the contemporary Indonesian government they also have their saying in this situation. But on the other hand, the small and medium sized Chinese Indonesian business, I don't see any extra Indonesian model in them. Of course, what I have not put into this presentation is the long history of the Chinese identity issue in Indonesia, the citizenship and cultural things and the business network things. So what I try to point out is that those people as I said in the conclusion that, the older generation has a more Chinese social existence; to younger generation, Chinese is their cultural thing in their background, they can use it to do business. But the way they do business and the purpose of them to do business is just like any businessmen in any country in the world. It is just some cultural background that they can facilitate and they can impact their business operations and so that's one of the points that probably if I force to put in the summary, I

would say these are Indonesian businessmen and international capital. They all follow the rule of the game on the regulation of international capital market model. There is no Chinese, I don't see any Chinese conspiracy in this. But I would try to look closer to the connection between the merchant capital and industrial capital. Thank you.

Presentation of Ajarn Wasana La-orngplew: Reawakening of Chinese businesses in Pakse, the Lao PDR

First of all, I would like to apologize because I submitted the paper very late. So the paper could not be distribute to all of you. If you see the title, I also change the title from the previous one that I sent to Ajarn Yos as when I was writing, I felt that it seems to not as rich as it should be and it might be over. So I change the title and it might be something that very broad about the issue that I am going to talk.

The focus of the paper is the role of the Overseas Chinese in the role of Laos PDR and the term Overseas Chinese that I used in this paper is I use it really broad term refer to those people in the first category that Ajarn Chulacheeb suggested. And in the paper, sometimes, I use the overseas Chinese, sometimes I use *Khun Laos Cheur Sai Chin* or sometimes I use Sino Laos that mean the old Chinese who came to Laos before 1990. And another term is the new Chinese that I refer to those people who recently migrate to Laos mostly after 1990 or after 2000.

When we look at the overseas Chinese in Laos in terms of number of population is very small. In 1990, there was estimated that in throughout Southeast Asian countries, there were about only 10 million overseas Chinese settled in SEA. But there were only 40,000 in Laos, it was said that Laos is not a very attractive for Chinese to move into and some people argued that those overseas Chinese who end up settling in Laos were those who are not successful in Thailand, in Cambodia, or in Vietnam then they move to Laos. And the population in 1990, it was 1.5 percent over the total population of the country but it was estimated that during the French period the number of the overseas Chinese in the country increased to 100,000 before 1975 the victory of the communist party in Laos.

In terms of the number of the overseas Chinese is very small but in terms of the economic growth, there is a significant of the economy of the country. It was record that over 1959, over 61 percent of the businesses in the 7 towns in Laos operated by the Chinese and in some areas or some cities like in Paksane, Luang Prabang, Pakse in Chapasak in the southern region, it was estimated that there 80% were under management of overseas Chinese. After 1975, after the victory of communist party in Laos, most of the Chinese kicked out from the country. It was some people said that there were probably about 10,000 Chinese people in the country and Chinese people in Laos faced very difficult situation. It is not only about economic activity, many shops were closed and some people who used to run the factory needed to shut down the factory and needed to close down the shop and many more. But in term of the political issue, the target of the government, the new regime to control them. Some people said that it is not because of their ethnic but because of their success in economic growth and I will come back again in the case of Pakse.

The role of Chinese is same, after the new economic mechanism and regional integration in 1990, it seems that in Laos we experience influx of Chinese investments, it became Chinese one of the top three of FDI in Laos along with Thailand and Vietnam. We also experience with the influx of Chinese migrants, the official record is about 30,000 or 40,000 but some Laos people said it probably about 300,000 new Chinese in Laos now. In my focus here, I write to investigate whether in this current context where we see the influx of Chinese investment in Chinese capital form in PRC in the form of new Chinese who came to the country. What is the economic space of the overseas Chinese or the old Chinese in the context in this current context? The main question I try to answer: How far the overseas Chinese could maintain to their economic domination in the Lao economy? Which strategies the overseas Chinese employ to gain their economic advancement? How far the network bound up in ethnic similarity influence the success of overseas Chinese business?

I focus on one main economic centres in Laos, Pakse in Champasak province at the east of Champasak and close to Ubon Rachanani, Thailand and Wong Tao border.



If we look at the overseas Chinese in Pakse before the revolution, it was estimated that more 10,000 of Chinese that mainly Hakka and Teochew, Hakka tend to work in agricultural area while those Teochew run the business. And it is quite interesting that number of Chinese in Pakse was a lot more than number of Laos population and many Chinese couldn't speak Laos. And Laos language was the language that use frequently by both Laos and Chinese and Chinese school there at the peak time. There was a lot of students there and some students not only Pakse but Vientian, Sovannakhet and some provinces of Thailand, Ubon Rachanani, Borirum, Surin, Sisaket. It was said that Pakse at that time was very attractive place for overseas Chinese to grab their opportunities there and some people say that the town was bigger than Ubon. The first seven-floor building were built in Pakse before Ubon.

And in 1959, most of the shops there owned by Chinese. After 1975, most Chinese left the country; it was said that a few hundred of overseas Chinese still remained in the country and the economics of Pakse, Sovatu and overseas Chinese became a target of strict restriction and they said that it is not only in terms of the economic activities but also of Chinese school was controlled by the government and Chinese language was banned and Chinese New Year celebration was not allowed. In Chinese school, at that time, there were two versions of the textbook, one to show the officials when they came to school; another one, was the version that they actually used to teach.

Recently, Pakse seems becoming to be an important economic center again after the new economic mechanism and regional integration, which is inter-connecting between the main corridor and it was said that it becomes one of the fast growth of the country. FDI is flowing into the Champasak quite a lot especially in term of agriculture, and tourist areas, and also mining as well. Many people migrate to the Champasak, one of the very few cities in Laos that has immigration and in terms of the urban population increases a lot and also the town is now also attracting many new Chinese and estimated more than 3,000 new Chinese coming to Pakse. These number are a lot more than overseas Chinese that now probably over 400 people.

At the current time, the overseas Chinese cannot dominate the whole economic activities in Pakse as they could. Pakse's downtown recently moved from the Chinese market to a new area which is called Daohuang market that owned by the Vietnamese' lady who owned Dao coffee. Some business activities that Chinese, who were previously doing, such as the hotels, or gold shop. They could not dominant at the moment, there are many new actors who run the business. However, in Pakse, through the many new actors, we still see some new overseas Chinese who still could maintain their businesses growth. The biggest construction materials store is owned by the overseas Chinese. For example, hotel in Pakse is owned by the overseas Chinese or Import-Export Company or sand-sucking that monopolized by the overseas Chinese. I try to see the trajectories of the overseas Chinese business that can be classified into two groups. One is the return of overseas Chinese who fled from Laos after 1979, they return to invest in the country. The second group, those people who didn't leave the country, they accumulate and invest in the business. I think in the case of the returnee, I present one case: Lin Shen Yang who is a second generation overseas Chinese before 1979. His family operated the soy milk but after 1979 all of his family members went to France and he also went to France. In France, with the assistance of Chinese community there, as he went to France with a lot of money that he carried with him, so he established the garment factory in French with the help of about 30 employees in that time. Later, he went to Latin America to invest in agriculture area. And after he received the French citizenship, he returned to the Lao PDR in 1994 and reestablish his Chinese networks through the Chinese association and he involves in many businesses in Savanna khet and he came to Pakse. His business is involved with the construction work. He started with the construction work but his business is quite difficult as sometimes he gets the repayment from the government is

quite late. So he started to stop this kind of business and now his company is the largest one in Pakse.

Another Chinese business that is often mentioned as richest in Pakse, is Tang brothers. Tang Hou the first brother and Tang Ha the second one. They are operating import-export Company, supermarket, construction materials store, auto parts store, car dealers, hotels, health care center, and Construction Company in Pakse. These two brothers could reestablish the connection with what I called as the Sino Laos-Thai Millionaire that these persons were in Pakse. They said that his father move from Ubon Rachathani to Pakse and they were very rich before 1975 and after 1975, this guy, known as Peter Chan who moved to Thailand and he has Thai name Sak Chaivong Malasit, to establish the agriculture or agrofood company: Arroy Dee (coconut milk brand) is the owner of the Thai world group but after the Chin Tanakan Mai, he went back to the Pakse and re-established his Chinese connection in his community and he invested a lot in Laos. He is the person who invested in the international traditional investment in Vientiane in Pakse. He also got the concession from the government to establish more than 5,000 hectares for coconut plantation at Borikimsei and his brother Tang Houy could to establish the new connection with his guy both share the same family name from Se Tang that could establish the connection with the high-ranking officials in Pakse. We will say that many roads and building improvements from government offices in Pakse, Champasak, the role of Tang brothers' Construction Company.

Oversea Chinese in Pakse

- * Trajectories of oversea Chinese businesses
- * Re-birth of oversea Chinese business: *Tang brothers*



This is his hotel just on the foot of the bridge if we go from Ubon. Another overseas Chinese is refers to one of the richest ones in Pakse is Xayaphet Mahaxay. He is actually unlike Tang brothers. This Mahaxay came from Muang Khong which is on the border between Cambodia and Laos in 1980s. They started the business from small shops and then after they have some savings, they opened gold shop. As his father is very ill, Mahaxay has to look after the

business. In 2005, he established the construction store with sell the materials and expanded his company as one of the largest with his employees till more than 100. He also opened his branch at other provinces at Wat Krapeu. Mahaxay is different from the Tang's brothers when I asked him whether he is interested in the construction work as I saw many Chinese who own the construction material stores tend to open construction material stores and he said it is not the area that he think he could do well as he does not know many right people in the government and he doesn't think that he would get many construction contract from the government. Other one that I would like to mention here is Bounlieng Phommala. He is also from Muang Khong area, he actually wanted to leave Pakse but he could not leave Pakse. So he ended up in Pakse and he starts the business from open auto parts store and four years ago, he opened the hotel. He is one example that shows that overseas Chinese business can expand to another area which is different from the Tang brothers. There are some that I would like to get some comments as well. First I think about the role of network similarity that how far they could support the overseas Chinese running the business. It seems to me that from the experience of the overseas Chinese in Pakse that I talked to, the role of network, I mean the Chinese networks is quite important for them to expand their business but it is not the only thing that determines the success of the business. I also see that the role of political connection is very important in current time for people to extend their business as well.

Ajarn Chulacheeb: I think you focus a lot about the Sino-Lao. I would like to hear more about the new migrants, the new people from PRC, which you know that there have been a lot come in the past 5 years especially in Vientiane and borders and many others. I wonder did they come South to the place and in what business, in what area. I think that, and compare that, are they competing with the Sino-Lao or are they working with the Sino-Lao. And in terms of the connection with the local government, do they use the Chinese local connection or they use Chinese embassy or Chinese consulate in Laos in order to further their interests. So that we can compare with others, with Myanmar for instance.

Commentator: I found that most of the case studies and interviews, and write the report, have you ever heard about sad story or bad story from them? How can we trust everything? I have a case in Brunei Jerusalem, I went there, one of my friends points to one person, a millionaire in Brunei Jerusalem, he said this guy a week before become millionaire, he was selling ice on the street, riding a bicycle every day. And then in a week he became a millionaire. If you interviewed him, he said he worked hard. He put all savings and then invest but people surrounding him do not trust him. There may be some black, something not clean behind the story. What if you can interview other person who knows this guy, you get another story, opposite story to complete the whole story. But if you trust him, he may not tell you something that is not clean, to tell you something very good, such as work hard. I said a lot, I learn a lot and make connection. Please consider as a question from economist.

Commentator: To the previous question, actually the narrative that you presented to us positively, has already raised a very interesting question like that idea that some of the personality that you talk about move away from Laos and went other places like one guy went to France and remain there until he had citizenship and then he came back to invest. Or

the one that cross over to Thailand and after Lao opened up again he returned into Laos. So I think that probably, definitely they shared history in an idea that these people somehow persecuted and their family history that has a certain problem that they don't talk about. I think this morning's presentation, in the case of Vietnam, we also hear stories about the people who are forced to leave or that idea, the kind of bad history, if there is any mention, and the reasons why they have to leave.

Commentator: I am still thinking of the role of the China government in facilitating the capital investment in Southeast Asia. We have a lot of discussion about the kind of China set up regulation. Most of Chinese migrants, new migrants to the region, they are not from the better-off background. Some of them are even very poor. But the question is how they get money to invest, to do business in Laos, in Cambodia, in Vietnam. We found that there are two, the government of China set up two foundations. Number one is China Exim Bank, there is a kind of priority for the Chinese migrants who go out to invest outside of China. Number one is if they bring along the workers and technology, they are exempted from paying tax. And also if they borrow money from Exim Bank, they may reduce of annual interests that they have to pay the bank, even they are exempted from this kind of borrowing. And second is the China government also set up the foundation for the migrants. Those who migrate can borrow money, they are facilitated by the government. So even that the investment is from the individual migrant, but in fact they are supported by the government. Some big Chinese companies, they can get concession land, concession project for instance, without the support from the government of China and the local government they could not get concession, particularly by law, for example by Laos and Cambodia Law and Vietnamese Law too if you want to get the land concession project for 90 years or 70 years, you need a kind of high ranking government agreement. So without the support from the government they could not get this kind of project for investment. So I think it is also important if we can look further in the kind of the big host behind this kind of investment, how related between the government and Chinese state and the movement of going-out for investment and doing business in the region.

Ajarn Wasana La-orngplew: About the new trend of migrant in Pakse, the people from the Chinese Association that the members of this Association are Teochew and Hakka they are all Chinese origin. At the moment there are around a thousand new migrants in Pakse. And when I talk to one Hainanese trading association in Pakse, those people came from, the Hainanese are around 70-80 hundred people, but there are a lot of other new migrants who came from another area. The two groups don't seem to work together. The old overseas Chinese tend to see that, a little bit look down the new Chinese. They tend to say that, the product that the new Chinese sell seems to be the product with very low quality that is something different from what we sell because we are here for a long time, our home is here, so we couldn't go anywhere. But the new Chinese, as he said, some might operate the business one year in Pakse and then move to another area, or maybe two years then move to another area. So the two groups don't seem to join the same association.

I agree with you in terms of the role of the government of China in terms of the encouragement of the movement of people for new migrants from China and the policy of the government to support the investments like in Laos and in northern area like rubber plantation in Luang Namtha, in Udomxai. Some Chinese business get the benefit from the Chinese government's policy on the open reduction program that takes some benefits to those investors that invest in the area that was said to be, like in Burma or northern Laos, the area that is used for a lot of opium planting there.

And in terms of methodology, I think that it is quite important as well, and the interviews, I did only interview those people that I talked about, I mean when I talk about the Tang brother, actually I use the information that I interviewed from those people as well, like the Tang brother's neighbor. Tang Ah that the person allowed me to interview, he never mentioned that he got, he has very good connection with the people in the government, but when I talked to other people, they said these two brothers have very good connection with the government and many people said they were poor before, but within the new regime they go to the right direction and they really get rich now. So I am trying to use the information from many sources that I can do.

Commentator: Have to be precise on two sides of information. Should not put together.

Assoc. Prof. Dr. Siriporn Wajjwalku: I am not sure whether this is again this is the problem of methodology, maybe it is not. I think is the problem of the skill of study, so this observation is not just for you, but go to Ajarn Yos because now I found two cases that talk about only one area, for example Pakse and Mindanao. But the big question is about Chinese capitalism. And the second case study of Khun Siphat and Ajarn Chinh are different, I mean it is country. So I am not sure from the case study that you are talking about and how to draw it to be somehow like the national picture and answer the question of the project. This is just an observation and I completely agree with you that how to see the Chinese government will influence on the role of ethnic Chinese in the countries in Southeast Asia. And it would be very good if you can explain more that kind of connection and linkage.

Commentator: I am start thinking on the same line as Ajarn Chinh. And when I was interviewing some business persons in Chiangrai. They were saying that the way Chinese government supported the Chinese going out for businessmen, business persons in Laos. They come with a very specific policy. They are focusing on agricultural production in Laos and they can ask for loan from the bank from China with the guarantee that if they can export the product that they produced in Laos abroad, then they can get the tax rebate 13% back into their account. That is to say, or what it means is that you can compete with other agricultural product producers in Laos. Because it is cheaper. And then it forces, it is actually encouraging people to go out. Now thinking back about Thailand, I have a suspicion that they have different policies altogether in case of Thailand. Maybe because they have different kinds of resources. So I think to think from the state perspective, the Chinese state policy would be quite interesting to compare how they see us in this region. Because they would see us as different, like a kind of chessboard that you decide when to move it, how to

move it. I have that kind of suspicion. It would be interesting to see how they think about this mechanism in Laos and also in Thailand.

Assoc. Prof. Dr. Siriporn Wajjwalku: Yes, and even also in other countries. I think all countries in this area, we are just only the chess for Chinese government; they just to move to construct somehow like a big economic empire in the region. (**Ajarn Chulacheeb:** Thailand already has CP). I mean this is not wrong, but we just want to understand. I appreciate your improvement actually. Very good.

Ajarn Wassana La-orngplew: I didn't mention a lot about the new migrant in this paper because my intention was that in this paper I would like to focus on old overseas Chinese. So maybe I didn't mention clearly but there is my intention. I also maybe for the next stage I would include the new Chinese into the paper, so that's why I didn't mention about the policy of the Chinese government or the policy of the Laos government about the new migrant.

Presentation of Mr. Khine Tun: An Enquiry into the Nature of Chinese Capitalism in Myanmar

Gratitude professors and my research colleagues and also the DRD, I am going to present today about the Myanmar case under the title of **An Enquiry into the Nature of Chinese Capitalism in Myanmar**. Actually, if you see this comic, I don't need to talk so much about the Chinese capitalism in the country, especially about the Chinese investments. This is the perception of most of Myanmar people toward Chinese investment in Myanmar. You see here the Chinese investment is drilling the drinking water port to generate the hydropower and Myanmar people prepare the industry. So the China try to extract every resources, timber, jade and gem, and now the neutral gas and Myanmar still lack off but I think I have to be neutral in this analysis. This is my research paper structure and comprising the five sections:

- 1. Introduction**
- 2. Principles of Chinese Capitalism**
- 3. Chinese Domination in Myanmar's Society and Economy**
- 4. Transformation Process of Chinese Capitalism in Myanmar**
- 5. Conclusion**

We are going to focus on the Chinese capitalism; the question is: Is China really a capitalist country? Actually, there is no experience of market economic system or free market capitalism in past long history of China, China monarchy or feudalism or bureaucratic feudalism and communist regime. But no market or approach or free market economy. However, China is economically very much capitalists when compare to the others preceding countries including United States. I will explain why China can be defined as more capitalist country, they initiate the China to transform economy to market economy is Deng Xiaoping; he transformed economic structure of China by saying that "why a communist country, like China, cannot establish market system while capitalist economies apply planning process?" Of course, there are two extreme economies: totally free economy and totally closed economy but no country in the world applies this either right hand or left hand. There is between the two, Deng Xiaoping think is, to right. So we need to analyze how China goes toward the market system. According to the observation, China has a gradual and very prudent approach transforming its economy into the market system like closing the water, they close the water, and they ensure the footstep and then move to the next footstep. During this approach, China applied the dual-track system, it means that the old system that control economic system go along the liberalized system. That's why China was noted that one country two systems, actually, it proved by the China special economic zone. The China specialist economic zone and they apply liberalized economy. It is a free market, free investments, inflow, outflow, free import and export as well.

After finding it very successful to apply the market economy, the China expand the other areas to be liberalized. Even the liberalization is really step by step, not rapid liberalization like Russia. The liberalization from the retail price to wholesale price liberalization. Then next step is the labor market liberalization and then the state owned economic enterprises liberalization. State owned economic enterprises still under control of the government, but they have to operate to be profitable. And then the final is the financial liberalization. The success of financial liberalization is approved by the Shanghai and Shenzhen Stock Exchanges, the two combination of these stock exchange stands today the largest working capital in Asia with the exception of Japan. If so, another question is, whether the capitalist ideology is something new for China? I would like to claim here that it is not a new thing. It is not imported from the Western ideology from the Western countries, like presented in the morning.

Actually, in China long years ago, the capitalist and free market, entrepreneurship ideology, business management ideology and the encouragement of innovation. Everybody knows the Taoism and Confucius. They already touch how to manage and how to behave in business ethics and how to encourage innovation of their business. These are the examples of their philosophies. A thousand miles journey begins with a single step: it encourages to start with a step; whatever it is easy or difficult. It is just a first step and also it is confront the difficult while it is still easy, such as not letting the problem grow. The third one is, instead of reacting in the same old way, you can quiet the mind and ask is there a better way to work with this situation. It is encouragement for innovation. As well as the Confucian philosophy said that the man who stands on hill with mouth open will wait long time for roast duck to drop into his mouth. It supports for dynamism rather than static, not laziness. When you see a worthy person, it is worthwhile to emulate him. When you see a worthy person, examine yourself. It is also teach how to run from other experiences as well as a man who does not think and plan long ahead will find trouble right at his door. It seeks to educate how to manage for a better future. All these in Chinese history and also whether the China economy applied or not, the Western university of management institute, they applied all these philosophies. Not only these two philosophers, very respective person: Sun Tzu was a very famous Chinese military general. He wrote the art of war, it is also the military strategy but this military strategy can be transformed into very creative business strategy. The university management institute, they transform the strategy of the Sun Tzu into the business one. For example, this is the Six Principles of the Art of Business. It is also refer to the art of war of Sun Tzu. The left hand side is the Sun Tzu strategy and the right hand side is the Sun Tzu principle for the business. All these six principles abide to find how to seek profits and how to make the benefits by operating business and how to operate the business. And the last one is very important. They teach about the ethics of business: how to behave to be in a leadership, how to treat his employee and his customer. So I want to say here, that although the market economic system was officially adopted in China in late 1970s, the capitalist ideology or capitalist philosophy where already produced many years ago or million years ago.

I want you to look at the Chinese capitalist in Myanmar. How Chinese capitalist rooted in Myanmar. I study two ways here: the first one is the Chin state capitalism and another is Chinese individual or Chinese capitalism. Actually, the China's state-capitalism came Myanmar about two and half decades ago. It is also coincided of China policy Go-Out and the Open-up policy of Myanmar government. China encouraged it investment to go abroad and at the same time, Myanmar government abolished the socialist economy and started to open its economy to the outside world but at that time no foreign countries are willing to come into Myanmar because of military rule administration. Only China engaged with the military government that's why Chinese capitalism rooted in the country. However, Chinese people's capitalism rooted in the country for many years ago. The Chinese people are good at hunting money and accumulating wealth that's why the old Myanmar appreciate this hunting people. I mean the old migrant of Chinese people. Then the elder Myanmar people taught their juniors saying that "you have to seek money as Chinese do, they know how to conduct business from all the different local people which kind of product I should sell and should produce for they know very well and save money as Indian do, Indian people are very strong especially guy, they can eat one plate of rice with the Chili for their foods and meats." And also Myanmar people, they know only how to waste money as Myanmar. That's why the senior Myanmar people, they seek the money like the Chinese do, save money as Indian and not waste money as Myanmar do. Also one of my friends, his family operating a company, he said that his family has a family motto. He teaches that it is better to die than living in poverty. We have to try to earn our money. In Myanmar, there is also another driving force to do business very successfully. According to the Myanmar law, these Chinese people not allow if they are not get the citizenship and they are not allow to get the professional education like medical university and technology university or even the university of economic. They are not allowed to join. They are allowed to join based on the national develop and arts. They are not very useful for their professional and for their living. They are not allowed to employ as government servant. So the only choice that they have to do is business to be successful. This is the Chinese capitalist characteristic in Myanmar and I would like to go into the principles of Chinese capitalism. Chinese capitalism can be measured in five characteristics. The five characteristics are two-class society but actually in China, there are no two-class at the beginning of their capitalism. but they have the stages that who is ownership, owner and people who are like a worker. And also profit motivation, no need to mention like private enterprises. We have to seek for more profits but state owned economic enterprises and in any numbers countries that state owned enterprise are always lowest exactly like some countries like Korea. In China, they reform the state' economic enterprise, as I mentioned earlier, they liberalized the state enterprises to decided their own how to allocate their resources and how to create their businesses but they have to ensure that they have to make the profits. The third characteristic is the minimal government intervention. So there is very less rules and regulations to control the business compared to other countries like United State or European countries. So these kinds of minimal government intervention and characteristic also match with the Chinese capitalism. Also the competitive market, government encouraged public and private enterprise to compete for the profits as well as within the public enterprises. They have to compete with each other; there

is also competitive market in China. Also there is an innovation; I don't want to say there is an innovation because the China always adopt technologies and management from other countries and applying in their own companies. But some are not innovation but some are like imitation. So I don't want to say here because there is no product that China cannot duplicate, even like Iphone6 after the one month of initiation and distribution of Iphone6 in the world, China can produce this one and also the market throughout the world. So how Deng XiaoPing organize China economically and politically, is very complicated:

- Deng pushed ...“We mustn't fear to adopt the advanced management methods applied in capitalist countries. The very essence of socialism is the liberation and development of the productive systems and locally system. Nobody thinks about the socialist system or the communist system is to liberalize but he thinks. Socialism and market economy are not incompatible. We should be concerned about right-wing deviations, but most of all, we must be concerned about left-wing deviations.”

As shown in this picture, in socialism, there are the queues of people who are waiting the breadline but on capitalism, there are queues of bread waiting customers. So Deng Xiaoping's idea is between these two extremes. So leading toward socialism with Chinese characteristics (or) we can called it Socialist Market Economy. Also, it is like home-grown ideology of capitalism and they imported experiences from other countries. It makes as like Ajarn Yos said “hybrid capitalism.” Even though, China is a communist country but they prefer free market more than advanced countries or other market economies. According to the few researches, China people perception on the positive impact of the free markets is more than other advanced countries. About 76percent of the Chinese people, they agree the positive impact of the free market economy. Even though, US 70 percent, Germany 73 percent and UK 65 percent. That's why, not only the ideology but also in practice. According to Global Fortune 500, it selected the most profit making 500 companies throughout the world. According to the Global Fortune in year 2000, there is only 9 companies included in this five hundred list but in 2014, it's increased to 59 companies and in terms of the country list, it is in the second top.

So the third section is about the Chinese domination in Myanmar society and economy. In this section, I will focus mostly on the mega project, mega investment of China. So in the mid 20th century, there is no dream of Myanmar people but the Chinese capitalism which rooted in Myanmar but it happened some 50 years later. Because I mentioned the military government of Myanmar opened the economy and invited Foreign Direct Investment but the democratic countries are not happy to engage with the military government. So a few responses from outside world, the China was the only one who contributed a lot to the military government during 1988-2010 when the military government transferred and empowered to the so-called civilian government. So the China-Myanmar bilateral ties started with trade, bilateral trade, it opened the border and started border trade between these two countries. It is not just the request of the Myanmar government but it is also fulfill the China

objective. China has three big objectives: the first one is China NRT insecurity when it going to the economic sanction and it is to secure NRT demand. The second one is the Western regional development including the Yunnan province because they are very lack behind other region. The third one is to access the two Oceans: they already accessed to Pacific Ocean and now they are trying to access to Indian Ocean which including Myanmar. So China's objective also needs to develop its Western region. Today, Myanmar became the biggest trading partner for Yunnan Province and Myanmar is Yunnan's biggest export destination, 77% of Yunnan export goes to Myanmar. At the same time, Yunnan is also Myanmar's largest rice export market (over 60%).

However, although both countries get the most exports, Myanmar has always said “bilateral trade”, USHCR that Myanmar imports to China and exports from China. Myanmar always said chronic trade deficit. Not only the volume of trade deficit, in terms of the trade patterns: trade export and trade import items also Myanmar loses up. Because Myanmar also rare and scarce resources like the tea, timber, jade stone, rice, fishery products and now the natural gas. But China exports poor quality products, like the plastic wares, fake electronic consumer goods and also rundown machine and equipment. Myanmar called China “Tayoke Sett (Chinese machine), Ta Yet Soke (broken in a day),” which is popular saying in Myanmar. However, my perspective it is actually the Chinese capitalist market strategy because Myanmar is a poor country so it produced poor quality products with cheaper price goes to Myanmar but on other advanced country the China product like much more qualified product ones and then export in higher price. That is the market distinguishing strategy of Chinese capitalism.

The first one I select as the example of Chinese market strategy, Huawei is the Chinese telecom equipment and Services Company (state-backed). The Huawei is private company, they are not state own company but many people believe and said if they are not state owned company, then it is state backed company. Because all the government and Chinese military, they always contract out their telecommunications or even their technologies project to Huawei. That's why the Western countries, they are worried of security threat of Huawei or the Chinese products. Maybe investigate the price, intelligence the price and get their information back to China. They really worried about the Huawei product and they are not very keen to use Huawei products. But Myanmar people welcome Huawei handsets because the Huawei know much about the communication of Myanmar is. Myanmar's telecommunication sector started to liberalize in 2011, you can imagine the old 2011. One SimCard, it costs 2,500 USD. It is an official selling rate but in black market, it is like 2500-3000 USD for one SimCard and then reduced to 500 USD in 2011, 200 USD in 2012, now it is just 15 USD. So the mobile market is expanded a lot and also the user rate increasing rapidly. That's why this cheap but smart phone handsets of Huawei became the most popular in Myanmar.

Huawei, an Acceptable Market Strategist

- Huawei → Chinese telecom equipment and services company (state-backed)
- Western countries worried of security threat
- Myanmar people welcome Huawei
- Myanmar's telecommunication sector started to liberalize in 2011 → mobile user rate skyrocketed → Cheap smart phone handsets of Huawei became the most popular



This is the opening ceremony of the Huawei branch, Myanmar people even queuing or waiting in front of the Huawei queue to buy the Huawei handsets. According to the mileage communication research institution of Singapore, they conduct the 250 respondents in Myanmar country. They response about 37.3% users of Huawei handsets. This actually survey conducted in Yangon area. Throughout the country, another research company, they estimate over 60% users are using Huawei handsets. Not only the users but also the IT operators, more or less, they contacted with the Huawei. Previously, only the state owned MPT, Myanmar call center Communication Company, now opened up to the Telenor from Norway and Ooredoo from Kata. Telenor has chosen Huawei as its main supplier, supplying everyday communication equipments to Telenor office in Myanmar as well as the Ooredoo, they provide SIM cards and supplementary calls with designated models of Huawei handsets: If you buy the Huawei handset, they will provide the free SIM cards of Ooredoo like 15 USD or 20 USD free call. That's why the state-owned MPT contracted with Huawei to build mobile phone power across the country. Huawei also conducted CSR Program, it is very important for the international company. They can follow the international standard of the capitalism. They contribute like the scholarship program to Myanmar people, Myanmar student, as well as donate like school building or standard building as well. Different from this Huawei investment, I already present another project that is invested by the China government. It is hydropower project that is an agreement between China Power Investment Corporation (CPI) and Myanmar's state owned Electric Power enterprises. Broker is also Chinese company, Kokang Chinese. Their investment is not small, it is about US\$3.5 billion to provide 20,000 megawatts to China every year, up to 60 years. Of course, it is economically beneficial, at least to the government. However, varieties of social and environmental issue in this project. For example, threat to downstream of Ayeyarwaddy River including the agriculture, fisheries, livelihood, waterway transportation, etc. As well as

the social adjust, such as the relocation & displacement, threats to cultural sites, earthquake risk, etc.

That's why they see a series of protests against the construction of Myitsone Dam project, but the Minister said that the project would be continued. They don't care about the public opinions; it is also a sign of Chinese investment's close association with Myanmar authorities. Anyway, the end the President announced to postpone the project during its administrative term.



So this is the Myitsone Dam project. This is the protests against the construction of the project. This area including the ministry of environment and some religious areas will be flooded. What went wrong about this final project? The project is actually centralized decision-making, no public opinion, no public consultation at all. The second wrong thing is lack of transparency, no informing to ordinary people: how much the investment amount, how much the Myanmar will benefit and how long it will last? Also there is inadequate compensation for relocated villagers and other stakeholders, they are relocated and constructed some houses for them but there is no proper, like family area or jobs, as well as Environmental Impact Assessment & Social Impacts Assessment. That's why Myanmar people, they have a very deep sentiment with this Myitsone Dam project. There is no Chinese project that does not associate with exploitation. I would like to skip or brief these two projects. There is a lot of Mekong Dam project that cooperate between Chinese and Myanmar military came to get the contracted and also cease the demonstration against the project. The project is still going on but they reconsider like the profit sharing, previously they receive only 4percent of the profit that received by the Myanmar government. Now 51% of share will be go to the government budget. So it is quite different. That's why they have to contribute some CSR programs. Corporate social responsibility.

The last one is oil and gas project in Myanmar. It connects from the Indian Ocean to the Yunnan Province. Also there is a lot of protests and demonstrations against that project but Myitsone Dam project, they learn about the two previous projects. They correct their weakness and they provide what the local people needs and what the local people demands. They give them what they want, they immediately response that why the Letpadaung project is not that bad than the Myitsone Dam project.

This is individual capitalism, the first one I gonna present about the City Mart Chain or Entrepreneur Spirit. Of course, the Myanmar rich people as well as the Chinese rich business man. They operate their business by associating with Myanmar official or Myanmar people but in contrast this, she operates her business without the connection with the government. She learns from her experiences and she also very interests with the marketing and experiences receive from her parents. Actually, she joins the Singapore education but she came back to Myanmar and operate the departmental store business. But the problem here is that Myanmar people is not familiar with the supermarket establishments. It is become a barrier for her business. Myanmar people think to get the product nearby our home, the supermarket she has established is empty. Very few of customers, as well as no efficient banking system. She cannot get load and she has to request financial assistance from her parent, her relatives and her friends. The management types also very unusual. So she has number of problems during her operations. But today she can open a total 20 chains like a big stores, supermarkets, in Yangon, Mandalay and Naypyitaw. Her motto is “There is no short-cut to the success,” this is the good example of the Chinese capitalism in Myanmar.

Another one is great wall or unethical capitalist. It is a Myanmar company that owned by Tin Maung but in Chinese name is Li Hsan Shin. He claimed himself as the Kokang ethnic but many closed people know that he migrated from China and stayed in Kokang for a while and acquired the registration card and then migrated to Mandalay. His business strategy is likely “approach authorities first, conduct business later.” So he approached to the commander of middle command in the military, the commander of the specific area, instead of the junior of the region. So he can get every government project and government funding very easily, so he established his business. And also he accessed the dam extended land concession at the eastern bank of Ayeyarwaddy River to Mandalay region and Sagaing region as well. He has more than one thousand hectare of lands. These are parts of his business operation.



- I. Great Wall Shopping Center in Mandalay
- II. Great Wall Hotel in Mandalay
- III. Royal Rose Private Hospital in Mandalay
- IV. Shop Houses on 78th Street of Mandalay
- V. Wood Factory in Katha of Sagaing Region
- VI. Nickel Refinery Factory in Sagaing Region
- VII. Sugar Mill in Sagaing Region
- VIII. Ethanol Factory in Sagaing Region
- IX. Teak Plantation 8,000 acres in Mandalay and Sagaing Regions
- X. Eucalyptus Plantation in Mandalay Region
- XI. Sugarcane cultivation 2,000 acres in Sagaing Region

However, finally, the Mandalay people said that this is “The fall of Great Wall U Tin Maung is coming …” One of his establishments, Royal Rose Private Hospital in Mandalay, they employed six unlicensed Chinese physicians to provide illegal medical services including transplantation of gender organ from male to female. So the Mandalay residents, they also got the information and reported to the union as well as to the regional government. Also the media they raised about his bad ethical business. Finally, the regional government takes action against his business and he now escaped to Singapore. His Royal Rose Hospital was suspended. The regional court issued warrant of arrest on the couple, Tin Maung and his wife. So we have to wait and see what will happen in the future.

I would like to skip this one, it is a new colonialism of the Chinese occupation of the Mandalay area, now moved to the Yangon area. For example, in Mandalay:

- More than 30-50 percent of total population of the City
- About 50 percent of land plots in downtown Mandalay
- More than 50 percent of economic activities in Mandalay or also operate the business by Chinese people.
- All of these economic activities, 80 percent of hotels & guesthouses, more than 70 percent of restaurants, more than 45 percent of gold & jewelry shops, and about 30 percent of jade & gemstone trading, and almost 100 percent of sale centers for China-made commodities

- less job-opportunity to work in large companies in the city unless they are qualified in Chinese language

The second city after the Mandalay is estimated the Yangon, because the Yangon government people try to provide a big project to two brothers: Xiao San and Xiao Pun. Now the project is postponed. I would like to conclude here and summary my presentation. The Chinese capitalist idea actually is the home-grown. They include some experiences and private from other countries. But the problem is the Chinese investment; Chinese people do not fully follow the teachings of previous capitalist idea, especially the business ethics and management strategies. Mostly, the state-owned or state-sponsored investment because of the state owned and invested in capitalism like Myanmar such as the resource depletion, environmental degradation and social conflicts. But for the individual capitalism, it is not to say that whether they are good or bad; it is case-by-case. Some cases they could do very good, Myanmar should learn their experiences and their operations but in some cases is too bad for Myanmar people as well as for the country. In general, the capitalism is not a dangerous thing; the capitalism of free market is just every participant to benefit. But the problem is beyond the mechanism. There is the externality and the positive externality. Sometimes the outside of participants; they have positive impact but the market cannot explain the positive externality. Sometimes, the negative impact but the market cannot remove or reduce the negative externality. At that time, the government or authorities should correct this externality. So the tide of Chinese capitalism in Myanmar, I would like to say that both positive and negative impacts for country and for the people. In general, in some, there is much more than negative, so far up to now, negative impacts on Myanmar. That's all for my presentation and thank you.

Ajarn Chulacheeb: I learn a lot from your presentation. However, I feel a little bit uncomfortable when you start to quote from Taoism and to say that that is a part of Capitalism. I think you can quote anything and then interpret it as a part of Capitalism. You can quote Mao Zedong and said Mao is pro-democracy. I think we have to look at the context of this writing. I think what Taoism try to tell us is that we have to be in harmony with nature. But you can find any statement and interpret it as pro-capitalism. And that sounds me to me very much like Western interpretation of whatever Chinese that they are looking. But you have to make a distinction between folklores and the Chinese are very entrepreneurial. And that comes from many years of their practice but it doesn't mean that, I don't think it's fair to quote certain sentence from Taoism and then say that Taoism promotes capitalism. That is one thing. I think you should look into other folklore of Chinese in order to show that they are entrepreneurial. And the other thing that I did not see in your presentation is the role of individual, individual capitalists, individual Chinese, overseas Chinese. We heard about the three cases, Chao Piu case, the Laveduang case and the merchant. But those are state capitalism, those are the project in which the Chinese government are supporting, which also is a part of what we are working. But I would like to see the other aspects, the role of overseas Chinese in Myanmar which I would say that you did not have overseas Chinese after 1962 because when Ne Win came to power, all the

overseas Chinese left for Thailand or for somewhere else. For example, there were Chinese from Myanmar. So I think we have this new migrant, which is coming into Mandalay and many others. I would like to see more of your research on this in complement to the big project that you have already mentioned so well. How are these young business people from China who come and maybe take over many souvenir shops in Mandalay? Most of souvenir shops in Mandalay are no longer owned by Myanmar people, but in fact are owned by Chinese who came. We can see that most of the products shown very few are made in Myanmar and a lot are made in China. I would like to see more this aspect in addition to what you said in the three well-known cases.

Mr. Khine Tun: I think you have the case of individual capitalism? (**Ajarn Chulacheeb:** I think I want to see more cases on that three cases mentioned. I think the three cases are mainly state cases, individual but supported by the Chinese government.) I have three different projects with two individual capitalists. Because of the time constraint, I shortened a lot. This is the city mart, she always operates her business, which is very honest capitalist idea. And also this is good example and the bad example. This is a newly migrant Chinese and also here is a number businesses operating here, in Mandalay. Already two examples of individual capitalist. (**Ajarn Chulacheeb:** But I just say that you mentioned that there are few cases. In some countries we have five cases, you have two. I want to see more cases on this matter to make it comprehensive.)

Assoc. Prof. Dr. Siriporn Wajjwalku: Actually I have something related to your comments. You define one case as state capitalism and two cases as individual capitalism. And you also put some words: hybrid capitalism. I don't know what does it mean, but first what does it mean by hybrid capitalism? So this is a big thing. Second thing, how do you link, or what is the relation between state capitalism and individual capitalism in order to explain Chinese capitalism in Myanmar. I think this is also important. Another point, when you select the project, it is state-funded project, and I am not sure whether these three projects can reflect what you call Chinese capitalism or not. Because actually I think those projects we can classify it as general investment, or it can be, I am not sure, it may be the ODA project. So, it is not ODA project, it is investment project (**Khun Khine Tune:** Commercial investment. Yes, for China interest). So what do you mean by state capitalism, individual capitalism and also hybrid capitalism?

Mr. Khine Tune: Yes, hybrid capitalism I didn't explain much. Hybrid capitalism I mean here is ideology mixed, with Hong Kong ideology and the imported one.

Assoc. Prof. Dr. Siriporn Wajjwalku: So that is the meaning of hybrid capitalism.

Commentator: Just a final point. In many reports we complain a lot about China. It may be not fair. We are in the free market and nobody forces us to buy China product. I can take you one example. I bought a spare part from China, in Thai baht it is 6,000 baht. If I buy it from Germany, it may be 50,000 baht. So, why should I buy it from Germany, I bought it from China cheaper. But the lifetime is shorter. I calculate, it saves my money, so I buy it. So what is the problem? So I think what we should not complain a lot about China product, it

is our own business to make decision. But the main thing is capitalism, as I agree with Assoc. Prof. Dr. Siriporn Wajjwalku, but I have one minor point that your data is not consistent.

Mr. Khine Tun: No, actually I already explained in the morning. It is from China's point of view. Malaysia is using the deficit. It is deficit for China.

Commentator: So in that case, Thailand has surplus with China? (**Khun Khine Tun:** Yes. This is from China's point of view, not of other country's point of view.)

Commentator: I think this issue has been discussed by Assoc. Prof. Dr. Siriporn Wajjwalku. The number that has been shown is collected differently. Sometimes it is collected from Guangzhou, sometimes it is collected from Hong Kong port. And it depends. Sometimes China does not want to clarify that whatever has been imported to Hong Kong is considered China. So in which case they try to say they are having a trade deficit with everybody instead of saying that they have surplus. But if you are collecting the number from Thailand for example, you have a different number shown together. So maybe you can double check where that number is coming from. Whatever you are using, you can use it sensitively so you can solve the problem. But a lot of times is like that, whether you export to Hong Kong or to Guangzhou, on the Thai side whether we export to Hong Kong or Guangzhou we consider important, but for them they don't consider important.

Commentator: I think I want to commend that he deserves a good work. I think he had a systematic approach, study details, in this paper a lot. And even try to define what capitalism is about. And then into Myanmar perspective which is, I think, a very good approach. And then the point I think he departed from others is that he shows the essence of capitalism. I saw a picture, you have Myanmar workers all people protest against one company. Conflict between the labor and capitalist put in this way. And finally capitalism, the other side of capitalism which is labor coming out, like this one. This is the whole story of capitalism. If you talk about labor, it doesn't mean. It is like this. It is telling a lot, underlying this core business of these productive forces, the mode of production that we call capitalism. Otherwise, it got to be like wishful talking, because, I mean, people want to consume. So what is the problem? Those people I interviewed them I don't know whether they laughed or when they left, "why they ask about this?" They have to go to work, they have to find job, and they have to do many things. What's wrong? What is anything you want to know about? I think it is crucial, it is important to see the main component, the essence of this system, how it works, how it operates, how it affects people. At the end, academics is about the people. It is the life of humanity, it is the productive forces that in the human history, the most powerful and it still lasts more than 200 years, could be longer than any economic mode of production in the history. That's why Khine Tun showed very comprehensive his study and picture. And the last, when you end up with, the final capitalism has to do with four codes that made to the point. Because we can blame, "Ah, capitalism is the west, is colonialism, that's why bad things come with capitalism; that's why we have to fight. And now we gonna fight a new bad guy, Chinese capitalism." I don't think that is answered. That's why everything has

to come to your own code. It depends on the ground that grows this thing, you gonna make it work, make it prosperous, make it more human. Now we have capitalism with human traits, “thun samat”, “thun civilized”, “thun khaniyondee”.

Ajarn Yos Santasombat: I normally do not want to say something long but I can no longer keep silent. Let me try to define. I think we have talked about this, but when we talk about Chinese capitalism, the title of our work here is not about China. It is about Chinese capitalism in Southeast Asia. So we are talking about millions of overseas Chinese migrant in Southeast Asia who have developed a distinctive or if we think that they have developed a distinctive form of economic organization through which several groups of ethnic Chinese entrepreneurs, traders, financiers and their family firms and their close network have gradually expanded their sphere of economic power and came to, in certain cases, came to dominate the economy of the whole country that these ethnic Chinese later called home. So they become part of the native. Others might not become native or try to maintain a distinct form of life. But, so in this case, when we talk about Chinese capitalism, we refer to a historically and geographically specific form of economic organization that the overseas Chinese of Southeast Asia have developed. And in this project we are referring to nine countries, five in the Mekong and this project we add four more. So this is my understanding of what Chinese capitalism is all about. But when we hear the paper, especially from Laos, Myanmar and Cambodia, we hear the term “network” for instance, but what is the nature of this network is never spelt out. This is, I think, the crux of what we are getting end. Because what we have here in case also Vietnam, we see the endurance, the vitality, the ability of the Chinese system to survive no matter the type of pressure has been put on, discrimination, even more. They come back and they survive. And they grow. In certain cases, the restarted from domestic commodity. I went with Ajarn Chinh to Saigon and one of the richest entrepreneurs that Prof. Chinh told me is someone who sold noodles all over Vietnam. This is, you cannot find any more traditional commodity like this, but others also get rich from transnational endeavors. So it is, how do they use the network, how do they use the business system that I think, I would like authors to stress, not just talk about networks but how they use it, how they exploit it, how they adapt it, what is the difference between their ancestors, their fathers. And one additional factor that I think Ajarn Chulacheeb points out quite often is, with the rise of China, we see another system coming in. Not quite the Chinese capitalism that we understand in Southeast Asia, but a more aggressive, more money-oriented, more quick investment, more hi-tech, more hi-education. Because China is all about these things, China is not about posterity, no longer about working ethics. China now is about quick grab, quick investment. So please do not be fixated with Confucius and other discourses that China is trying to spell out. I think Prof. Chinh knows better than anyone in this room about how Confucius institute is a gimmick. So this is what I mean by Chinese capitalism. Well, but we can debate about it. It is not definitive. And I hope that I can change my mind after the project is ended. Ok, can we move to Malaysia?

Presentation of Dr. Danny Wong Tze Ken: The Development of Chinese Capitalism in Malaysia through the case of H.S. Lee – between Business and Public Services

First of all, let me say thank you once again to Ajarn Yos for inviting me to come back. I was very relieved actually when he decided to break his silence and give us his rendition of what it is supposed to be because after I have received the schedule of our presentation, I actually have doubts of what I was doing and I keep referring back to what Ajarn sent us the first time, the abstract of the project, the short write-up. I keep on looking at it and said "Am I on the right track?" After he said that I was quite relieved that I am actually not too bad. I have not gone too far off but I do have a lot of apologies that this was the last minute. I sent my paper after I got in here last night, 11 o'clock. So my title has been changed. By the time, I finished my paper for the next six months or so, the title will change again. Definitely will change because as I listened and I looked through what I have done and what I was supposed to do based on what we have discussed since last workshop, I think there is much more work to be done. Let me take you through, there are fifteen slides here which I hope you will bear with me, I know it is very late.

Chinese population in Malaysia in 2010 census, stands at around 7 million. Today, five years later, I suppose it is more than that now. That will constitute about 23 percent of the total population. This is quite different when you compare to Indonesia that we have much more Chinese but only constitute 3 percent, whereas in our case we have less, but we are a sizeable minority that mean someone you cannot ignore in total. However, there is a gradual decline in the total number of Chinese that in the country in terms of percentage. The number has increased but they are not producing enough and other people have gone up so fast that we just cannot match. Therefore, we always debate on whether we should emphasize on quality or should we emphasize on quantity but that is another story. Even though, the Chinese population is small, the Chinese ownership of shared capital of limited companies especially is quite high. The figure that I have here, actually, 40 % and the figure is gone up and we know that it is gone up as well. The top 20 public listed firms, we have three in the top ten and five in the top 11 to 20 and 20 out of the top 30 Malaysia capitalists are Chinese. Chinese here mean Chinese Malaysian; they are citizens of the country. But, historically, we have always been discriminated in one way or another because of the British policies. For instance, in the past, during the British time, they want to take in one Chinese or one Indian into the civil service, there will be four other indigenous people, whether they are Malays or other type of indigenous people to balance up the imbalances, so to say, in the civil service. But in 1971, it is no longer just the civil service but the entire economy was coming under scrutiny because in 1971 following the racial riots of 1969, there was a New Economic Policy that was introduced, that has a very noble way of addressing this issue. It is supposed to eradicate poverty and to restructure the society, because at that time, it was deemed that there were some communities that have over-achieved in terms of ownership, economic achievements, whereas others were lacking behind, these were supposed to be the policies that addressed this issue. So these are actually affirmative actions to address these imbalances. Therefore, there will be preferential treatment given to indigenous community.

So that within 20 years, their shares of equity will go up to 30%, up from just mere less than 10%. So we are looking at a big jump within 20 years but of course by the time, it was a view that they say it was not achieved, only managed 19%. Therefore, the new development policy and the new vision policy being put in place. So today, Malaysia is still a country that practices the preferential treatments, affirmative actions. Therefore, the Chinese would be, what they call, the biggest loser if you like in the sense. So we also just to do more, achieve more in order to survive.

Of course, even with this situation, the Chinese are still out-performing the rest of Malaysia and of course, the last part in this introduction, is to address in this part of the new changes in the landscape of the world economic, the rise of China and also the influx of the new Chinese capital. In the case of Malaysia, there is no influx of the new Chinese because of the very sensitive racial imbalance. We don't take in new Chinese. Very few actually got in because of the way we control our citizenship and so on. There might be other people coming to join us from Indonesia, from Singapore Malays, something like that but no Chinese. This is a very clear policy. Some would be allowed to come here but very few. Therefore, we don't have that influx of new Chinese but we do have influx of new Chinese capital. So the question is: how to cope with that would be the focus of how we want to do? So the research questions, I think I mention that last year and have revised them as well. So these are the questions that I would like to answer: What constitutes Chinese capitalism in Malaysia? So we are talking about homegrown, is it really homegrown? Are there actual connections with China? Something like that. One of the major characteristics of Chinese capitalism in Malaysia, is there any special about them? What make Chinese capitalism resilience and successful? Is there some magic wand that they use? How did Chinese businesses negotiate through tough state policy? This is especially after the new economic policy, how the Chinese firms survive because as the state become more assertive, the Chinese companies definitely need to think hard and work around the system or whatever ways. So these are the ones, which I am looking at and how has the Chinese capitalism transformed over the years? This is again from the experience Malaysia, whether they have transformed in terms of the ways they do business or whether they still fall back to the traditional way in dealings with China. Finally, of course, this is something that we need to do. How the Chinese businessmen respond to the new Chinese capital from China? Is it competition or is it some form of cooperation? Or whatever? That is we are going to look into. I put them in red because I have not addressed them in my paper. Therefore, it is work in progress kind of things. I have shown this in the last meeting about how to define Chinese capitalism. There are 1001 ways of defining it but I will fall back on this one. Very simple too. I will say that Chinese capitalism talks about Chinese ownership. It has certain Chinese character in it. Some of the point make by Yeung Wai-Chung, some of the Chinese way of doing thing, maybe visible to this thing but something they can be real practical way of doing things. Distinct, it is very distinct, with profit regeneration. It is not just getting profits but it is also regenerating, reinvesting and plowing back to the business so that the business will grow.

I pick up the Henry Yeung Wai-Chung's definition, he defines that specifically Chinese capitalism is a production for a market by enterprising individuals or combined with the purpose of making profit. So either a person or a group of people come together and say let's make money that one of the definition. Two, Chinese capitalism is not a model of economic organization that is specifically bounded of the nation state. Which interesting to say, they transcend borders. And Chinese capitalism has achieved some degree of structural coherence and rationality that in turn legitimizes its very socio-economic behavior. In the past, there was maybe a China way of doing business but now they improve system turn in with compliance with international standard something like that. And then Chinese capitalism is actor-centered rather than institutional-specific. It means to say that the patriarch of the company, the family business and so on will take precedence but of course that would eventually change, I suppose, in some ways that would be demonstrated in the paper later.

I am also looking into our way of doing things. I notice that when we look into the case of Malaysia. There are some other characteristics of Chinese capitalism that we can actually pick up. For instance, the idea that Chinese capitalism is developed since the arrival of the Chinese in the country. Meaning to say business follow the flags, whether you have the British taking over the new towns or new places, the Chinese will come in and therefore they started the business and they wanted the capitalism to develop. The notion that the Chinese ownership and wealth generation being fundamental drivers. There is no other reason, there is no saying that I do this because I want to help the nation and so on. That is not the primary goal. The primary goal is "let's enrich our family" and something like that. I think that is very fundamental. Business being the most common activity and it is the fastest way in yielding high returns. You notice that they don't become academics like us because they can earn a lot of money, doing business. But with high risk, because, surely you have to take risk, therefore the focus of most studies, including the present one, will propose that it is actually, the business adventure that we are looking into. There are many other characteristics pertaining to Chinese in Malaysia but I just pick up these three. Again, I am going to bore you these things in terms of approach. Now given the type of sources that we have and the fact that during the three independent periods, we don't have too much of resources or rather too much of information about that period and the subsequent changes that took place. I am going to take the historical progression perspective. It means to say, well I can't do otherwise anyway, I can't be an economist and so on, and after all I am a historian. So going back to the archives, ploughing through the sources and so on. I don't do interviews, of course, if there are people around who are willing to talk, I will be happy to talk to them but we plough through the files and sources. So actually, the papers are in ISEAS (Singapore), they are Malaysians but the families deposit the paper in Singapore. There are a few cases in Malaysia because they simply don't trust the national archives. So they send off their stuff to Singapore. So we use the historical progression perspective. Also hinges on the fact that the idea of the main factor, being individual actors and not institutions, therefore, I will focus on the family business, or individual, conglomerates but also mindful of the changing environment and the challenges. I was a bit worried while sitting there, when Assoc. Prof. Dr. Siriporn Wajjwalku saying, "Why two? Why three? Why five?" Therefore,

I said, "Look, we have to do a bit better, I will add on Robert." But actually I want to start with the Robert Kwok because he is the embodiment of what present day Chinese *towkay* or tycoon should be because he was not only prospering in Malaysia but he actually stationed himself in Hong Kong. He owns the South China Morning Post, you can imagine how big the newspaper is, he is the advisor to the Chinese government, economy and so on. But he is a Malaysian and he still donates money to the Malaysian institutions and so on. He is the sugar king of the country. Then of course, I was thinking about the Yong family of Selangor Pewter. This is a very interesting family that the business has lasted for about 100 years but it is not listed on the stock market and still family owned but it has gone international and you can find branches of it all over in the British Commonwealth countries. I wanted to do, perhaps to add on to these, otherwise, the story will be incomplete, so this is something that I would like to do. Now the next three slides are going to tell you, how and what the Chinese capitalists would have gone through in our history. So this is the history lessons, three colonial and colonial eras, would basically talk about the Chinese capital, Chinese individual and family firms. So when the Chinese came, some of them came as very poor people; they may be selling all sorts of things and then got themselves involve in certain business and later on prosper and develop further. But some, we also have some cases, that I mentioned in the paper, especially the case studies I have done, the families actually have, the family firm here in Malaysia, is an extension of the family firm back in China and therefore or Hong Kong. There were many cases like that as well. In other words, they came with their own capital already. It is not something that they develop here from scratch but they started with some money from Hong Kong, from China, but they build and expand that business over here giving it a Malaysian or Malayan identity. Therefore, they progressed. Early Chinese capitalists developed over natural resources because they are able to exercise control over mining and agricultural activities. They owned estates, they owned mines and quarries and of course businesses. Now these are very trades that bring you a lot of money. So if you are a barber, you will never become as rich as these people, although you do have a trade. If you sell, for instance, you are a hawker, you are still a businessman but you never be like these conglomerates, people who are very successful. Another point about pre-colonial and colonial era is that, this is something that spilt over even until today. Malaysian-Chinese capitalists, they do enjoy cordial ties and relationships with colonial administrators and local indigenous rulers. So, many of them, in today context, if the ruler decided to go to Italy for holiday, who will buy the ticket for him? Not the state, perhaps, one "*towkay*," we used the word "*towkay*" or tycoon, probably foot the whole bill. So, they will go over and have a good time and maybe gambling in the casino and not enough money, they would just call up, and actually some people who are rich, would bring some money. But of course, in return, there would be favors, some medals, some awards and so on that would make this person and another, for instance, *Okhnia* of Cambodia something like that, who would be of certain stature something like that. So this is the kind of favor that they would like to have, so that they can actually obtain these concessions. Many of these, of course, are not supposed to be returned but now we have sufficient evidences for some cases and so on. Another one is that certain local brands have started to develop during this era, for instance, the Selangor Pewter. It is a very important brand. If you have a chance to come to Malaysia for holiday, one of the

things that you should bring back is something from Selangor Pewter because it is truly beautiful. Now, post-colonial, immediately after independence, we have localization and nationalization of being part of the new nation. So contribution to the national building process, so that they could be identified with the new state. In the past, they might be links with China. But, today, they said, "Look, we are part of the new nation. Whatever we do today, we will contribute to the national agenda." Then, of course there will be question of function because here the Chinese continues to dominate the economy whereas the indigenous people will continue to dominate the political space because with the exit of the colonial masters, now the Chinese or rather the indigenous people have to contest with the Chinese now or vice-versa. So, the working relationship, how do they work it out? Dealing with the rise of indigenous political assertiveness, both politically as well as economically, for instance, the new economic policy that was introduced, this would be definitely a demonstration of indigenous assertiveness. New economic policy and aftermath definitely disadvantaged the Chinese-community business. Therefore, the Chinese businesses will undergo transformation, adaption with the changing environment and so far and so on, otherwise, they cannot survive. Then, the new era, the present day, transnational boundary capitalism, means to say the same company that was developed during the colonial era, now they actually manage to go beyond the boundaries of Malaysia. For instance, now they are going out as the supra national organization. They buy over firms, they buy over vans, whatever; establishment abroad. They actually take control. This is the kind of efforts, actually, I would say this is the kind of effort that demonstrate how the Chinese try to circumvent the challenges of meeting the indigenous assertiveness. If you cannot play the game within the country, you play outside and you still earn money. So this is the kind of thing that the Chinese firms are doing now. Try to work around these more assertive state, with also the new initiative, new territory effort that makes business very difficult that actually move in Malaysia. So how do you get around this, go abroad. So this is the kind of thing that witnessing. I have mentioned a bit in my paper because not enough, because the various firms that I had mentioned did not do too well in this case. Diversify their activities, of course, in the past they used to do something that they are very good at but today you know that you relying on one thing, may be the beginning of your downfall because that particular industry may be targeted or a particular industry may be a sunset industry. So you have to get out of it and therefore the Chinese firms are actually becoming more and more innovative. In order to meet the new challenges in the new era, you need to build on the new institutional structure; you need to actually put in new system. You actually become more and more hi-tech and so on. Also, in terms of share ownership, the nature of ownership is began to change. We know that the boardroom battles have become the norm rather than the patriarch come in and say, "I want to do this and do that." So in this way, we begin to see also a lot of Malaysian firms, a lot of actors' roles are now diminishing whereas the institution are coming out very strongly. This is something that we can see, so these are the three eras that starting from the three colonials and colonial and after that post-colonial and then the new era that Malaysian firms who has gone through out this period. Some survive throughout and some did not do too well and others would have gone very far in that sense.

So I finally come to the second part of my presentation is on the family firm of the **Kum Lun Tai** which is the Lee family and very famous family, was and still is I supposed in some aspects. They came from the prefecture of Gaozhou in Guangdong province. They started off in China by selling silk from Hangzhou-Suzhou, white silk and so one. Therefore, Jing Ren Tai, Jing means Xzu actually and so the *Kum Lun Tai* 錦綸泰 in Cantonese, means within the name and it was silk merchant but because of the volatile political situation in China, they decided that one branch should be started elsewhere. Therefore, they came down to Malaya in 1903 with capital, already have capital. They started off *Kum Lun Tai* in Malaysia. Today, no body remember *Kum Lun Tai* as the silk merchant. Today, people remember this as the moon cake festival. Just now the presentation of moon cake, moon festival. Today, they are famous of moon cake, producing moon cakes. Now started with silk and textile, they moved into tin mining. Malaya was famous in tin at that time and there was a height and prices so forth and so on. So they went into tin and they started the company called Tai Yua (owned by Tai). Again, they move to other businesses like, for instance, they came immigration agent as particularly to bring in Gaozhou people to come in Malaya. When this Gaozhou people arrived and come and go. They also started off lodging houses for these people, hospitality. Later on, they started other business to send money, mainly help people to send money back to China, remittance agent. Those days, a lot of Chinese who send money through courier. Not courier like DHL but the actual courier that takes the money and jump under ship and go back to China. So they set up the system that will ensure that your money would be safe and arrive in China. This is a very big business in those days. At that time, this guy, his name Lee Kwai Lam, the patriarch of the family, he was still looking to China in terms of politics. He was getting involved in Tsung Mung Huy, he was with Dr. Sun Yat Sen. He was actually becoming part of Guangzhou legislative assembly member and so on and so forth. But when thing began to fail over for Sun Yat Sen in China, he decided to come back to Malaya and focus on his business and develop the business subsequently into something much bigger. This is his son, Lee Hau Sik, this guy born in Hong Kong, educated in Hong Kong and went to Cambridge to study Economics and came back and work for PMO Bank in Hong Kong for a while. Then he decided to come down to Malaya and join his father. The moment he arrived, one day after he arrived, he asked his father to buy a new mine and he expanded the mining business. Kam Lun Tai and Tai Yao actually expanded very big and they were focusing on tin mining. Because of that the family business rather doing well, their wealth actually came from tin mining business. Because that was the time when tin mine was very much in demand. And he was also heavily involved in public services, he was the part of the senate and legislative council. He was a chairman of Chinese of Commerce, Chairman of Chinese tin mining association. His support base would be the Guangzhou people and also the Guangzhou association. He was liked by the colonial administrators, he was given a title of the justice of the peace (JP). In the British system, JP is quite somebody and of course later on, he was awarded and knighted to become a sir as well. The business thrived until, of course in my paper, a lot of I am looking including the Great Depression, and how they pull through during the Great Depression. But during the war, they went to India, he was wanted by the Japanese because he cheered China to release funds, which he sent money to China for the war efforts in China. So he went to hide in India

and he came back as the hero because at that time, he helped and supported, went and see Chiang Kai Sheik in Chong Qing. And then, he made an honorary colonel and he came back like hero. Whereas other Chinese leaders who stayed behind and worked with the Japanese were tainted as being collaborators. Therefore, his position and prestige as the Chinese leader just went up. Before that he was just a state leader. Now he became a national leader and of course when he came back, Malaya was in a tatter, all the business is not doing well, so he actually tried to revive the business including working on the tin mine, work with the government loan and then demanding the government to pay more than wages because he said that "Look, you British left us in a lurch, you better pay us back some money and things like that." The point is that his business was reviving and doing quite well but then emergency came in 1948. When Malay communist party launched an uprising that lasted about 12 years and therefore businesses also became very difficult. Now this might tell you about his multiple involvements. There is a shift. We begin to see the shift after 1949 when the emergency that still on that China fell to the communist party of China. And therefore this man had nowhere else to go but to shift all his attention to Malaya. Everything that the communist party of China took from, he cannot accept because he is a businessman. As a businessman, you just cannot work under that kind of system. Even in Malaya, he was threatened by the Malaya communist uprising. Therefore, as a result, his business decided to contribute to the government to defeat communism. So he took a lot of initiative including helping the staff, the new villagers and he became part of the Malayan Chinese association leadership of Selangor. He was the one who brought the Malayan party and the Chinese party together that actually became the alliance party that eventually won independence for Malaya. Therefore, he became a part of the inner circle of the leadership. Then he took part with independence negotiation with Britain and he became one of the founding fathers of Malaya. Throughout this period, we know that he actually did not devote too much attention to his business. It was run by his sons. He has a lot of sons from three marriages. Before Malayan became independent in 1955, we became independent in 1957, he was appointed the first finance minister; therefore, this is the different from many experiences of the Chinese in Southeast Asia. In many parts of Southeast Asia, the Chinese will always shy away from the politics, one, two, they were not allowed in politics. But in this case, he was part of the original circle. He was in the top echelon of the political hierarchy being the finance minister. Of course, being a new nation he was responsible in drawing up a lot new things, like banking laws, currency laws, taxes and starting of the new national bank. Then introduce the first Malayan five year development plans, this is where some of his Chinese business capitalist ideas came into play. He saw the need to be prudent in terms of spending and frugal for the nation. So that the nation can conserve wealth and to work hard to earn capital. So everyone has to work hard to tighten our belts, so that we don't spend too much money, so that we can build up the national reserves. He believes that as the young nation, we should work on this. But then this such of policy, were at odds with many, after being so long under the British now wanted to, being leaders of the nation, now they wanted to enrich themselves fast and so on. So his idea became very unpopular. So when he raised taxes in order to generate income for the state and he was accused of being trying to rob the people. Of course, the people who put one plus one equals two, that kind of equation together. You as

the Chinese businessman trying to tell us that you are going to raise taxes for whom? So people are casting doubts on his integrity and so on. What he was doing was perfectly attune or rather fits in to what Chinese capitalist will do? Save money, eat less. Something like that in order to maximize the profit, maximize your wealth and so on but then he was accused of terrible thing in that sense. Then there was the bank of the China issue where the government decided to shut down the bank of China. He disagreed with that and then other issues that led him to resign. Now I want to emphasize two points here. What he did, it would be very interesting because instead of courting favor as the Chinese capitalist would court favor from the indigenous elites or rulers but he actually was distancing favor as the national leader. So there was this different role that he was playing. Also, the application of the Chinese capitalist model in decision making being frugal, wealth generation and so on, he brought that into the policy. Of course, it didn't work. Then he returned to be a corporate figure and strengthened his business but he realized that tin mining was the sunset industry. He moved his business into the banking industry, started a bank called development and commercial bank (VNC bank). He was an executive chairman but again he went back to the old Chinese capitalist way of courting favors from the ruling elites. Now, he needed the Prime minister to give him the license and then the Malays were buying into the banks as major shareholders and so on. But he was able to slowly move the bank into the professional launched enterprise and they issued shares to become a joint stock company. The bank actually improved from the year, five million pick-up capital originally in 1966 to one hundred million by 1984. So in a span of just 18 years, they actually make these much of improvements and become the fifth largest in Malaysia under his son, Alex Lee. Then they went abroad to acquire another bank in Hong Kong and so on. Then there was a time when you began to see the challenges of the indigenous assertiveness after the new economic policy was being introduced. Therefore, the boardroom battles trying to prevent the indigenous interest from taking over but they finally lost control in 1984. After that their family just decided to let go of their major businesses and sold off. And finally, almost one full cycle, back to Kam Lun Tai of the original company that didn't do any other works, and so on. But we can see that the experiences of the Lee family, if we just take the Lee family, for instance, Kam Lun Tai and also VNC Bank, they actually reflected a various stages of development that many Chinese companies would have gone through in a process of accumulating capital. And the experiences of the Lee family would have been rather distinctive from others. First, they were not rags to riches kind of the success story. They are already rich in China. So there was extension of their capitals. Two, they were quite adventurous, risk taking, dare to go into businesses that they have no knowledge about. They had no knowledge about mining, how to run a tine mining but they just bought over and employed people to do it. Being part of the ruling class, there is something different from other Chinese businesses because of his roles in political party and so on. I think up to the certain point, there is the strong sense of adaptability. They were able to adapt quite well up to the certain point but lose up eventually. They are fiercely Chinese, their Chinese identity was strongly defended. They were always fighting for the interests of the Chinese, ethnic Chinese. Then of course, the challenges of the ethnic Chinese in the late 1980s, I think they find difficult to adapt, to adjust and so on. So I think this is where we need to work a little bit more, therefore, the last one

that is still in progress, is the facing up to the challenges to the influx of the new Chinese capital. These were not dealt by the Lee family because the Lee family stop operation in 1984. This one will have to be discussed in Yong family as the Selangor Pewter or Robert Kwok. So that it would be something that I would like to work on to revise the paper. So I think that's all for my presentation.

Ajarn Chulacheeb: Your story with your case studies remind many of us about many Thai-Chinese in Thailand who experienced similar things. Nevertheless I have no question because I was seduced by your story. I like the question that you posted at the beginning. The sixth question that you posted that "what constitute the Chinese capitalism?" for Malaysia, for Cambodia, for other countries. I think this question should be in the mind of all researchers. And what are the major characteristics of Chinese capitalism in Malaysia, in other countries. What are the differences? May be Ajarn Yos can make comparison, common characteristics and special characteristics. And that may come up with the context, political context, economic context or even social context. I think that is fine. I think you set up a very nice framework for all of us to look at. Number 3,4,5, I think I all enjoy it very much. Thank you.

Commentator: I have come to like Malaysian history very much. It gave a good sample of how the local able to try to maximize their profit from colonial British domination, independence and decide to make this special quota. It is unbelievable that Malaysia can do this, purely racism, the way that, the comment calls up, Bumiputra. You did in America, the American said African-American should have 30%, what gonna happen? He said the role of the black burning that gonna be the white burning city in America. In compare to Burma, or Myanmar, under British colonial, in Burma that time ended up in much more fraction that the independence movement and the elites in the independence era, Malaysia moved in very unified but inside they have basic differences and conflicts but they put it in the structure, in the framework that more or less okay to see from the British under the rule of constitutional. I wish that Thailand should learn from the Malaysian history that many things if we can move in that direction, actually Thailand would be a lot happier but now we are coming in telling to do opposite with other people because we have never been colonized. Now I want to see how we gonna solve this, we gonna be colonized, internal colonialism. I have no problem. This is wonderful presentation and story of Chinese capital in Malaysia. Thank you.

Commentator: I think I should add one more Chinese capitalist into the report because this person is a kind of, he is a founding father of Malaysia so he should have some duties to resolve many things. I can assume that he has less difficulties than other Chinese capitalist to fight with Bumiputra policy. So if you can add on one more on the other side who faced more difficulty and how can he or she react. Because when I talk to the people in Malaysia embassy who are, most of them, all of them are Malay, they told me another story, for example, in the central bank of Malaysia, there are some departments that the Malays cannot enter, cannot work because Chinese control the department. In some departments, Indian control. So there are many stories. So as an economist, want to hear different views from different angles? Thank you.

Prof. Chinh: I add one more question. I think most of cases in the morning now that we listen, we find that the Chinese business are discriminated and assimilated, almost they are everywhere. And then that is in Southeast Asia. But that your case is very much integrated. It is very much starting from a small business and finally become higher and higher. And it seems that I don't know, recently, I read a newspaper and see the Malaysia is a big movement of boycott Chinese business. So I don't know, looking from the true history of hundred years, I don't know how the ethnic Chinese business is facing with discrimination and assimilation in Malaysia. Or it may be different picture?

Commentator: Since 1971 the NEP policy, I think political connection plays very important role in the accumulation of wealth by the Chinese. Are you going to touch on that also in your paper?

Commentator: I am thinking also to think back to the presentation of Dr. Chinh this morning, one aspect of Chinese capitalism that we see here in quite a few presentations is the family business. And it would appear that even though H.S. Lee is one of the founding father of Malaya, it is very clear that he became politically influential because of the ties with indigenous elites and his business during that time as Minister of Finance is still run by his family. So his business is still family business. And it appeared as you said that the integration of Chinese business seems to come from ties with indigenous elites. There seems to be that this difficulty in jumping the herald or transforming from the family business empire to a national business like you said, may be join or going to the stock market, or whatever. There seems to be a class dealings there, something that could not be overcome. And in that sense, do you think that the limitation of the so-called Chinese capitalism that makes it problematic international context of Southeast Asia?

Prof. Danny Wong: Thank you for all the comments. I am actually going to discuss beyond the H.S. Lee family. There are two families I hope to include, the Robert Kowk family and also the Yong family. The challenge all of them are faced, extreme challenges, in fact H.S. Lee family, despite all the connections, failed. They failed to sustain it beyond, I think, 1984. In other words, even though with political connections, you still lose some, simply because there is a bigger stronger agenda of affirmative action that needs to be fulfilled. And therefore, in the case of the Lee family, they simply lose out to, in the paper I mentioned of the, chief group and so on which is much bigger and much more powerful because the state is in support and so on. In the case of whether Chinh's comments on the, it looks as I painted the Malaysian case as well-integrated; in the way it is well integrated but on the other hand, it is not fine because every Chinese firm is already feeling very difficult the moment that the policy was introduced in 1971 when the demanded 30% of equity, which is also meant 30% of your staffs need to be indigenous people. So it is no longer by merit, it is no longer that I take a person because that person is talented; I have to fill up 30%, therefore I have to take these people. So it becomes a challenge. So you pay salary for someone who may not be as competent as you would like to have. So this is really a big challenge. So sometimes you may recruit people who simply cannot perform. But you have no choice but to accept them. As a board of director, you have to be 30% indigenous even though that they may not have

contributed capital. You create the capital for them. You do that for them to come here. So you buy them to come into your buy-in company and sit on your board. So I think that integration is not a good integration. It actually breeds a kind of incompetency, it breeds a lot of other things, it breeds bitterness, why should I actually invite you to come in whereas I build this company from scratch? And therefore the Yong family decided that we are not going to lease our company. For them they still have some boards of director who need to be the indigenous people. So it is very a tough thing although it looks quite nice thing. Actually it is quite bitter. The feeling is bitter and angry and therefore have to find way of going out or other ways of doing it and therefore it is quite problematic in that sense. It is still problematic, it is something that can be leaved by and in fact one colleague was asking.

Commentator: Domestic politics, domestic change while the key factor in Malaysia, in other forms of Tun... to Mahathir. I think this also affects the Vietnamese, also from non-communism to communism to others, back to socialism. So I think the domestic factors should also be a part of the factors which affect Chinese capitalism in Southeast Asia.

Prof. Dr. Danny: The difference in the case of Malaysia is the Chinese do have a political certain level of political influence in the sense of being a part of the ruling party or being a part of the leadership, of the opposition party, for instance. They are a part of that, all political process. But whether they could make key decision is something else. Therefore, coming back to Alan's question of whether or not being politically connected would be advantage, whether you are a part of the system. Which we always use the word "rent-seeker" so you always ask the patronage, so that you get things done and therefore in the case of Malaysia, it is a difficult place to attract FDI sometimes because the foreign investors come in and suddenly don't know who is actually calling the shots. Then they have to figure out and so on, then the broker comes and says: Ya, let me solve this problem for you. Thank you for your comments.

Ajarn Yos Santasombat: So this morning we will start with the paper by **LIU Hong** on Singapore.

Prof. Dr. Liu Hong: Good morning everyone, first I want to apologize for not be able to be here yesterday because we have, all of the university's senior management where we went to London for four days of meeting and visit, so actually, I had to leave the meeting early and only able to come here for the second half of the meeting. I am very sorry that I missed the presentations yesterday and I am sure that there were a lot of interesting discussions. I would have to catch up by reading all your papers.

For this morning, my paper, actually it is a joint paper with Dr. Ren Na of Jila University in Guangzhou. What we tried to do is that to understand the social aspect of the Chinese

capitalism in Singapore, especially in the context of new migrant entrepreneurship. The paper, you all have, it is quite long, about 42 pages and I will not go into the details or content in the paper but what I want to do is just to give you some overview about some of the key ideas of the research paper. And also like to get your comments and suggestions how to improve this paper. So the paper includes these five or six components. The first is the introduction especially to look at the some theoretical aspects of Chinese transnationalism, especially the entrepreneurship, with respect to entrepreneurship. The paper also discusses on what kind of nexus or what kind of empirical data that we collected and how we collected the paper. And the next part of this is very brief overview about Chinese new migrant entrepreneurs in Singapore. This, we refer to, the local Chinese full migrants to Singapore after 1980s, especially, after 1990s, when China and Singapore established diplomatic relations. And the next three other main thought in our paper, which are why we look at the context of dual engagement of new entrepreneurs in terms of the state, in terms of individual. These are two different dimensions and we also look at what are the key characteristics of what we called that the “dual embeddedness” in terms of undertaking social and economic activities. And also we look at mechanisms of research tour and embeddedness and transnational engagement. This is a particular group of Chinese entrepreneurs. So we start with some of the content that I am sure it has also been discussed yesterday about the overseas Chinese capitalism. Henry Yeung my former college at NUS, National University of Singapore. He argues that Chinese capitalism what is called “a form of hybrid capitalism.”

He says “only one hand open and fluid in nature” and it also simultaneously converges toward “certain norms and rules in Anglo-American capitalism and, yet, diverges from its key institutions and structures, reflecting context-specific dynamics and the uneven impact of global flows of capital, information, discourses and technologies.” So I also a kind of agree with him in certain aspects and also I feel that we have the need to look at more specific Chinese aspects. In addition to this Anglo American form of structure of capitalism and so on. So one aspect of the Chinese business is social institution that I used the term that social underpin of this type of capitalism. So this is the one focus of the paper. The second, I do agree with him that is context-specific, it’s very important if we look up to what kind of context what we called national, transnational, and global context within the Chinese capitalism operate, which this paper is particularly keen to explore. So the paper is looking at the entrepreneurs’ perspective and social behavior. It is not so much about economic

activities, which is very important in their own rights. This paper primarily looks at how they see themselves in terms of their relations with Singapore, their relations with China, and also how they organize their business activities. So we look at business management, socio-economic activities and their orientations or in other words, their identities. These are the three key aspects of our focus. We also have a set of specific questions that we ask, especially in the context of dual embeddedness.

So, let me begin with the concepts. I am sure that all of you are aware of some of the key literature related to this idea of embeddedness, especially in terms of all economic activities are embedded in social relations and institutions – some of the key courses in this area. So we look at a lot of studies about embeddedness. The focus has primarily related to the context within the nation-state so what we try to look at in this paper is dual embeddedness, which is beyond nation-state, includes the host land, in this case Singapore and homeland, which in this case, China. So we look at their socio-economic activities can take place transnationally into nation-states. So that's something that we try to go beyond existing literature focused on embeddedness of economic activities.

So this paper, we interviewed about 30 entrepreneurs, new immigrant entrepreneurs and then we kind of narrow down to kind of more specific analysis. We look at more specific sectors of the economy that they were doing when they came to Singapore, what kind of educational background that they have, and before they came to Singapore what kind of profession and occupation that they had. So this is only one hand of the data collection. We also did a kind of in-depth interview and lastly, we have so called participatory observations, partly because I and my advisor to some research associations, so I was invited to attend some of the meetings or some of the celebration events. So I was able to observe that how they interact with Singaporean politicians and Chinese politicians. So, this is mainly the kind of research method and data.

So we look at this as the new Chinese immigrant entrepreneurs as I mentioned that they came to Singapore in large scale especially after 1990. So we don't have specific number or scope, how many of them are in Singapore, partly because it is considered as the confidential information by the Singapore government. They don't want to reveal the percentage of the current Chinese immigrants, where they are from? From Malaysia, from China, from Taiwan and so on? They don't want to create some kind of unhappiness among Chinese

Singaporeans, or Malays in the country and so on. So we only have some estimate numbers. Some people estimate three hundred thousand and some higher estimation that it is close to one million people. So in the context of overall number of total population is very significant. Singapore has population of 5.5 million currently. Out of this 5.5, only 3.4 million are Singapore citizens and a half a million are Singapore permanent residents. So even if we take a lower estimation, it is still about 10 percent of Singapore citizen population. So this people they scattered around in all sectors including the universities, research institutes but also a good portion are entrepreneurs. These entrepreneurs can be further divided into two types. One is some of affluent Chinese; they already are actually quite rich before coming to Singapore. So they set up their business or do investments in Singapore. And the second is actually the kind of people we studied in this paper. They come to Singapore as a student first or they come to Singapore to work and later on they become entrepreneurs. So these are two types of entrepreneurs that we are looking at. If we look at the Chinese and transnational connection, this is of course nothing new. This type is actually from Gordon Redding's article published about 20 years ago on overseas Chinese network. This shows the kind of connections among the big Chinese businesses, but all these are so called the older generation Chinese entrepreneurs. They were born in Southeast Asia; they became rich mostly in a few sectors, such as banking, and a few in manufacturing sectors. So they have an extensive network by themselves. And so my own research, I also tried to look at this kind of connections but mostly it is a kind of the larger theoretical framework that guiding my own research. I wrote this about ten years ago. This is, always the Chinese who understand the relations between networks and the states because we look at the state is a kind of vertical construct and this is a kind of hierarchy from top-down but the network is more horizontal and egalitarian. Maybe these network activities are taken beyond the nation-state. But it is still very important component of network and the state. They beat each other with what has happened. So these are some of the larger theoretical framework that I try to understand. So if we look at the context, I feel that it is very important that we look at what kind of context this dual embeddedness for Chinese and new migrant entrepreneurs. So there are two aspects: one is nation-state policy, I mention that we have to look at this beyond the nation state framework. But we still have to bear in mind that this nation state in shaping the nature of Chinese capitalism in Southeast Asia. But this nation state not just the host land in Southeast Asia countries but China as well. So my paper, we look at the both policies of Singapore and Chinese state with respect to entrepreneurship, with respect to engagement,

interaction and integration as well. So we will briefly go through them. Of course, I mention context, one of the very important contexts is the very close relations between Singapore and China. So we look at, for example, China is Singapore's number one trading partner. So these volume of trade increased substantially over the last decade. And also, very importantly, Singapore is a very small country as I mention about 5.5 million people. But Singapore is the largest foreign investor in China. So China is such a huge country but there are so many FDI but Singapore is the largest source of foreign direct investment. So that is a kind of foundation for us to understand the close interactions. In terms of social interactions, every week, there are about close to 600 direct flies between Chinese citizens and Singapore. So this also provides very important and very convenient connection between China and Singapore. You look at the flows of people that is the direct link that facilitates the transnational engagement. That is the kind of the background. These are some of the photos that I took when I did interviews and field work in China. So this is a kind of engagement through China and Chinese government. So you have slogans like motherland welcome you and also some of slogans like encouraging staff in overseas. We also welcome you to come back but you also free to travel between China and all the countries. So this provides the kind of context that even though many of these entrepreneurs that we interviewed are already Singapore citizens. But they still treat as the kind of, one of the China people. So in this context, China is considered their motherland even though they are Singapore citizens.

Some of the research, overseas power, is Qiao Li from Chinese overseas association. They also consider overseas Chinese is important power for them. I attend the Chinese entrepreneurs convention took place in September 2013. This also shows the kind of engagement especially with the entrepreneurs. The slogan in here China's development provides opportunities for Chinese entrepreneurs. You have these two handles where the bigger one represents China, symbolizes China, and the small one symbolizes the Chinese overseas entrepreneurs. Actually, the keynote speaker for this convention was Thai entrepreneur, I think, CP. Also in terms of institutional link, this is not my own study. The study based on Europe but it quite similar in Southeast Asia. So we have these associations so called the *Tong Xiang Hui* association, they set up all these links with the embassy, with China central organizations, provincial organizations, and different types of economic, cultural organizations and professional organizations. So it is a multiple linkages with China. This China is actually represented, not just the China per se but also through the embassy and

so on. So that it is another link. We look at China and local countries like Singapore as the third dimension. It is a global Chinese network that is beyond these two countries, beyond host land and homeland. So this year shows that Chinese business and Chinese association have connections between China and the Philippine as well as the Philippine and other Chinese communities like Singapore and Thailand, and so on. And a lot of these global Chinese associations actually argue toward economic activities and entrepreneurial activities. And Singapore upon this year, in my paper, we had some discussions in Singapore, from Singapore perspective. They want to encourage these Chinese new immigrants to be integrated with local society, but on the other hand, they also recognize that this is the asset for them to lay the connection with China. So a lot of these government delegation to China, for example, they include a few members from this Chinese entrepreneurs in their delegation. So they can be a kind of facilitating the meeting in certain provinces and so on. So that they do recognize these advantages and this also provide context for transnational engagement, so this from the state' perspective and also individual perspectives. We look at the 90 percent of our interviewees have already acquired Singapore citizenship but also they look at this, not so much in terms of political loyalty but also as a means of convenience, like travel, because Singapore's passport, you don't need to get visa to 153 countries. Many of them receive education in both countries. This also facilitate their understanding of two countries and they also have local knowledge of both China and Singapore because these people we interviewed have been in Singapore at least for five years or longer. So they do have a kind of intimate knowledge of both countries. Finally, the kind of the work as entrepreneurs, they have undertaken, also facilitates the entrepreneurial spirits and also as the kind of push factor for them to try to engage both China and Singapore on a regular basis. Then we look at what are other characteristics of these entrepreneurs' dual embeddedness? One is business management, there are three main patterns. One the joint ownership; their company has joint ownership with local Singaporeans, that is the most direct way of engaging with Singaporean and also in terms of their work force, it is not a surprise to me, it is primarily from the host country, from Singapore. And also, this is what we called, this multi-site business strategy. Some of the entrepreneurs we interviewed, that they want to combine these three elements. One is the China's market, which the largest in terms of population and also they want to make full use of the western technology. This is the person; of course, his business is in the hi-tech sector, especially providing security instruments and services to companies. So he said that the Western technology is still the most advanced one but he stated one more, which

is the Singapore management. So, that is the combination of the three. And also, we have some examples of making Singapore capital and Singapore technology and China's materials, especially in terms of the source of materials. There are a number of strategies but all these facilitate their engagements in both countries and sometime beyond.

In terms of social economic link, because as I mentioned earlier in the beginning the idea of embeddedness is that the key focus is that all economic activities are not pure business transactions. They are embedded in social relations. This is especially true with respect to the communities in Southeast Asia. So when we look at the social and economic links, there are two important channels of this kind of thing. One is institutional channel that 90 percent of our interviewees participate in organization from both Singapore and China. Some of them actually take the leadership position in some of these organizations and I will give some examples about this. Another channel is personalized personal networks. That is more common. I just give you some examples of institutional links. This one of the cases is actually I have followed up for over 8 years. So now because of this project, I have to update, I try to see what is the latest development with this association and this president? Tommy Too is a president and is also a businessman. And this association, *Tian Fu* association is one of the largest new immigrant association, has a membership of about 2000, it was established in 1999. So I look at his commitment because I am an advisor of his association. So they allow me to have some access to their data, including the committee and board members. So it is a very big board of the sixty members and 75 percent are business people. In other words, they own the company. Most of them are business people and many of them can be categorized as the SMEs (Small Medium Enterprises) but they are quite essential to Singapore's economy. So I look at this person (Tommy Too). His involvement in both China and Singapore. This list, which also includes in the paper, is what kind of organization that he has been involved and what kind of positions he served? So what we can see is that on the left hand side, here is his organization in China and on right hand side is his organization in Singapore. So in China, his involvements, China is his central organization, like overseas exchange, which is affiliated with China, which is the state consul, overseas Chinese affairs office and also a number of committees, which are primarily based on Sichuan Province he is from. In Singapore, he is the member and participant of a number of organizations both sponsored by Singapore government, like a policy study work group on population and integration and you have the Singapore national integration council. All of

these are set up by the Singapore government and he is the Singapore citizen and I mean he has been naturalized. And they are also semi-official organizations like businesses in China. This is set up by the Singapore government for the purpose of engaging China and they are also some NGOs like international lion associations, *Tianfu* association and so on. So we can see he is probably a kind of most directly engaged in this and some other committee members are also engaged but not to this extent of his engagement. So this is a letter of the association's fifteen years' anniversary celebration but also that in conjunction with the Singapore's 50 years independence earlier this year. So I took part in this association. So you look at, interestingly, this supporting organization for their 15 years anniversary meeting including Singapore Prime Minister office, including people association, also a government organization, NIC (National Integration Council), and Chinese Chamber of Commerce in Singapore, also Chinese embassy in Singapore, as well as China's overseas merchant association, which is affiliated, as I mentioned that China as a state-controlled, overseas Chinese affairs office. This is the person is the owner and this side is Tommy Too, and the person who sits next to him, the minister of social affairs of Singapore, Mr. Tan and the lady is the senior official from Chinese embassy, the consul-general. A few members of the parliament of Singapore and so forth and so on. So this is a kind of symbolize their engagements, very centrally with both China and Singapore. In these performance progress, they also feature Malays singing and Indian dance and also of course by Chinese cultural program. But they try to highlight Singapore as a multi-ethnic country, instead of just to show case Chinese culture but also Singapore's multi-ethnic culture as well.

Another example, I have followed closely is the entrepreneur that Lang Hui Guang. He got his PhD from NUS. After he got his PhD in NUS, he went into the business and set up the company and also got his company listed in the name of Singapore. This is one of the dinners he organized that I attend. This you can look at the people who are at main table including the minister of Singapore, embassy of China and some of China state-owned corporations, which have headquarters based in Singapore. I also followed up his company in China. So this is a photo I took with him about year ago in Xiamen, this company in China. How the kind of support that he can get and he told me basically, he told me that his company listed in Singapore mainly for the purposes of getting capital and also getting the latest technology because his business is a water treatment sector. But he said that for his company is about 200 plus people, the majority are based in China and the market is in

China. So this is his company showing in different places doing business in China. And also, of course, all the materials are from China. So this is another example that he is also being involved in quite a number of similar organizations in both countries.

So the third aspect of research characteristics, we look at their own retention of business cultures. So we identify the latest so-called the two faces: one is the Singaporean face and the other is the Chinese face in doing business. These two faces, of course, we should not be essentializing them as totally different. But there are some differences. For example, in Singapore, when they do some business, you have to follow the procedure, follow the rule of law and also that the personal connection are not as important as that in China. But in Chinese face, it is a crucial important of *Guanxi* or *Renqing* (favors) or *Mianzi* (face) in business practices instead of the law and rules and so on. So these people, they are quite like familiar with this kind of two faces. This is also quite easy for them to auto-switch between the two; depends on who they meet with and what kind of business and social contexts that are displayed in business cultures. So that's another aspect of dual embeddedness. Finally, look at the mechanism of the dual embeddedness of transnational business. We agree with some of the existing research that emphasize immigrant simultaneously engagement involved host and home societies should be seen as relating process rather than as a separate one. Actually, our cases show that transnationalism and integration actually two embedded processes that can be mutually reinforced. So now in this paper, we identity four different patterns of how on one hand, transnationalism and on the other hand, integration, and these things can actually reinforce each other instead of a kind of zero-sum game. If you engage with China then you disengage with Singapore or vice-verse. This has not been the case. I don't have the time to go into this but my paper we have given some examples for this pattern.

I want to conclude this paper by emphasizing the importance of co-existence of this research in transnationalism and how this co-existence has been very important for what we called in livelihood strategy for Chinese and new immigrant entrepreneurs. So that is one part and this dual embeddedness actually gives an edge to new immigrant entrepreneurs who have access to political connections, to capital, market, workforces, and knowledge in both countries. I compare this type of entrepreneurs with Singaporean entrepreneurs who are in the same type of business, as a rule actually, the Chinese business people are doing better. I think that mainly because they access to both countries. So what actually we try to look at is the

importance of context. I mention a case here about Singapore and I am not quite sure that in the same can be true for Malaysia, Indonesia, Philippine, and so on. Because the context is very different in these country. So maybe, I am sure some of your papers have specific examples of this context. So the three points, we actually conclude in the paper is that to understand the immigrant: transnationalism and integration as a kind of dual embedded process in this larger context in globalization. Also we look at the context in comparison with embeddedness within the country. Dual embeddedness, actually two countries are more complex process because it has are other considerations also play a part. Thank you.

Ajarn Chulacheeb: I think I learn a great deal from your paper, very conceptualize, very systematic. However, I still feel that I need to have some aggregate data about maybe new entrepreneurs from China. In terms of age, in terms of education, in terms of the size of the capital that they are putting in Singapore. I would like to see, I think it would be the most advanced form of Chinese capitalism in Southeast Asia and I would like to see whether: Where they came from? What's province? And what kind of business that they are involve? If you can give us some of these data, then I think we might see a clearer picture and not take too much of your energy but with the data already presented for us. Thank you.

Ajarn Yos: I have follow-up question, you talk about dual embeddedness. Have you ever encountered triple or quadruple embeddedness? Because that is the true meaning of transnationalism, people who have traveled a lot, that's one question. The second has to do with citizenship; do Singapore and China allow dual citizenship? If that's the requirement, are they forced to choose the country of their citizenship or are we witnessing the progress for flexible citizenship that is the future question that Chinese capitalism might bring to Southeast Asia. The third question, I don't understand when you say transnationalism encourages assimilation. Please elaborate on this.

Commentator: While listening to Singaporean development, I think Singapore looks like the most complete of Chinese capitalism in Southeast Asia in terms of integration, affiliation of overseas Chinese or may be because Singapore pro-Chinese because descendants I mean. So in terms of culture, developments, much easier than other ASEAN countries like Malaysia or Myanmar. Probably, Singapore really going to be very important be head for the new capitalism. Especially, the one who come from the new Chinese. Then we go back to the history, the expansion, the rise of the Western capitalism from Europe. Europe started to

expansion in 17th century. Then by 18th century, there was a new colonies revolutionize from Europe. Then America became the new head for helping to expand the new capitalism from old capitalist in Europe. So I am wondering, comparing, whether Singapore is going to perform the similar the same as America in 18th century for the expansion of capitalism in world system. The difference is USA became independent, new nation-state and rival with the global power with Europe. Singapore, I don't think that it's going to rival China. So to the case here now comparing to the old development of capitalism. Now in Asia that is one empire, which is China providing human resources, civilization, and this is a big tool and ingredient for all kinds of behavior and organizations. Europe deems all kinds of these kingdoms, they were competing Dutch, Italian, Spanish, and Portuguese. They don't have one Europe but in Asia now we started we have Chinese empire, former empire but now new nation-state and going to be imperial China in the future. Empire everything, it is not only manpower and next going to power in this area. That makes this picture of the new capitalism similar and also different, hopeful and also scary for the future of this area. But in the case of Singapore, it is good as it offers a different in all aspects from other ASEAN countries. So I don't have much questions because it works for the Chinese immigrants most of them come to do business unlike in the past, they came to become coolies in 19th century. The last I wondering is it looks like capitalism in Singapore is not going to cause any problems; a little one might be but a big one, it does not look like. Is it real? What about the laboring population, the poor Singaporeans? Do they complain their problems with the government regarding the coming of the eight hundred, almost a million of Chinese? They stay up in the top or tear up the society and how they are going to push the development and future of the Singapore state, government into the future? Or I mean the Singapore is going to maintain the authoritarian government like China? It perhaps authoritarian big or small and push the capitalism. So that's my remark. Thank you.

Assoc. Prof. Dr. Siriporn Wajjwalku: I have three points. First, about the context, I agree with you that the context is very important. But what I would like to see more is I think Singapore is a democratic country but we also forget about that. So I wonder that how domestically political context affect the global context, Chinese-Singaporean, Singaporean-Chinese, I think this is one point we would like to see from your paper. Actually, yesterday, the experiences of other presenters like Cambodia, Laos, Indonesia and Vietnam also different that the political context in the country is very important. Related point is about

bilateral relationship between Singapore and China. I think it is beyond the nation-states but in fact the existing nation-states of China and Singapore. Are they different in majority in China or Singapore? How the bilateral relation between these two countries influenced itself, the Chinese capitalist in Singapore. I think this is the context that we have to clarify more. It will be very helpful for other countries to see. Second point, there is something I would like to follow Ajarn Yos' comment on citizenship. The interesting point is that when we talk about citizenship actually it happened for country that share borders. But in the case of Singapore and China is so far away but you have some other things that tied the country and tied the people together. How this kind, how are you going to explain this kind of thing in order to help us understand more because those countries don't share the border. Last point, I do not worry about the empirical data of this paper because you said that you interview about 30 entrepreneurs but what I worry is the whole project because now I see the gap (uneven), between now, at least five countries, the amount of the sample or case studies. I don't know but I believe that Ajarn Yos can do it. Also the concept or the framework of the whole project, it seems that each paper applied different approach. Applying different concepts. I don't know I have no comment on this but I look forward to read the final paper. Thank you.

(Ajarn Chulacheeb: This is ASEAN, diversity in unity. **Ajarn Yos:** This is essentially Chinese, diversity!)

Commentator: I have three questions. All three questions are about figures, the numbers. I would like to see the composition of Singaporean and permanent residents in terms of the background. Is possible, how many Chinese background of four million Singaporeans? Permanent residents? For your estimate for Chinese migrants and new migrants 0.3 to 0.8 million. I think it's not very accurate. I think the range is too wide 0.3 to 0.8, can you have another source that is more accurate? The third one is very important, the background of Chinese migrants, in terms of education that you stated as the first purpose of going to Singapore. How they assimilate into Singapore? This will provide some lessons for other countries. And I believe Singapore has very good database. If you can have access to the database, you can give us all three information. That's all.

Ajarn Yos: When we come to the problem of numbers, the numbers of Chinese is always a problematic in every country. In Bangkok, in Thailand, we estimate the same actually four hundred thousand to eight hundred thousand, with the sources very blurred.

Ajarn Chinh: This the short comment, yesterday and today, we treated the Chinese entrepreneurs very homogenous groups. In fact that we look at the Chinese entrepreneurs, Chinese networks as the kind of ethnic, ethnicity rather than... I see that the Chinese entrepreneurs as a kind of complex, diverse, not only ethnic networks. But as I find, I see that the Chinese Muslim, Chinese Christian, to see religion as the networks. In particularly, the Yunnan Muslim Chinese entrepreneurs, they migrate to Laos, Cambodia, Malaysia and Singapore. And also the emergence of the Chinese-Christianity also from that Yunnan area, before we see Guangdong as the sending migrant but now more diverse and the entrepreneurs from Yunnan, from Muslims, from Christianity; they are Chinese, how we look at this as the diverse of Chinese entrepreneurs. It is not only ethnic homogenous. It is more diversity and how we see it is a kind of face. The *guanxi*. The certain kind of thing that we deal with the Chinese. Thank you.

Ajarn Liu: Thank you. I am afraid that I don't have the last word, but I appreciate all your constructive comments and questions. I will deal with them when I am revising this paper, but let me try to answer some of these questions and some of the things for clarification. About the dual citizenship, because two of you raise this question. Singapore and China does not recognize both citizenships, both countries don't allow dual citizenships. If someone get Singapore citizenship before he gets Singapore passport, he must go to Chinese embassy in Singapore to get the certificate that to declare he already given up his Chinese citizenship. It is an actual process but a lot of these people, even know that they got Singapore citizenship, they still keep their Chinese identity cards. So when they go back to China, they still can use that and Chinese government still consider this people actually kind of their own as you can see that the slogan of motherland. Also get some of profits that proceed preferential treatments, investments, capital, still extend to these people. So politically, yes it is separate but socially, in term of actual practice; they kind of act with dual citizenships.

About the domestic contexts, some of you also raise this question. Singaporeans have quite a lot of complain about unhappiness about the influx of these large numbers of Chinese new immigrants. As for numbers, I am actually not too concerned about whether it is half of million or whether two hundred thousand. More importantly for me is a kind of percentage that we present. Say ten percent of the population is very significant. Singapore population is I mentioned is about 5.5 million but only 3.4 are citizens. Out of these 3.4, there is only 75 percent are ethnic Chinese. Sometimes, we assume that they are ethnic Chinese, they

consider people from China like brothers. But it is not a case, actually, I recently published an article in ethnic and racial study looking at land issue particularly. Just I find a lot of resentments of Singaporean Chinese against the new immigrants from China and new immigrants of China, actually, resisted all kinds of unhappiness about it, serve as the factor to establish the Singapore national identity. Singaporean-Chinese feel that they are more like Malays or Indians within the country rather than like Chinese from China. That is a very complex issue, also affects a kind of issue that we already discuss. Why? For example, from the photo I showed you, they want to show in this celebration. They want to showcase the Malays, Indians, and they also give donation in that occasion to Malay charities. It is exactly a reaction to this kind of local circumstances in Singapore. So that is one of consciousness and I totally agree that research diversity is very important for us to look at. The reason I keep emphasizing the context is that Singapore is the very unique; the most advanced economy in the region and also it is a city state where agriculture production account only for one percent and it does not have hinterland. So it is very different. But there some similarity what I emphasize is the Chinese business in terms of social institution, in terms of social connection with the homeland and this has been historically the case even if we look at the 19th century, early 20th century, anti-Japanese world. The Chinese in the region, they are very much connected to the China. So that it is not something that probably not substantially differentiate between Thailand and Singapore. The reason I mentioned the CP president actually gave, was the main organizer of the convention. For example, four thousands of people attending his show and support by the Chinese government to attend the occasion. So that aspect is very similar but in terms of nation state including the policy, it is different in terms of diversity and also some unique aspect. It is something for the whole project in order to explore in the more detailed way. Singapore model of capitalism and U.S. model, of course, it is very different. U.S., entrepreneurship is one of the keys and also high tech is a sector. Singapore capitalism if want to, can be divided into three main components. One is, we can say state-owned capitalism, what people called GLC (Government Led Corporation) like Singapore airlines, Singtel, all these are owned by Temasek Holdings. Then you have foreign capital. The third one, is SMEs (small medium enterprise). In terms of number, they are actually 90 percent of SMEs but in terms of the kind of percentage in the overall economic contribution, it is less than 50 percent. But it is still a very important component for the economics of the country, the U.S. is probably more different but we don't have time to go into details. Some of the other questions I will incorporate and include more specific

data about what kind of business they are doing and what is the source of politics in different provinces. Lastly, about the three-point engagement. These are the cases of some of the people I interviewed, like Lan Wei Guan, the guy who did the water treatment business. He told me that he spends one third of his time in China. One third in Singapore and other one third in other country because he has a business in U.S., in Germany and so on. So that is also he engaged with these countries but there is not unique stand for these engagements in China. That is something about this and finally, about the transnationalism and assimilation Ajarn Yos asked about, transnationalism actually is not encouraging assimilation and integration. It is co-existence. Not zero-sum game. So what we can say this people is not dual attitude. Integration is one hand and transnationalism is the other. So they kind of reinforce each other and again this is not a universal case. It just happens that for this group of entrepreneurs, it is the strategy served in this context. So, it is again very group specific. Thank you.

CONTEMPORARY CHINESE COMMUNITY IN THE PHILIPPINES: INTEGRATION INTO THE PHILIPPINE ECONOMY

Prof. Ellen H. Palanca : Good morning, I have a very sketchy PowerPoint; it's for my own guide in my presentation. I have learnt a lot from the other presentations and also, I have learnt many points for my paper but I still welcome more comments.

Looking into the integration of the Chinese in the Philippines into the economy. I want to look at it in the context of the community. The problem that I want to address is why Chinese business in the Philippines only became dominant in the last 3 decades, probably lesser than three decades. I think all of you have heard the Henry Sy, Lucio Tan, Enrique Razon, Jr. All these names are familiar but they all are from rags to riches. Actually, the wealth of the Chinese in the beginning are none. None of them are from own money. From the centuries actually, it is the traditional elites that dominated the economy. The paper works to see why it is only the last few decades that the Chinese became dominant. Forbes list of the top richest people in the Philippine for last June, 6 out of 10 are distinctly Chinese. Among them only one traditional elite, only one now is a part with the Chinese business. However, they are still a lot of, these elites, who are still very powerful. My approach to

explain the little success and the dominant success of the Chinese from culture and traditions, history, political, socio-economic conditions, institutions, political connections. Culture and traditions cannot be used alone to explain economic success. From the discussion yesterday we saw the history is very important. For Indonesia, you have to look up Suharto Era, for Cambodia (Khmer Rouge) etc. This is how I also deal and treat the people looking at history and the policies and economic conditions for each period. We look at Chinese community just like the other countries, we have the old migrants and the new migrants. For the old migrants, they are around 1.5 to 2 million, just around 1.5 percent to 2 percent of the entire population, at least over 100 million. Most all of them are from Minnan, the Southern area and now most of them live in Manila or the capital city in the south. In terms of the integration, they are highly integrated in Philippine society and because of their relatively high education levels, status and also their wealth, they tend to occupy high social status. The only thing about the cultural integration is that something is never lost in the Chinese family. The transmission of business culture through the generations. All of them abide by the culture of frugality or more especially entrepreneurship culture. Just like many Chinese and Chinese in other at Southeast Asian country except probably from Malaysia, the Chinese in the Philippine shun politics; so there are no politicians at the national level, there are some occupying the appointed positions, for example, the spokesperson of the president, President Aquino, is a Chinese, revenue commissioner is also Chinese. But little by little, some young people seek positions at local levels. As I mentioned integration, real integration is happening only in the last few decades, to the Chinese have been active in business but they have not occupied dominant position until these last few decades. Another group of Chinese is the new migrant that growing very fast. The number estimates 150 thousand to 200 thousand that is about ten percent of the Chinese population in the country. I subgroup the new migrants into three: early new migrant, they are the ones who migrated to Philippine right or soon after China opened up the travel policy. These are people who sought to visit the relatives in Philippine but the ulterior motive or plan to set up the businesses, to engage in business. Then latter group of new migrant only migrated or went into the Philippine only in the 1990s, when China started to invest abroad. So the go-out policy in China encourage businesses, to set up businesses in other countries. So the new migrants are not homogeneous as the old migrants and their descendants; because the early new migrants who would be also from the Southern China area. The latter new migrants are not from there but most of them from the north. And in the course of time, there is a group of new migrants who are the

descendants of these new migrants. This group is separate since they now have the ability with living culture. They know the languages and know how to do business. They have a lot of potential. So go to history, during the colonial time, from the 16th century of the 1946, they develop very strong that benefit a lot from the export boom in the 17th rather 18th and 19th centuries. The challenges of traders in that time, during the Spanish period, they were also a lot of the skilled workers. They helped build the churches, or craftsmen, who built a lot of services. And during the American came, they continue to be a trader and most of them set “sary sary scores”. They were dispersed all over the country. These stores are very small and convenience stores. Most 80 percent of the Chinese were doing this. During the post independent time, the spirit of nationalism was very high, there were hypothesis that there were policies which were very unfavorable to the Chinese. Many industries were nationalized and the one that really affected the Chinese most were the nationalization of retail trade, as mentioned, 80 percent of Chinese were engaged in such trade. Also the naturalization process became more difficult at this time. But fortunately for Chinese, this nationalism thing was also the reason why the government started the industrialization policy and they undertook the ISIS (Import Substitution Industrialization Strategy). So many of Chinese who were displaced during the nationalization of retail trade moved to manufacturing. And manufacturing is a very light consumer goods which substitute for imports. So, investment amount and technology were also very low in such investments. There is a lot of subsidy in terms of trades, taxes, import quota and also foreign exchanges quota. So some of Chinese or those who come to the manufactory, they made a lot of money here, earning with own profits. Then came 1972, when President Marcos declared Martial laws. There are; unwittingly, it's very favorable to the Chinese. First of all, in order to legitimize his authoritarian rule, Marcos declared the oligarch as the target for martial law. So the landed elites, most of them, moved out of the country. That left the Chinese and their advantage as the land elite was no longer there. In place of the landed elites, cronies were actually replaced. In 1975, Marcos decided to shift diplomatic relations from Taiwan to China, the diplomacy with China this year supposed to be celebrate in term of fourth year anniversary of our diplomacy but it does not look like we have much celebrations. Then more recent years, the Chinese operate under more open and liberalized setting and there is a lot of businesses with China. The next is just to mention that cultural values and traits cannot be used alone to explain the success of Chinese business. But they revealed when the opportunity is there and how Chinese business responds to answer to such opportunities. So

we have seen that in the post independent, the Chinese adapted from the retail trade to manufacturing. Manufacture at that time is very simple. In my interview with someone who went to work in manufacturing, they just told the truth. It was just “repacking for us” because they were in corn starch business and they just repack into smaller portions for the market. And after martial law, what happened was that the economy was in shambles and it was also that the debt level is very high for the whole country. The government faced new coup d'état. So politically it is very unstable situation. When you have landed elites, they stayed out or abroad. Many of middle class people continue to move out to migrate to United States or Australia but the Chinese, they stayed on, they took advantage of rock bottom prices or real estate and also the government ask to privatize and many of them tried to do. So Chinese capitalism grew very fast during that period and also linkages with China and how Chinese could easily adapt from doing business in Philippine to investing in China. And institutions, to respond the advantage of doing business and opportunity. In the community associations, they are very important for such facilitation. For business association, we have the federation or chamber of commerce or the industry which was established in 1954 such as emancipation. However, when the new migrant came in, they set up their own associations and primarily, it is because the established association was not willing to help the new migrants. The earlier migrants, they set up the association for the retail trade. Their business was mostly to do retail trade and other ones, they came and set up more and bigger scale businesses. So there are two associations. New migrant, earlier migrants and earlier new migrant and latter new migrants. There are a lot of village associations that helped to link the local Chinese and also the new migrants to the villagers, in their hometowns in China. There is an estimate with very little population, 1.5 million or one hundred fifty thousand of new migrants. They are two hundred and twenty-seven village associations and 70 clan associations. The new migrants also form other associations, most important ones are alumni associations that connect them to their high schools, mostly in the Yunnan area. There are thirty alumni associations. This one connects all the alumni associations. The Chinese state council plays an important role because they make sure that this is what they called “Qiao Ban,” they connect China with the overseas Chinese. This is at the state level, actually another important state level or organization would be “Han Ban” that takes care of education in mostly the Southeast Asian countries. During the martial law period, another thing about setting up diplomacy with China is that the older Chinese in Philippine could become citizens without going through the tedious process. Without having to go through the legal process

actually. This is I think it was mentioned earlier that China does not recognize dual citizenship, Philippines also did not want the overseas Chinese to stay as Chinese citizens. So naturalization is easy, this allows the Chinese to have better capacity to do business. The business strategies of the Chinese also improve as their business grew, their business cater mostly to the lower class Filipinos. The products that they produced as yesterday someone already mentioned, is producing the noodles and the person has a lot of money. And that's true also with the Chinese entrepreneurs in the Philippines. And other things like snack foods or like jelly beans; these are mostly for the middle and lower class people. This is very different from how the Chinese do business before where most businesses are only for the Chinese market. Businesses focus and set up mostly in Chinatown but not anymore. Then, they also employ prominent Filipinos to become part of the board members or to act as presidents or board members of their companies. The link with the traditional elites, the relationship between the traditional elites and the Chinese had developed from probably very unequal relations; the traditional elites probably threatened by the Chinese, they looked at Chinese as rivals and now they look at them as partners in businesses. So if you have been to Manila, I am sure that you have been in Makati and it is owned by the traditional elite, the whole of Makati, the land belonged to this particular family. You can imagine the size of their wealth and also they do connection with government officials and some of them became cronies, for example, during Marcos' time, after most of his people were with indigenous people but everybody knows that they were not significant ones. With improved level of wealth, some of them feel that they can easily have connections. Thank you very much for your attention.

Commentator: Thank you Ellen for your wonderful presentation. The Philippines is another case that is also different from other SEA countries. It took, I mean Chinese is much more embedded in the Philippines, for carry on, so the way that the distinction between Chinese and the Philippines, not the big issue. No protest or anti-Chinese in Malaysia or Indonesia. But it also doesn't give more power to the so-called ethnic Chinese group in the Philippines. The traditional elite still, I mean, hold on to power and wealth like mentioned only one Chinese in the top of the big power holder and wealth in the Philippines. And I wonder whether Mestizo is also a Chinese descendant in the mestizo group? From Marcos era, it looks like Marcos supports more indigenous people and not the Chinese. And then later, after Corrie and the later president administration, Chinese became more prominent. So

what is the problem with, I mean, Chinese capitalism in the Philippines? It looks like there is no problem that affecting this development. Simply that they could not rise to the top of the country in terms of the power and wealth. It's still much more in the hand of the old elite. The picture looks like it is not going to make a big difference as compared with other SEA countries. So that is my comment.

Ajarn Yos: Any question? Comment?

Prof. Ellen H. Palanca: There are two types of Mestizos: Spanish Mestizos and Chinese Mestizos. And elite, most of them are Spanish descendants; but there are also some Chinese descendants who are also very powerful and prominent. The most prominent example would be the Aquino family, the mother is from the Cojuanco clan, Cojuanco assumes Co is the pronunciation for "she." I think Corazon Latino, grandfather is Chinese. And these people don't consider themselves Chinese at all. But they also, for example, Cojuanco has very big agenda. They are also landed. Somehow they are intermarried to each other, to Spanish also, and also can be Filipinos, the Chinese. And Mestizos, they are actually, they don't consider themselves Chinese. And during the 19th century, they, Chinese Mestizos were the most anti-Chinese. The other thing would be martial law. The indigenous versus, most of the provinces were indigenous, Marcos was able to bring up some indigenous entrepreneurs. Although because the economy collapsed, so most of them also collapsed with the economy. But the Chinese actually, they benefited from martial law because they could become citizens and they could trade with China very easily. Before China opens, they were already contacting China. So the Chinese also, they were not being targeted by Marcos for their wealth. They just accumulated slowly, quietly. If you look at, consider Chinese capitalism most likely, you can say that it started in 1960s during manufacturing period and then accumulation during the 1970s during martial law period; and then they are able to buy a lot of very cheap government assets as well as real estate right after martial law. And then I think after that as you said there seems to be no problem. So far I think they can easily do business with China. Of course now I think the South China Sea problem can be an issue.

Commentator: I think now another factor that explain why the so-called Chinese Filipinos perform unlike other SEA Chinese, I think it's with another institute, which is the Catholic church because the church in Philippines is very powerful and it is also the wealth order that is the key to capitalism and other -ism. You going to liaise with the church first, not the

state. And I think the famous Cardinal Sin and now the present Cardinal Tan of Catholic Church in Philippines; I think they are all Chinese. Head of Catholic Church in Philippines, Cardinal Sin. And the others. I think many of them might be Chinese. So in terms of wealth and power, Chinese Filipinos; if they don't have the state but they have the church which controls the spirit of the people. So not needed the state power. And you don't have to perform other, like Catholics, secular but you do the spiritual Catholics. Mine looking at the Chinese Philippines is different from the rest of SEA. I think the role of the church also impacts how capitalism grows in the Philippines.

Ajarn Yos: Thank you. Do you want to?

Prof. Ellen H. Palanca: Cardinal Sin also belongs to the Mestizos group. But after that people estimate that about 70, 80 percent of Filipinos have Chinese blood. And this is because during Spanish time, Chinese migrated to the Philippines and they did business there. They usually had families in China but they get another wife in the Philippines. So these families eventually have children and so 70 to 80 percent of Filipinos have Chinese blood. So it is very difficult to estimate how many Chinese there are in the Philippines. There are people with Chinese surname but they are not, they don't consider themselves Chinese. Because of such historical background.

Ajarn Yos: Thank you. Why don't we move on to the last but not least, the red capitalist.

Rise of the Red Capitalists

PRC Influence and the New Challenge of the Royalist-Chinese Business Alliance in Thailand

Ajarn Wasana Wongsurawat: Yes, that is the question: what is the red capitalism mean? We will get to that soon enough. I changed the title from the last time slightly, a lot actually, "Rise of the Red Capitalists: PRC Influence and the New Challenge of the Royalist-Chinese Business Alliance in Thailand." Ajarn Chulacheeb is not here. I know he studies Skinner so I know he is always Skinner's protector. I am not bashing Skinner today. But I need explain that there are some problems with the Skinnerian framework, which is one of the most influential work on the overseas Chinese in Thailand, which is both English versions published by Cornell in 1957 and, Thailand and analytical history, which is translated into

Thai and published several times already. And the major proposal Skinner in the study on Thailand is that there is no such thing as fourth generation Chinese in Thailand for by the fourth generation, the Chinese in Thailand become completely assimilated and would not be Chinese anymore. Which is problematic and we talk about it in the moment. And another problem when we see more the Chinese society in Bangkok rather than Chinese society in Thailand; we will talk more how and why this is problem in the moment. The fourth-generation theory is problematic because I think mostly it is not clear what the assimilation means. We need to take into consideration that Skinner was first a Chinese sociologist, I mean he studied China first and when he got kicked out from China, then he had to come to study overseas Chinese in SEA. So what he means by assimilation, I think it is more from the Chinese perspective that is what he sees as a loss of Chinese-ness rather than acquisition of some traits of kindness, which is very illusive, which is problem. So in this sense, there is an assumption that all other known Chinese types are the same, which I think is rather problematic. That's why as soon as you are no longer Chinese, you are completely assimilated. So I think this notion is very problematic. And also the fourth generation seems to be kind of arbitrary and not clear why four generations. And another issue is that, is related to the point that, his book is mostly on Chinese society in Bangkok and also that he worked on the overseas Chinese in Thailand focused mostly on the elite, on the red and so the question is does this fourth generation theory also applied across the board or limited to just certain classes in society. And regardless of problems, I must say that Skinner's works have been extremely influential in the field of study the ethnic Chinese in Thailand and it has been an inspiration and the guideline for study of the Chinese in Thailand. Up to the present, this has been the most recent piece that has just come out from the huge book launch in May by Pimpraphai Bisalputra and Jeffery Sng on history of the Thai-Chinese. They have improved on the cover from Skinner version. But once again if we look at the cover and also look inside, it is still mostly about the Chinese in Bangkok. Or even if you look into the Chinese outside Bangkok, they are still the ones who have close ties with the central power in Bangkok. If you look into other major Chinese communities in Phuket, Hat Yai, Nakhon Sawan, Suphan Buri; even though they are not in Bangkok, they still have very close ties, very direct ties with the central state, central power in Bangkok. And mostly they are rich, they all rich.

And another interesting thing is that nationality, these major Chinese personalities, is rather unclear which we need to talk about in this project. The nation-state is a very new thing. If we are looking back beyond the 20th century, even beyond the beginning of the cold war, the idea of nationality and categorizing who is overseas Chinese, who is ethnic Chinese is not very useful. But in the end, because Ajarn Chulacheeb has already returned to room, I would say that Skinner actually makes sense. Why does Skinner make sense? It makes sense because the Chinese or Chinese family would remain somebody in Thai society by the fourth generation would have established ties with political elite at which point that they become assimilated. So I would say assimilation, in this sense, means establishing ties with political elite. If you have not managed to establish ties with political elite by the fourth generation, you are either in jail, such as the ethnic Chinese distant people who are going to be communist party of Thailand, before who get the state there to violently suppress in jail or to work, or not interesting enough to bother about you, or all of the above. So of course if you have a work on the overseas Chinese in Thailand as ethnic Chinese in Thailand will be rich, successful people who have established ties with the central power in Bangkok. And up to the 20th century, to establish ties with the political elite means establishing Thai with the elite in Bangkok, mainly the royal family or the military. So, in that sense, basically, you cannot become somebody in the Chinese community in Thailand without ties with the central government. And therefore, Skinner's Chinese society in Thailand reads like the Chinese society in Bangkok and the same with Jeffrey Sng's most recent book. This is really nothing much to write about other Chinese community because they are not really somebody. This is very capitalistic way of looking at things; capitalistic sense of the modern world. So I look at the mainstream; again, what is the mainstream of Chinese overseas history in Thailand? And I give you Chinatown heritage center and I really appreciate Prof. Dr. Thanet Aphornsuvan mentioned in the Philippines case that if you have ties with the church, you are very influential almost as much as having ties with the state. So Chinatown heritage center and Chinese museum with houses in the temple; having the spiritual ties to that community. And you see the image of the King in front of the building. It is housed in the bigger building in the Wat Traimit, called Kam Ha Mun Dok. And this building was built to commemorate the 80th birthday of King Bhumibol Rama IX the present King. So there are different parts to that building. And the Chinatown heritage center on the second level in that building. And there was financed by the crown property bureau and the Sam Pan Hong business community which is basically the business community around the Chinatown. And it was designed and

constructed by a company called Rak Look, company that sells out textbook and teaching learning aid and they also won the contract from the government of Bangkok metropolitan to decide to construct many of the local museums of Bangkok metropolitan as well. So very close ties with the establishment. So I take you to brief tour of this museum. It starts out with a program of the grandfather talking to his grandson in a room supposedly in a house the Chinatown. And on one side, you have the ancestor and another side you have the king. And grandfather tell his son about his experience how the great grandfather came and rags to riches stories. And most importantly, the grandfather's memory of receiving the King Mahidol Rama VIII and King Bhumibol Rama IX in Chinatown and showing the image of the old twenty baht note that have the scene of King Rama VIII and King Rama IX – the present king visiting Chinatown. And then telling him that we must work hard for he become rich because we are very industrious and because of the benevolence and mercy of the royal family. And then from that room we go on to the next room. It is emergence of the Chinatown in Bangkok and it reminds me of the exhibition of slave ship that comes from China. You see it scary right? Because it is very cramped and there's like rain, storm, lightning and everything, it is very horrifying experience. The period 1782 to 1851 is basically the period of the establishment of Bangkok as the capital up to the beginning of the reign of the King Rama IV. And when you arrive at Bangkok and then you start settle down in Chinatown and you have freedom of religion, you can have ancestral worship, whatever. And later you have a Chinese way of life. And if you work hard, you become a capitalist, you can own the rice mills and be rich. And then you get to the next installation, it's called torch of the golden age and basically it is about the construction of the Yaowarat road which is the main road in Chinatown and the boom of Chinatown as the center of modern economic development. And of course the first thing you see, the most important part is the image of King Chulalongkorn Rama V who ordered the construction of the road, Yaowarat road, basically means the crown prince road. The crown prince road means basically in which the name of the road stays in front. And that is model of what the road looks like. And then around that room, there are images of what you see Yaowarat; the biggest Chinese school and you can see Chinese opera and the most modern earliest movie theater also in Yaowarat. Then you get into the next room, which is the great legend of Chinatown. This is where all the personalities that you can find in all the Thai books in every Skinnerian study of the Chinese society in Thailand. These are the mostly rich people who have connection with the central government in Bangkok. There is the section that shows the current members of

Chinatown. Most of them interestingly are business people who sell food or sell products, retailers in and around China town and then there is a reason for these. Then that room is calling His majesty, the king of compassion. This is the image of king and the present king and on both sides, one side is the members of the royal family engagement with in Chinatown and the other side is the engagement with the government of people republic in China. This is also important. So you see the Queen, the crown-prince, the royal highness visiting Chinatown. You see the military from the PRC government visiting Chinatown, listening to musical performance in Chinatown. You have the royal family visiting China, the princess Sirinthon on the Great Wall, you see the Deng Xiao Ping, see the Queen in red carpet walked with Wen Jiabao. Then you get to the last section which is the Yaowarat today, actually is the touristic kind of Yaowarat. So where you go to eat food, where you go to see culture show, mostly is tourist. So what you get from this exhibition is a kind of very, the sound behind the wall, the voice of authority telling you who has arrived at this rich, influential of being somebody in Chinatown and how they have arrived. You don't expect to see them around in Chinatown. But the other part of it is that you are expected to be a tourist to go out and get your food and spend money in Chinatown. What you also see from this is that the money to make very big money and becoming very influential in Chinatown, come through with the power in Bangkok from the pre-colonial era. The Chinese benefit from the international trade especially the tribute trade in China. When in the colonial era when the British came in, there is the signing of the treaty and ending the Chinese tribute trade system. The Chinese still get concession from the modernization project and also as colonial subjects. We have Chinese colonial subjects who also serve in the court, they benefit from their ties with the court and they also benefit from the extraterritorial rights. And all the way through the cold war, it still useful to have connections to the central of the government because get to the state' concession and government aid and investment that come through the military government. The interesting thing is that the golden age is 1851-1957, basically, this is the beginning of the reign of the King Mongkut Rama IV who ratified the treaty in 1957; the end of the king Songkran II permanent office after the war. Following 1957, with the era with very serious anti-Chinese policy and affected Chinatown seriously. But they don't talk about that you will not see any conflicts with the central government at all in these museums. So the end of the cold war is seemed like the end of the world for some people. A lot of things change in around the same time; you have to open up for the PRC from Deng Xiao Ping. Some of us mentioned that yesterday already. The expansion from ASEAN including

members from former socialist blocs. So all of the members who have not been beneficiaries of US investments all through the cold war were Laos, Cambodia, Vietnam, and Burma. Efforts towards the establishment of the ASEAN Community, at the same time of the Thai side of things, there is the move of decentralization of state power on post-cold war period and some people say that this is the democratization and some people say that this is the constitution of 1997 itself which is most democratic constitution, which is debatable. The idea is that a possibility you can make big money, you can become someone in Chinese community without having ties or right ties with the central state in Bangkok and you actually see this in the Udonthani, which I will talk in the short while.

In the year 2000, the Udonthani was 52 from 76 provinces that grow provincial products. So 52 from 76 is quite low, 2013 it's up to 24. You see the major development, for example, the establishment of biggest department store in the northeast area, central plaza in Udonthani was established in 2012. And up to 25 percent of customers coming to central Udonthani is coming over from Laos. Up 40 percent, people come from neighboring provinces. So that this is a not just provincial province but like a center. Udon, like my favorite line, "This is Udon, which is the capital of not only northeast but even for neighboring countries as well." And just last year, a part of it has been approved as establishment of the Udonthani industrial estate which looks to be one of the major industrial estate in the country with much great interest investment from PRC, Japan, Malaysia. So we see the great formation of Udonthani as a business and commercial center. So we have what I called the rise of the red capitalist and we have an alternative historical narratives and what is the oversea Chinese in Thailand is all about. The Udonthani cultural center was establish on the Jan 6th, 2013 sponsored by Foundation of the Udonthani Ancestral Shrine (Puya Foundation) which is right next door. In fact, the museum seems as some way of extension of ancestor shrine and it served very much like a lineage and clan association and it looks like Who's who in Udon's socio-economic and political scene. Unlike the museum in Bangkok, unless, you go and look through the files and do some thinking, you don't know that it is financed by the crown property bureau and the business community the business community in Patta Vong. But in Udon there is like, very clear sponsorships of different businesses, present everywhere, so basically we actually look at the size of contributions that correlates with the writing of each business in the community and you will see what I mean. In the area that has the cultural center, you have them largest building in the auditorium named after the president of the

ancestor shrine foundation Picha Chayrat auditorium and he is a sugar tycoon of northeast. This auditorium is used mainly for the rehearsals for the one and only Chinese orchestra in Thailand and you will hear lot more about this Chinese orchestra every time that PRC military to come to visit in Thailand. The Chinese orchestra has to go and perform and they also go to compete in China and they also use to play at the Great Wall in China again. Around the vicinity of the museum, there is the Confucius garden with Confucius there of course and the tablets of 24 exemplars of filial piety, there are stories in Pali, in Thai and in Chinese. And in the bottom, very interestingly, there is the sponsors for each of the 24 that these images here that the sponsor is that Toyota of Udonthani, the family that they run the Toyota and there are also many others. Then you have the shop houses that sell souvenirs outside and if you go to the Chinese cultural museum and you will find two levels; upper level is called Chinese community in Udonthani and the lower level is Confucius. So the first part is the history of the Chinese community in Udonthani, you only see the Royal family mentioned as time markers that the Chinese first came and settled in Udonthani that we can trace back to the King Rama I, that's all. And it's mostly about the different businesses in Udonthani and the signboards of some of these businesses still operate today. And the next part is the history of the ancestral shrine how they started to have ancestral shrines and the activities of these businesses around the ancestral shrine. It is very modern, very glossy where there is 3D video clips showing history of various stages of the ancestral shrines. Then the next one is the leading personalities of the community, and the Wichachai Rat who auditorium is named after and who was the president of shrine foundation who completed the museum and he is still alive actually. And the other guy is a business tycoon, is the president of the shrine foundation, who initiated the idea of having the museum and other smaller personalities presented in this room, actually most of them still alive. Then you get into the next part, the eight important Chinese festivals. This is another thing; the festival idea is not only to present the Chineseness but also the pictures or activities of these shrine foundations. So it is once again like Who's who in Udon business community you can see this is the president of Shrine foundations, the owner of the Toyota foundation of Udonthani, this is the owner of the Central through this representation of the important festivals celebrated. Then the lower level is Confucius, very interesting, so the first part is the life of the Confucius; of course everyone knows Confucius (like Chow Yun Fat starring in the movie) and the story of his life, the end of his life and the teaching of Confucius. One thing that you see when you visit the museum as opposed to the museum in Bangkok; this looks very amateurish and just

a lot of information and a lot of letters and teachings of Confucius for you to read. You don't have the media and you don't have the slave ship simulation like in Bangkok. You kind of have the feeling that someone had the high school college to design. It looks very unprofessional. And then you have teachings of Confucius and then you have Confucius in the contemporary world. Very interesting, so there are images of member of the Shrine foundation visiting the places that figure prominently in the life of the Confucius, Confucius temple in China, etc. Replicas of related life of the Confucius and in back of the picture on your right side is about the Confucius institute and how it relates to the Udon community. Very clear connections between the two. Then you have the whole exhibition about relationship between Udon business community and the People's Republic of China. In the middle of the picture, you will find the Udon Chinese orchestra playing on the Great Wall of China. Recent development, just last year, interesting after the coup, they established the TV in front to show that this museum was inaugurated and was opened by the eldest daughter of the Crown Prince and the images of the leading members of the Shrine foundation in her honor, take picture with her. So in treating these differences and alarming similarities between the two museums, in Bangkok we see the claim of royal connections to claim superiority that we are the center and we are connected to the royal family and the her royal highness in Chinatown every year in Chinese New Year; claiming the royal connection to get protection under the ultra-royalist Thai government. I know that Udon is the major center of pro-Thaksin politics. After the coup, I also visited Udon and all this saying that Udonthani people are royal to the king and there is this commemorates that Princess Payapitiyapa inaugurated the museum, all of the sudden there is this royal connection coming up after the coup as before the coup, there isn't there.

Claiming PRC connection, the royal connection, if you remember the museum in Bangkok, the room with the royal benevolence with the king in it. So one side, the royal activities of the royal family in Chinatown and the activities with the PRC in China and other side is the royal family in China, the connection between royal families' relatives and PRC leaders. The idea is that because of the Chinese in Chinatown connected to the royal family and the royal family connected to the PRC in China, so the Chinese in Chinatown is connected with PRC. That is the logic of it. Claiming the PRC connection through Confucius teaching filial piety at the Confucius Institute, in the case of Udon, is the idea that we are culturally Chinese and we have connections with PRC; not just Confucius teaching anywhere but the Confucius

teachings according to mainland China. We went back to places related to Confucius in China and we are related to the Confucius Institute.

Claiming PRC connections through economic and cultural ties, we see this in Udonthani and in Bangkok the same. One thing that is very interesting is that un-claiming of minimalization of what used to be traditional identification the overseas Chinese in history, they don't present themselves so much as different dialect groups, or clans associations, or hometown associations, etc. it's much more become an extension of Chinese nation-states through the People's Republic of China. So the dilemma of power and agency. Where are the 'Red' capitalists going? Are they 'red' because they are under the influence of the PRC? Or are they 'red' because they are against the 'yellow' Chinese in Bangkok? If both the 'yellow' Chinese in Bangkok and the 'red' Chinese in Udon claim alliance with the PRC, then you can see both that they are trying to claim alliances that who is going to win in this struggle? And how the PRC going to manage the internal conflict, do they have to manage it? Is this a case of PRC cultural/economic hegemony in this monolithic Chinese culture that presented in the older Chinese community used to be much more than first? Is it a case of PRC culture hegemony? Or is this a case actually Thai Chinese of different political backgrounds trying to manipulate their alliance with the PRC to dominate local politics? And are we facing the end of Chinese diaspora history as we know it in Thailand? Because if you are diaspora, the point of being diaspora is that you are not, you don't have any nation-states or the host nation that you are at is not the nation of your ancestors but the overseas Chinese in Thailand at least are trying to say that they are an extension of the state of the People's Republic of China. Then maybe culturally, they are not a form of diaspora and we have to change our way of understanding and studying the history. That's all, thank you.

Ajarn Yos: We started with the Skinner's student

Ajarn Chulacheeb: Ajarn Wasana selected Udonthani cases and Yowarat cases but I think there are other overseas Chinese communities in Thailand. I would like maybe explore further. For example, I think in Suphanburi, there is another case, in the South, and also you have one in the central area and one in north, northeast area and provide a more complex picture about overseas Chinese in this part. Moreover, one of your slides, I am not sure which part but you seem to be chronologically divided into three periods. The three colonial periods: the pre-colonial period, the colonial period and the cold war period; for those who do

not know Thai history, they might be misled and I think the better word, or more neutral word can be “ancient regime”, “modernized Siam” and the “cold war period” that it is more neutral rather than that, because we can make people feel that we have been colonized or whatever; that’s more neutral in dividing “ancient regime,” which is the tribute system, and modernized Siam from Rama IV, V to the second world war and then the cold war period that is more neutral in that sense. And then I think that you have not established with evidence that those people that you considered as red capitalists are really either anti-Thai government or pro-Thaksin, you made an assumption that people in Udonthani are. But this people Chai Rad or whoever, what are the evidence to say that they are? I think it is more concrete evidence to support that they are red, they are pro-Thaksin or not. I think it is a little assuming without concrete evidence. I would like to dig a bit more information about that. That’s my comments.

Commentator: I think so called the Chinese in Thailand, I mean the rise and development in the Chinese capitalism or merchants are happily acquired from the state and confirmed by the museum in Chinatown that a kind of rewrite a whole history of Chinese in Thailand. Make the best of all the stories and forget about the old, the coolies in Mekong periods, they just pick up the new line of the old development again. I think it’s time to coming of the future of the prosperity of so-called capitalism of Chinese experiences here. So it is a lot to say about why the two stories or what implications of this, like you mentioned earlier about the power of nationality and it’s also related to the origin of Thai nationality which started from the King Rama VI, Wachirawut which he also made the law to define nationality, in Thai we called “Chat”, emphasize the birth but the birth in the Thai sense also mean “where you belong”, your caste, you are born in the golden palace or you are born in the checkered house. It is also define your nationality, your nation.

Another concept as in assimilation, the Skinner took it and it is very interesting, I think Ben Tamrong, the famous Thai historian in 19th century also wrote in Thai, he summarized of his Thai waves in Thailand “Chat Thai” up until 19th century, he lectured in the 1930 before the coup in Thai administration. He summed up that why the Thai waves come to Thailand. We have three things: one to make peace, number to make correlation, and three assimilations. But in the Thai version, when we look at the origin, the English that he could bracket, in the Thai word they used Prasan Phun Prayut. It means “able to take advantage of all conditions.” It consists of the social concept of assimilation. I don’t think he talked about assimilation but

he put in the Thai context that “assimilation” refers to make benefits, make interests, and make everything through. No matter who are you, where are you from? It does not matter, you belong to us. That’s how Chinese be able to do the same. They made up and then they make advantages and support to the King and you get what you want. That’s why assimilation is to understand it in the old concept of interest-making more than the modern social concept of how to integrate other nationalities, other groups, and so forth world ethnics.

Quickly back to the red capitalists in Udonthani, actually this is the stronghold of the red political group in the past 5-10 years. But mostly, the figure that came out is more than the capitalist, most of them came out as political activists that Mr. Kwanchai Kaithana; I don’t know what is his business. I don’t think he belongs to the Chinese association or that kind of thing and other of his supporters, mostly native Thai. So little association with the Chinese capitalists in the province. So it is probably Ajarn Wasana may have to explain more about the Chinese association became the so-called red capitalists in this case too.

Commentator: Just one quick question before I go to pack my things. This paper is different from other papers in this aspect, this paper looks at the old Chinese only, nothing mentioned about the new Chinese, I think this is something that we need to have it into the next research.

Assoc. Prof. Dr. Siriporn Wajjwalku: Actually, I don’t know how to define now in my mind. I actually like your paper because it is fun and very interesting. I disagree with you about the empirical data; we really need more about empirical data. I think the more critical issue for you is methodology. Now I think in this room, there are at least three historians: Prof. Dr. Thanet Aphornsuvan and two more. What I found in the presentation or comments from the historians is there are several approaches even among the historians. So I am not sure how at the end of the day. You are also use one way historical approach to the story. So I am not sure in order to link your chapter to the theme of the book as the Chinese capitalism, how are you going to do that? So when I compare with Danny chapter and Liu’s chapter, I think completely different. So I think how to draw from your works to the Chinese capitalism? This is the point. Another thing is that you used the term red capitalism. I think that also the problem of the concept and I think you draw this thing from the context domestic politics in Thailand. I don’t see the linkage, just we see the picture, I am not sure

we can interpret about the linkage between the people in Thailand and the relationship with the PRC in a whole picture. I am not sure it is a problem of approach or is a problem of empirical data? So we have to make clear on that. From my perspective this is the issue of Chinese community and the domestic politics of Thailand. I did see the Chinese capitalism, I mean from this thesis I don't see the way to draw and to link it.

Ajarn Wasana Wongsurawat: I would like to respond with all the people. Period before the cold war that could be used across Southeast Asia if we want some coherence in the periodization issue of this project. I prefer to use the terminology that could be used across Southeast Asia. Another issues that if I use the periodization according to Ajarn Chulacheeb, Aung San regime modernized Thailand and cold war. Some people might say that Aung San regime comes all the way up to 1932. So that's problematic and I think Thailand makes enough noise so that everyone in Southeast Asia knows that Thailand has never been colonized. I think there's always a problem in everything. You know that everything that we never been colonized that I think we are in a safe territory in using the term colonial era because we have enough people telling everyone in the world that we have never been colonized. You always have to note if we are to publish in this country. I also looked at other museums, the Sophan Buri museum, other museum in Hat Yai, other museum in Nakorn Sawan as well. I don't feel that they present any exception to the theme in the museum in Bangkok. These are major Chinese communities but they also draw their links to the central power in Bangkok, especially to the royal family. Basically, it is the same narrative. I can talk about them but considering to the size of the paper and maybe I can do a comparison among this group in the next paper. I think to put in the more museum in the more paper would not be eligible but I do have the footnote that mention about these museums.

How could I say that Udon Chinese are red Chinese? I am not necessarily, first of all, the major difference between the Udon Chinese and the Bangkok Chinese in the way that the Udon Chinese, is in the way that the museum in Udon can talk the history without any major connection with the central government, with the royal family, in the way that if you look at the museum in Yowarat, you cannot just have the museum without the connection and you see that in the same thing in other Chinese museums in Hat Yai or in Suphan Buri as well. They have very strong connection with the central government. You don't see that at Udon and you see that very clearly that the connection with the royal highness princess Wacharit

Pitiyapa, and other things after the coup. I agree with Prof. Dr. Thanet Aphornsuvan comments that a lot of major structure that pro-Thaksin movement in the northeast are not necessary connected to the Chinese capitalists and I do agree that at least the Chinese capitalists in Udon museum in the ancestral shrine, they are very quick to change, not necessarily change alliance, but to protect themselves in such a way. So that they are not clear in the ways that they don't present the clear notion that they support the Thaksin regime but you also have members of this business family who run the local election with the Peu Thai party. So in that sense, I think if you run for election with that party, it is safe to say that you support that party, at least, when you have power that were also put in for that.

In terms of whether or not, it connects with Chinese capitalist from China or not? And also Ajarn questions that I did not mention any new Chinese and once again I think I will mention the new Chinese in the next paper and I think one issue that is the major issue that we been talking about in this project from yesterday and last time as well is that "What do we mean by the overseas Chinese?" And I think my paper problematizes that a lot. In the case of Udon, you also see very clear investment from Chinese businesses into Udonthani and in many areas as well perhaps to put that in empirical data in. I think my paper is about the role of the Chinese community, as a kind of linkage the connection or the claim of the connection of the PRC of the old Chinese community so as to benefit from the investment and economic development.

Assoc. Prof. Dr. Siriporn Wajjwalku: What do you mean by Red in this sense? Red means anti-government in Thailand or red means Chinese in PRC China?

Ajarn Wasana Wongsurawat: Yes, red mean the influence of PRC, this is something that have been problematize and I don't think red necessarily mean anti-government because the government changes in Thailand. So sometime they are pro-Thai and sometime they anti-government. But I think using red as opposed to yellow, I mean red mean not connected, not with alliance with the traditional ways as the traditional overseas Chinese elite in Bangkok and a very clearly alliance with all family and with the conservative politics. This is another group that has identity that has not directly connected to old powers. So it does not mean has to be anti-government or it does not has to be anti-royalist but it is a new kind of narrative of the ethnic Chinese in Thailand that it doesn't have to be in Bangkok and it does not have to be somewhere but in fact connects more with the neighboring country. Connects more with

the Great Mekong Sub-Regions and connect more with the PRC; that is the way you can have as a narrative, which is not possible before the end of the cold war that's why I started my paper talking about the Skinner. And I say that back in Skinner's time, there is no history about the overseas Chinese, outside of that which is connected to Bangkok.

In term of methodology, historian would be historian, I will put more empirical evidence in. I cannot do like economist.

Ajarn Yos: I have one quick comment, I finally happy that history finally pay attention for local history but it is a history that have no voice, the local voice is lacking. It's all Wasana, All the pictures are Wasana. There is no voice of the local people that appear in this case, whether is Udon or Nakorn Sovan or Hat Yai. If we are serious about looking at the local history. We should allow the voices of the local people to ring through but that is anthropologist bias. But we are running out of time. So you don't have that the last word.

Closing remark

Assoc. Professor Dr. Isra Sarntisart: It is not a last word, coming to this work, I am learning. I am not learning about historian or from anthropologist, from sociologist, IR but I love to read about history. In fact, I am reading about Ajarn Sowantana about Chinese philosophy and I also read a book history. I think as an economist, we have externality in this room. You share the externality with the economist. When you present the paper, other people learn from you, the strengths that you have and the weaknesses that you have and at the end all of us improve our papers by learning from the strengths of other people. And I think we have successful in these aspects, provided that in the next paper, all the strength has been accommodated in the next paper. But one thing that I think Ajarn Yos has designed in this research is the role of PRC. I believe that I learn from the Philippines paper that there is a policy called go-out policy. This policy should have some impact on the rise of the Red capitalist and Red in PRC when they came out the country. I believe that may I ask Dr. Sun to write more about go-out policy and I think they may have some connection to the rise of red capitalists in other countries especially I can see from the Singapore paper. There should be some connections, after listening to these ten papers for two days, I have some hypothesis that the rise of red capitalists in Southeast Asia is intentional. This is my hypothesis and it

will be tested in the next round of our meeting. Thank you for your time and your effort. I pray that your trip to go home is very safe and send my regard to your family back home. Thank you very much.

Ajarn Yos Santasombat: Please next mark on your calendar that we propose that the next workshop February, 2016. Hopefully not in Chiang Mai. We are seriously discussing an academic session in Taiwan. We will have a very critical feedback and comment from our colleagues from Taiwan. You have next months to collect more data and revise your paper. Please be reminded again that the next phase we only have one year. After the next workshop, we will have one year from the next workshop to complete the paper. If we could, we should collect data from the second paper, I assume that we have collected most data for this present paper. If we have time, we need to rethink about the second paper, which is to put more emphasis on the networking between Chinese new migrants from China and add in more emphasis on ASEAN Economic Committee and how AEC would be related to Chinese capitalism.

รายละเอียดผลการดำเนินงานของโครงการตามแผนงานโดยสรุป

| กิจกรรม(ตามแผน) | ผลที่คาดว่าจะได้รับ ^(ตามแผน) | ผลการดำเนินงาน | หมายเหตุ |
|--|---|--|----------|
| <ul style="list-style-type: none"> - สัมภาษณ์นักธุรกิจชาวจีนเพื่อ ทะเล โดยเน้นทำความเข้าใจการ เปลี่ยนแปลงขององค์กรธุรกิจ ความสัมพันธ์และเครือข่าย guanxi - นำเสนอความก้าวหน้าทุก 6 เดือน | <ul style="list-style-type: none"> - จัดประชุมเพื่อรายงาน ความก้าวหน้าของงานวิจัยต่อ แหล่งทุน พร้อมทั้งแลกเปลี่ยน และรับฟังความคิดเห็นจาก ผู้ทรงคุณวุฒิเพื่อนำไปเพิ่มเติมใน ประเด็นวิจัย | <ul style="list-style-type: none"> - เป็นไปตามแผนที่วางไว้ การจัดประชุมมีขึ้นในวันที่ 6-7 มิถุนายน 2558 ที่ โรงแรมอีสตินดัน เชียงใหม่ | |

ข้อคิดเห็นและข้อเสนอแนะอื่น ๆ ต่อสกว.

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ลงนาม

(ศาสตราจารย์ ดร.ยศ สันตสมบัติ)