

Conferences, Workshops, and Seminars

Conference on Pedlars and Tycoons:
Ethnic Chinese and the Modernization of the Asia-Pacific,
8-9 December 1995, University of Bielefeld

The Sociology of Development Research Centre at the University of Bielefeld hosted an international conference on 8-9 December 1995, on the role of the ethnic Chinese in the development of the Asia-Pacific region, sponsored by the Deutsche Forschungsgemeinschaft. Chaired by Dr Helmut Buchholt (Bielefeld) and Dr Thomas Menkhoff (Kuala Lumpur), the conference brought together historians, sociologists, ethnologists, economists, and anthropologists from Germany, the Netherlands, Hong Kong, Singapore, Malaysia, and the Philippines whose research is aimed at providing a better understanding of the causes and consequences of the rapid development process in the region, which is considerably influenced by ethnic Chinese businessmen. The papers presented case-studies on Singapore, Malaysia, Indonesia, the Philippines, and Taiwan and concentrated on three interrelated themes: (a) the historical evolution of the Chinese communities in Southeast Asia, (b) their economic activities and behaviour, business networks, and success in trade and commerce, as well as (c) the impact of their minority status in terms of identity, ethnicity, inter-ethnic relations and ethnic conflicts.

Using a social-historical approach, Heiko Schrader (University of Bielefeld) dealt with the evolution, activities, and culture of Chinese moneylenders in colonial Java. The so-called Tjina Minding provided working capital for income-generating activities and came to dominate Indonesia's early financial landscapes. Some settled down, others continued to move around, establishing far-flung trading-cum-financial networks, linking Java's interior with coastal towns and other financial centres in Southeast Asia. Differentiated (specialized) non-Western fi-

nancial agents, hardly existed in colonial Java, in contrast to other regions affected by colonialism. A possible explanation lies in the Netherlands-Indian colonial structure, which discouraged the demand for large investment credits.

Based on a survey of Chinese merchant exporters in Singapore, Thomas Menkhoff (Human Resources Development Council, Kuala Lumpur) explored the importance of personal forms of trust as key elements in the complex web of business and associated social relationships. Chinese conceptions of “oral contracts based on trust” and the importance of strong personal ties reflect the experience of early Chinese immigrants in Southeast Asia, an environment characterized by discrimination, legal uncertainty, and other business risks. Interpersonal business trust and the strength of trust in verbal agreements depend on non-verbal information transmitted during initial face-to-face interactions, the length of the commercial relationship, the reliability and reputation of trading partners, the frequency of personal interactions, mutual interests and dependencies, the quality of past transactions, and the control of sanctions to threaten someone for non-performance. The embeddedness in trusted trading networks provides sanctions to force others to behave predictably and helps to maintain trust and business co-operation. But this does not imply a total reliance on trusted kinship networks, as is often claimed in the literature.

Ingrid Lambertz (Cologne University) presented the qualitative design and research methodology of her ongoing Ph.D. study on Chinese female entrepreneurs in Singapore, which forms the basis for an ethnological cultural description of their economic behaviour and rationale. Particular emphasis was put on the usefulness of qualitative data collection techniques in small business research and the problems/potentials of a computer-assisted analysis of qualitative interview data. Her presentation demonstrated that a qualitative approach can provide deep insights into the “subjective truth” of economic actors.

Hubertus Pleister (University of Hong Kong) analysed the organizational behaviour of small- and medium-sized firms (SMEs) in Taiwan where inter-firm networks are prevalent. One organizational characteristic of SMEs in Taiwan is their horizontal co-operation. According to

organizational theorists, this type of network implies low transaction costs (among other aspects). Pleister argued that such an explanatory approach is incomplete, emphasizing that “contingency factors” must be taken into account if one wants to understand the phenomenon of network construction in Taiwan. A turbulent business environment, lack of finance, marketing problems, and management weaknesses represent serious growth barriers for SMEs which often “force” them to construct such networks. Pleister criticized the lack of a general theory of firm networks and presented a development model of the Chinese family firm as a basis for further theoretical work on inter-firm networks in Taiwan.

Mary Somers-Heidhues (Netherlands Institute for Advanced Study in the Humanities and Social Sciences, Wassenaar) concentrated on Indonesia’s Chinese outside of Java (East Sumatra, Riau, Bangka, West Kalimantan) who are a comparatively neglected minority, in spite of their economic importance. Although coolies no longer work in mines and plantations, many ethnic Chinese have remained in the area as farmers, especially in cash crops for export, selling consumer goods and/or providing credit in rural areas in spite of attempts to displace them. Their relative numerical importance, however, has decreased because of emigration, lower birth rates, and migration to Java. In most areas outside Java, *totok* Chinese dominate the group. Their culture conflicts with the Indonesian Government’s policies of assimilation of the minority.

According to Yu Siu Liem (Köln), the vicious circle of social prejudice, inter-ethnic conflicts, and everyday theories about limited opportunities for social and economic participation in contemporary Indonesia has prevented a rational solution of the “inter-ethnic problem”. Although the Chinese minority has many characteristics of other “typical Indonesian” ethnic groups, the community is exposed to political restrictions and faces cultural oppression. In contrast to popular stereotypes, the Chinese minority in Indonesia is in fact very heterogeneous, as indicated by the cultural differences between *totok* and *peranakan* Chinese. This has hampered the development of a common cultural or ethnic identity. At the core of the Chinese problem in Indonesia is the economic domination of Chinese conglomerates (most of them by *totok* Chinese under the “protection” of the military) which distorts the im-

age of the entire Chinese minority. A limitation of the economic activities of these big companies, however, would be contraproductive for Indonesia's development, as history has shown.

Ingrid Wessel (Humboldt University, Berlin) aimed at exploring the social role and situation of the Chinese minority in Indonesia. Besides a short historical account on the evolution of "the Chinese problem" in Indonesia, she concentrated on the period of the New Order. Forced assimilation, demands for stronger economic co-operation with indigenous groups and political utilization are cornerstones of the official policy towards ethnic Chinese in Indonesia. Indonesia's Chinese community comprises extremely heterogeneous groups who react with different strategies to political decisions and requests. A solution of the Chinese problem, acceptable for both Indonesia's political élites and the Chinese community, is not visible as long as negative stereotypes, images, and distrust persist.

Helmut Buchholt (University of Bielefeld) focused on anti-Sinitic attitudes against the Chinese minority in the Philippines. From a socio-historical perspective he analysed the development of anti-Chinese prejudices from the Spanish era until the present times. Recently, anti-Chinese prejudices are visible primarily in newspapers but do also exist in non-visible, latent forms in the consciousness of the Filipinos. It was argued that without a consideration of the past and, especially in view of the changing "figurations" (Elias) in the development process of the specific Philippine social space, recent forms of anti-Chinese prejudices are not understandable.

Annabelle Gambe (University of Braunschweig) presented the objectives and major hypotheses of her ongoing Ph.D. project on the role of the ethnic Chinese in the development of the Philippines. The success of the East Asian newly industrialized countries (NICs) has been widely attributed to such factors as a strong development state that defined the aims and guided the path to development, as well as an ethnically homogenous, hard-working, and extremely disciplined population which adheres to Confucian values. As the economies of Southeast Asia which are located in the "Confucian periphery" now foster enviable growth rates, a search is under way to explain this new phenomenon. Unlike the East Asian NICs, the Southeast Asian countries could

neither lay claim to a development state in the East Asian tradition nor an ethnically homogenous population. What then are factors that could explain the dynamism of the Southeast Asian economies? With a case-study on the Philippines, the dissertation will try to prove that the presence of the Overseas Chinese, who, despite their minority status as well as circumscribed position in society rose to become successful entrepreneurs, is a significant contributing factor to the development of Southeast Asian economies.

In his paper "Singapore: Social and Institutional Foundations of Chinese Business", Tong Chee Kiong (National University of Singapore) analysed the business behaviour, intra-organization characteristics, and *guanxi* (relationship) bases of rubber firms in Singapore whose owners maintain extensive transnational business networks based on *xinyong* (trust) and *ganqing* (affection). Particular emphasis was put on the question how such *guanxi* bases are established and maintained, and why certain ties (kinship, locality, dialect, work-place, associations, friendship, and so forth) are activated. Despite the growing importance of system trust there is a high degree of personalism and personal control in Chinese business relations built on personal trust. One reason for the perpetuation of personalism according to Tong's "model of forces affecting Chinese personalism" is that existing insecurities are keeping alive age-old feelings of vulnerability. Others include paternalism and the patronage systems of wealthy merchants through trade and clan associations.

In his paper "The Romance of Asian Capitalism: Geography, Inscription of Virtue, and the Chinese Traders in Belaga, Sarawak, East Malaysia", Yao Souchou (Institute of Southeast Asian Studies, Singapore) deconstructed the romance of Chinese (pioneering) entrepreneurship, providing a fresh interpretation of Chinese business. To cope with harsh realities in a "god-forsaken" outpost town in the jungle (Belaga), traders (who maintain long-standing trading relationships with Kayans) construct virtues of hard work, frugality, trustworthiness, and danger, which are discursively reproduced in coffee-shops and during chats with visitors. According to Yao, this form of "self-Orientalism" (Said) is created to cope with the marginal geography from which they have to make

a living and the circumstances that have forced them to be there. It finds a parallel in the discourse on Asian values and the renaissance of Asia.

The various papers were intensively discussed. As expected, the discussions centred upon the three themes of the conference, underlining the important and ambivalent role ethnic Chinese entrepreneurs continue to play as agents of market expansion in the Asia-Pacific region. The three days of rioting in the Central Java town of Pekalongan (Indonesia) in November 1995 indicate that ethnic stereotyping, tensions, and conflicts are likely to persist in some parts of Southeast Asia. "The Chinese" represent an "object of desire" (to use Yao Souchou's term) for various individuals and strategic groups who project their own desires, fantasies, and impotence into this group for various reasons. Participants emphasized that in view of the heterogeneity of the Chinese community in Southeast Asia, generalizations about their characteristics, business behaviour, culture, and so forth have to be avoided. It was stressed that the scientific community is contributing to the construction of "the successful Chinese", an image (negative) which is often used as a rationale for scapegoating, prejudices, and discrimination. There was a consensus that more self-reflexivity, empirical cross-cultural research, and theory building based on specific circumstances are necessary. It is hoped that the conference papers which will be published as a monograph in 1996 will help to demystify the supposedly mysterious Chinese way of doing business. Due to the successful outcome of the conference and the positive response from participants there are plans to organize a second conference on the ethnic Chinese in Germany in 1997. The organizers are indebted to the sponsor of the conference, the Deutsche Forschungsgemeinschaft, whose grant enabled scholars from various countries to exchange research findings, to learn from each other, and to do some networking.

Helmut BUCHHOLT and Thomas MENKHOFF

Helmut Buchholt is Lecturer at the Sociology of Development Research Centre, University of Bielefeld.

Thomas Menkhoff is Director at the Human Resources Development Council, Kuala Lumpur.