Introduction

China's open-door policies of the early 1980s must be reckoned among the most important events in recent history. They made possible, during the late 1980s and early 1990s, China's expanding involvement in the world economy. Together with the opening up of the former communist countries of Eastern Europe, this was a decisive factor in bringing about the sudden growth in economic internationalization which we have seen over the past ten years. The vastly increased productive potential of China's southern provinces, in particular, has led to fundamental political, social and cultural transformations, and has deeply influenced China's position in the world. Relations between South China (Fujian, Guangdong, and Hainan provinces), and the countries of Southeast Asia were particularly significant in this process, because the ethnic Chinese in those countries originated mainly from there, and because the greatly increased application of their vast economic potential to the development of the South-Chinese provinces decisively influenced the changes in that area. The present volume attempts to describe and analyze these changes.

The editors consider the evaporation of socialism from Chinese everyday life and its replacement, during the 1980s, by an unprecedented permissiveness towards free entreprise as crucially important. This has articulated questions concerning newly emerging unequal regional development and economic exploitation. It has also resulted in the re-emergence of ethnic issues and the revival of traditional ideologies and forms of cultural expression; and it has drawn the ethnic Chinese overseas back into the increasingly powerful Chinese political orbit centered on Beijing.[1]

In the first section of this volume, on *Chineseness and Chinese Capitalism*, some of the methodological issues involved are presented. One such issue is the new discourse on 'Chineseness' and 'Chinese capitalism', in which the claim is made that typically Chinese values, norms, and patterns of behavior explain most of the economic achievements of the past decade in East and Southeast Asia. This discourse became fashionable since the emergence in the 1970s of the Newly Industrializing Countries (NICs); but it has become particularly acute since late 1991, when China opened its doors wider than ever before. Although the explanatory value of these categories for the economic successes achieved in South China and Southeast Asia has always been questioned, the contributions to this volume which discuss their use and abuse testify to their resilience in contemporary academic discussions.

Arif Dirlik is the most articulate opponent here of the argument that 'Chineseness' explains the recent high rates of economic growth in East Asia. He acknowledges that the discourse on Chinese capitalism may reflect China's newly acquired assertiveness in overcoming colonial hegemony, but on the other hand he argues that it derives essentially from the international division of labor now emerging. In this sense the discourse on Chineseness conceals the renewed subservience of the Chinese economic sphere to the interests of the Western and Japanese transnational corporations. *Rajeswary Brown* joins this argument by raising the question of whether Chinese business networks, however successful they are in accumulating capital and monitoring markets, could ever engender the transition to capital-intensive production. Her paper, by concentrating on the

[1] For another discussion of the colloquium, see Wang Yeu-farn's essay in the IIAS Newsletter, nr. 6, 1995: 46–47.

Chinese multinationals Kwek and Yeo Hiap Sing, operating from Singapore and Hong Kong, emphasizes the importance of regional state power, and Japanese and US economic interests, in determining the fate of Chinese business enterprise.

Siu-lun Wong argues that, on the contrary, the dynamic blend of entrepreneurial styles, uniquely present in mainland China and among the ethnic Chinese abroad, has resulted in China's economic miracle. Familism, pragmatism, autonomy, and personal trust are identified by him as the crucial values conducive to successful economic behavior. *Leo Douw* asks what exactly is unique about China's development by comparing the Chinese and Western experiences over the past centuries. He argues that persistent differences in state-society relations and the construction of ethnic identities extend over much of East Asia nowadays, and constitute an alternative to the Western political culture.

The second section, entitled *The survival, dispersal, and creation of Chinese institutions*, links up with this discussion by addressing the issue of how to interpret the current resurgence, in South China, Shanghai, and Taiwan, of traditional cultural forms and socio-economic institutions, and the creation of new ones. Footbinding has disappeared, private contracts have survived, bride-prices and rotating credit cooperatives have been revived, and stock markets and township enterprises have emerged as new institutions. The treatment of these institutions attests to the large variety of institutional forms that have to be dealt with before a final judgement can be made of what is 'Chinese' and what is not.

Hill Gates offers an explanation for the emergence in China, in Late Imperial and Republican times, of footbinding. She argues, contrary to established opinion, that the disappearance of this practice in the 20th century was not brought about by a change in moral outlook engendered by Chinese enlightened elites and Western reformers. Rather, it was one of the effects of the spread of industrial capitalism on the Chinese pre-capitalist mode of production, since sending young girls out to work became more profitable for their families. *David Faure* and *Anthony Pang* discuss the uses of private contracts in China, which increased enormously from the growth in commercialization in the 16th century up to the early 20th century. Private contracts were part of a resilient Chinese culture which, contrary to the Western political culture, prefers informal social arrangements to the enforcement of formal law by state institutions. *Yingzhang Zhuang (Ying-chang Chuang)* provides a detailed description of rotating credit associations in Taiwan. These associations function as providers of credit in situations where formal banking institutions are underdeveloped and cannot be relied upon for loans. Much of their social organization has historical roots and is nowadays shrouded in institutions, such as temple cults, which are traditional in form. *Arthur Wolf* offers his view concerning the recent emergence in South China of a 'New Feudalism', a heading which includes such divergent practices as child-brides, expensive funerals, refurbished temples, and rebuilt lineage halls. Contrary to other writers, he explains these phenomena in terms of the emotional comfort they offer in a time of widespread uncertainty caused by disruptive social change, rather than as a return to previous socio-political relationships.

The stock markets of Shenzhen and Shanghai should be considered as new institutions that were created in order to cope with China's growing integration into the global economy. *Ellen Hertz* describes how, in 1992, Shanghai took over Shenzhen's leading position as China's financial center, replacing the more unruly and corrupt Southern Chinese capitalist culture with a more stable, Beijing-oriented environment. Neither of these stock markets, however, could be considered as fully capitalist, according to Hertz. *Shaolian Liao* eulogizes another new economic institution, the township enterprises in Fujian province's rural areas. His detailed discussion makes one

aware that these township enterprises, whether they are fully capitalist or not, have an enormous output potential and form the basis for the current economic 'miracle' in South China.

The remaining sections resume the discussion of South China's position in East and Southeast Asia. The third section, *South China and beyond: political and cultural dimensions*, considers its cultural and political dimensions. It is assumed that the discourse on 'Chineseness' is related to the recent emergence of the idea of a 'Greater China'. This idea originated from the claim that a coherent and homogeneous cultural and economic Chinese realm exists, with South China, Taiwan, and Hong Kong as its core, but which may include also Singapore and the ethnic Chinese communities in Southeast Asia and in the rest of the world. The chapters in this section discuss the political consequences which might follow from such a claim, and their potential dangers for peace in the region. They also question the supposed coherence and homogeneousness of Chinese culture by considering the evolution of ethnic Chinese cultures in Indonesia.

Leo Suryadinata states unambiguously that Beijing still appeals strongly to the ethnicity of investors of Chinese descent in Southeast Asia, despite the fact that now they are fully recognized as nationals of the countries where they live. This, according to Suryadinata, is a potentially destabilizing factor in the East Asian power balance, as it has been since the late nineteenth century. *Michael Godley* supplements this argument by stating that the concept of the 'Nanyang connection' has determined Beijing's attitude to the outside world for centuries. His study shows that at the beginning of this century the principal broker of Overseas Chinese interests, Beijing-appointed Commissioner for Overseas Chinese Affairs, Zhang Bishi, also fostered ideas of pan-Chinese nationalism. Godley's fears about the political consequences of the recent revival of such ideas makes him argue that one should confine the uses of Chinese ethnicity to the promotion of economic progress and discourage its political abuse.

Charles Coppel emphasizes the historicity of ethnic identity, and the factors internal to Indonesian politics which have contributed to its construction and change over time. His study of the evolution, during the period 1880-1930, of marriage and funeral rituals among *peranakan* Chinese in Java proves that resinification of those rituals occurred at a time of growing tension between Muslim and Chinese trader communities, which was a factor in halting the existing tendency towards cultural assimilation. *Mary Somers Heidhues* similarly points out that the resilience of ethnic articulation among West Kalimantan's Chinese communities, which persists to this day, derives from their position within Southeast Asia. Despite their original isolation within the Indonesian colonial polity, their multi-faceted orientation towards Singapore, and the fact that for the outside world these communities are distinctively 'Chinese', they can nonetheless hardly be considered as belonging to a 'Greater China'.

The fourth section, *South China and beyond: economic dimensions*, addresses the question of how economic change in East and Southeast Asia relates to Western capitalist intervention. The claim is made, in several of the contributions, that the economies of this region essentially developed independently from the Western sphere, and that they differed substantially from Western economic practice.

Peter Post confirms the view that the power of Asian cultural patterns persisted despite colonial domination. On the basis of a study of the Hokchia/Henghua business networks during the first half of this century, which extend from Indonesia over much of East Asia (and beyond), he concludes that Japan's emergence as the economic motor of Asia, from 1928 onwards, and its dependence on ethnic Chinese entrepreneurship, definitively supplanted the always superficial economic presence of the colonial powers in the region. *Takeshi Hamashita*, by focusing on

the voluminous intra-Asian rice trade provides another example of how, in the Asian cultural domain centered on South China, commodity chains developed which were neither affected by Western capital, nor supplanted by supposedly superior Western business organisations. *Yifeng Dai* pictures Xiamen city in the first half of this century as a thoroughfare town, linking South China's trade and labor with Southeast Asia without being integrated otherwise into its Chinese hinterland, and only superficially related to Western capital. Dai's emphasis on the problem of unequal regional development makes one wonder once again about the claim that one homogeneous Chinese culture and economy exists. *Guotu Zhuang* argues how the close links between the overseas Jinjiangese communities in the Philippines and their famous home town in South Fujian contributed to Jinjiang's richness in the 1930s. In doing so, he adduces another argument for the potential of intra-Asian social relations to generate welfare and economic growth, and offers an institutional explanation for the recent economic 'miracle' in South China.

Wellington Chan offers a detailed description of the Wing On and Sincere Companies, both Overseas Chinese enterprises mainly exploiting storehouses based in metropolitan South China and Shanghai, during the period 1900–1941. In addition, this contribution illustrates the limitations of cultural explanations of economic success, referred to above in the first section: Chan's comparison of both firms suggests that only given broadly similar circumstances, could managerial culture be considered as the crucial factor in determining success.

The fifth and final section, *South China and beyond: qiaoxiang ties*, presents detailed research on how economic internationalization is affecting present-day socio-political structures in South China. For centuries, ethnic Chinese communities in Southeast Asia and elsewhere have organized themselves on the basis of *qiaoxiang* (home town) ties, as is accounted for in the contributions by Dai Yifeng and Zhuang Guotu mentioned above; these ties connected them to their kin and communities in South China. Moreover, *qiaoxiang* ties are part and parcel of Beijing's present-day appeal to the ethnic Chinese abroad for investment, donations, and other contributions to China's development. The nature of these contributions is complex, and is an important issue in contemporary debate.

Ping Song's piece on Jinjiang *diqu* in South Fujian makes clear that, since the early 1990s, private financial interests have become an alternative motive among Chinese overseas for the establishment and operation of schools in China, alongside the traditional donation model. The other contributions to this section also illustrate that similar alternative modes of organization and development coexist in present-day South China, and that ethnic Chinese abroad influence local politics in different ways. *Isabel Thireau* and *Kong Mak*, in their discussion of village power structures in two locations in Guangdong province, emphasize the importance of the changing political conditions within China for the building of new political institutions, but also give clear evidence of how a village's political affairs may be influenced by foreign interests. *Yuen-feng Woon*'s contribution, finally, on the Guan lineage in Kaiping *xian*, Guangdong province, may be read as a comment on several of the discussions mentioned above. Her main argument, contrary to Arthur Wolf mentioned above, is that a substantial reversion in South China to pre-Communist socio-political structures is motivating the return to traditional cultural forms. In her view, moreover, this restoration is not motivated by private interests: the overseas Guan avoid investing for private profit in their home town because they are eager to avoid developing an exploitative relationship with their kinfolk.

As in the other sections, the materials offered here show that present-day South China is a region of rapid social change, generating a variety of options and strategies. The fact that generalization is so difficult only increases the challenge for social scientists, as it does for politicians and entrepreneurs.