Peoples Republic of China’s Policy towards Overseas Chinese

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Guest Column by V. Suryanarayan

The more China embraced us as “kinsman country” the greater would be our neighbours’ suspicions. It was difficult because Singapore’s neighbours had significant Chinese minorities who played a disproportionate role in the economy and their economic success had aroused the jealousy and resentment of the indigenous peoples --- It was an important underlying factor in the relationship between China and the countries of Southeast Asia. Lee Kuan Yew (1)

During the Olympic torch relay, thousands upon thousands of overseas Huaqiao and Huaren actively participated and defended the integrity of the Olympic torch. This is not only a strong defence of the spirit of the Olympic Games, but also a vivid display of patriotism (aiguo qinghuai). Hu Jintao, 20 September 2008 (2)

Approximately there are 50 million people of Chinese origin who live outside PRC and Taiwan. Some people of partial Chinese ancestry also consider themselves as Overseas Chinese. The Overseas Chinese are the largest migrant group in the world today. They are scattered all around the world. Therefore, it can be rightly said that the sun never sets on the Overseas Chinese.

Historically the Chinese term for Overseas Chinese is huaqiao or Chinese sojourner. This term is used even today to describe all Chinese living abroad. Two other terms are also in usage to describe the ethnic Chinese, huaren (Chinese person) and huayi (Chinese descent). The three terms are ambiguous as to the nature of their relations with China. In this essay I have used the term Overseas Chinese to encompass all ethnic Chinese living outside China or Taiwan, whether they are citizens of the host countries or Chinese nationals.

The opening of China and the globalization of the world has given a fillip to Chinese migration to developed countries. Dr. Li Xiaoli, the
member of the research team, which completed the Report on the Overseas Chinese for the Chinese Academy of Social Sciences has pointed out that “relatively higher incomes in developed countries have attracted migrants from developing countries. And as many developed countries suffer from low birth rates and population aging problems, the Chinese mainland migrants fill up the gap” (3).

The majority of Overseas Chinese, approximately 25 million, live in Southeast Asian countries. It is a rough estimate for four reasons. First, many countries do not hold regular census. Second, many people of partial Chinese ancestry in Thailand and in the Philippines, for example, consider themselves as Thais or Filipinos. Third, there had been unaccounted Chinese migration to Myanmar during recent years, with estimates varying from one to two million. Fourth many ethnic Chinese in Myanmar, in order to escape discrimination register themselves as Bamar. According to recent estimates, the ethnic Chinese number 2.8 million in Singapore (this does not include large number of non-citizens); in Thailand 9.4 million; Indonesia 7.7 million; Malaysia 7.0 million; Myanmar 1.8 million; Philippines 1.1 million; Vietnam 1.0 million; Cambodia 0.8 million, Laos 1,90,000 and Timor 6,000 (4).

During recent years, the term “Greater China” is gaining currency. The term includes both PRC (including Hong Kong and Macao) and Taiwan. However, it must be pointed out that the term “Greater China”, as Prof. Wang Gungwu has pointed out, has certain drawbacks. When this term is used in a political sense “there is an implication of expansionism towards the neighbouring regions”; when it is used culturally “it suggests a grandiosity which is at best misleading and at worst boastful” (5). Sunanda K. Dutta-Ray, the Indian journalist, has quoted Mao Zedong’s famous statement to prove China’s expansionist designs: “We must have Southeast Asia, including South Vietnam, Thailand, Burma, Malaya and Singapore … After we get that region, the wind from the East will prevail over the wind from the West” (6).

To put the problem in proper perspective, it is necessary to keep in mind certain political realities and the role that the ethnic Chinese play in the social, economic and political life of Southeast Asian countries.

**Chinese Migration to Southeast Asia**

Being a self contained civilization, the Government of China, for several centuries, did not encourage the migration of Chinese to foreign countries. But as political and economic contacts with Southeast Asia commenced in a big way the Chinese migration began. Chinese traders migrated to Malay Peninsula during the supremacy of the Malacca Sultanate. Since their number was small, they got assimilated with the Malays, embraced Islam, married Malay women and spoke Malay language. The successors of these early immigrants are popularly known today as Baba Chinese.

The large scale migration of the Chinese to Southeast Asia and the rest of the world began during the colonial period. There were several pull and push factors. There was demand for cheap labour to economically develop the colonies. With the onset of industrial revolution and the abolition of slavery the demand for labour further increased. The Treaty of Nanking contained a provision which guaranteed the right of the Chinese to emigrate. What is more, the provinces of Fujian and Guangdong in Southern China were stricken with famine and this acted
as powerful push factors. There was also considerable disorder following the Taiping rebellion. The Chinese began to migrate in large numbers to Southeast Asian countries. Initially they were birds of passage, but gradually they began to settle down and became a permanent feature of the demographic profile of these countries. The fact that the Chinese were hardy and industrious, with no apparent interest in local politics, made them desirable colonial subjects. As the colonial rule got entrenched, the Chinese became the most dominant group in the economic life, especially in trade, commerce, industry and in the professions. In the 20th century another class of migrants - lawyers, doctors, teachers and administrative personnel – moved into these countries. Lee Khoon Choy, the former Singapore diplomat, has stated that the indigenous people frequently described the Chinese as the “Jews” of Southeast Asia (7).

**Chinese Dominance of the Economies**

The Chinese dominance in the economic life continued even after independence of Southeast Asian countries. Once established, monopolies tend to perpetuate themselves, unless broken by state intervention. Being pragmatic and practical, the Chinese do not swim against the tide and always try to be on the right side of the authorities. In Indonesia, for example, under the Suharto regime, behind every successful Indonesian General, there was invariably a wealthy Chinese business man. The co-operation and interaction between Chinese businessmen and Military Generals is generally referred to as “cukongism”. “Cu” means master and “kong” means Godfather. One of the notorious Cukongs in Indonesia was Liem Sioe Leong, a good friend of Suharto family. His business interests spread over clove, flour, cement, petrochemicals, property development and banking. He owned the largest business conglomerate in Indonesia. Suharto used the Chinese businessmen, because they never threatened his political position. What Suharto underestimated was the growing opposition from the students and the general public. As Lee Khoon Choy has vividly described, the *pribhumis*, people who belong to the lowest strata of society, “hated the Suharto regime, because it sided with the Cukongs. They hated the Cukongs more, because, in their opinion, they were looting the country and exploiting the poorer classes” (8).

Describing the economic achievements of the Chinese, which is out of all proportion to their numbers, the *National Review*, few years ago, commented, “In Indonesia, where they are less than four per cent of the population, they have 75 per cent of the wealth; in Thailand, the Chinese represent eight per cent of the population, but control 80 per cent of the wealth. The numbers are even more amazing in the Philippines – population less than 2 per cent and control 70 per cent of the wealth. Even in the backward economies – Myanmar, Cambodia and Vietnam – Chinese entrepreneurs are behind the vast majority of private business ventures” (9). This is not to imply that all Chinese are billionaires, but most of the business tycoons are Chinese. The overwhelming majority of Chinese belongs to the middle class and are wage earners or self employed. And invariably they are the first victims in times of ethnic conflict.

**Retaining Chinese Culture**

An important attribute of Chinese Overseas is their keen desire to retain and promote Chinese cultural forms, while, at the same time, adapt themselves to the alien environment. The “China Town” which has sprung up in different parts of the world has contributed immensely to the
sustenance of Chinese culture. China Town is an exclusive enclave of ethnic Chinese. What is more striking is the Chinese attribute of referring to the people of host countries as “foreigners”. Prof. Lucian Pye explains this phenomenon as follows: “The Chinese see such an absolute difference between themselves and others that even when living in lonely isolation in distant countries they unconsciously find it natural and appropriate to refer to those in whose homeland they are living as “foreigners”. (10). The Chineseness, in which the Overseas Chinese take immense pride, comes out vividly in the writings of Evan Leong, an ethnic Chinese student in the University of California: “Even though my great-great-great-grandfather came to the United States more than 125 years ago, I have not homogenized to become an “American”. No matter what people call me, what clothes I wear, what food I eat, what my tastes are, what race my friends are, or what girls I date, I still know that I am Chinese” (11). No wonder, those Overseas Chinese, who are financially better off, go to China in “search of their roots”.

Economic and Political Pulls from China

The Overseas Chinese were always subjected to pulls and pressures from their homeland. In the beginning it was mainly economic and large proportion of their savings was remitted to China. But with the growth of nationalism, political pulls also started exerting in a big way. Just as Mahatma Gandhi’s baptism into politics took place in South Africa in defence of Indian community, the initial activities of the revolutionary movement in China were related to Chinese communities abroad. Dr. Sun Yat Sen himself was a migrant from Honolulu, who had his higher education in Hong Kong. From its inception the Kuomintang began to enlist the support of the Chinese communities in Southeast Asian countries. The Nationalist Government, after the Revolution in 1911, started a “Ministry of Overseas Chinese”. Consulates were opened in Malaya, East Indies and the Philippines. Lee Kuan Yew has mentioned that these Consulates “were intended not so much to protect the Chinese as to harness their loyalty to China by promoting Chinese culture and education, and to obtain their financial support” (12).

The Nationalist Government enunciated a new principle of citizenship. Jus Sanguinis, “Right of Blood”, made every ethnic Chinese, regardless of place of birth or residence, Chinese citizens. One important objective of the Chinese Government was to harness the wealth and resources of Overseas Chinese for betterment of China. This novel doctrine that citizenship went by ethnic origin, not place of residence, had dangerous implications for Overseas Chinese in Southeast Asian countries. Naturally the colonial governments and nationalist leaders began to view the Chinese with great suspicion. The Chinese in Southeast Asia also gave massive financial support to the Nanking Government during the Sino-Japanese War. Finally they united those forces that were opposed to Japan and kept the resistance movement against Japan alive in Southeast Asian countries.

Communism also came to Malaya and Singapore from China. It was from among the local Chinese that the Malayan Communist Party (MCP) was able to recruit its revolutionary followers and train its militant leadership. Very few Malays and Indians joined the ranks of the MCP. In Malay perception the MCP was Malayan only in name, but was Chinese in practice. It was the inability of the MCP to build up a multi-racial following which led to its eventual downfall. The powerful ideological support that the Chinese Communist Party (CCP) extended
to the MCP during its armed struggle for power after the Second World War created further misgivings among the Malayan nationalists. They viewed the Chinese minority as a potential “fifth column”.

Suspicious about China’s expansionist designs and the CCPs linkages with local communist parties stood in the way of normalization of diplomatic relations between Beijing and the anti-communist regimes in Southeast Asia. Complicating the situation was the subtle distinction which China made between party-to-party relations and government-to-government relations. For several years the underground broadcasting stations of pro-China communist parties were functioning from Southern China. However, today since spread of communist ideology has been put into cold storage by Chinese leadership, the issue of export of communism is no longer a thorny issue.

Xenophobic Nature of Nationalism and Nation Building in Southeast Asia

Complicating the complex situation is the xenophobic nature of Southeast Asian nationalism. The Sarekat Islam, the first major political formation in Indonesia, was started against the increasing penetration of local Chinese trading in Batik in the rural areas of the archipelago. The spectacular rise of Malay nationalism after the Second World War followed the opposition to the Malayan Union Proposals which were introduced by the Colonial Government and which made it easy for the non-Malays, especially the Chinese, to take Malayan citizenship. The Malay leaders felt that if the proposals were implemented the Chinese in addition to their economic stranglehold will also become politically powerful. The consequence was the formation of the United Malays National Organisation (UMNO) which rallied all sections of the Malay population, ranging from the Sultans to the Rakyat. While in later years the Malay leaders did co-operate with the Chinese and Indian leaders for the betterment of Malaya, the dynamic leadership of Malayan nationalism was provided by the Malays. In Vietnam, the historical memories of nine hundred years of Chinese domination had been a powerful motivating factor in the nationalist upsurge.

What is more, in many countries, the nation building experiment was based on the language and religion of the majority community. The Malaysian nation is being sought to be built on the assumption that the Malays are the Bhumiputras (sons of the soil) and they are entitled for special rights and privileges in the country. Islam is the state religion, Malay is the national and the official language of the Malays are given preferential treatment in recruitment to government jobs and admission to educational institutions. The determination of the Malays to retain political dominance in the country and non-Malay feeling that they are being discriminated against led to anti-Chinese riots in Malaysia on May 13, 1969. The new political order which came into existence further entrenched the Malay rights and privileges. One consequence had been the substantial increase in Malay population and corresponding decline in non-Malay population. On the eve of independence in 1957, the Malays constituted 49.5 per cent, the Chinese 39 per cent and the Indians 11 per cent of the total population. Today the Malays constitute 67 per cent, the Chinese 27 per cent and the Indians 9 per cent of the population.

In Indonesia, while the Chinese pre-eminence in the economic life continued, they were subjected to discrimination in cultural areas. Till the downfall of Suharto a Chinese could not have a Chinese name, there were no Chinese medium schools and no Chinese language newspapers. In Indonesia, the ethnic Chinese have forgotten their dialects and speak only in Bahasa Indonesia. To quote Lee Khoon Choy,
“They have changed their names into Indonesian names, relinquished all Chinese customs and traditions and do not even celebrate Chinese New Year. Many of them grow moustaches to look like Indonesians” (13). Anti-Chinese riots took place at regular intervals; the worst was in May 1998 after the down fall of Suharto regime. Chinese were massacred, Chinese shops were looted, Chinese girls were raped and thousands of them were rendered homeless. To quote Lee Khoon Choy again, “They became the target of attacks, their shops looted, their properties smashed and burnt, many lost their lives and 70,000 Indonesian Chinese left the country in an exodus reluctantly. The Chinese lost altogether US$ 217 million worth of property and they took away with them US $ 369 million equivalent of capital” (14). At the height of the riots number of Chinese girls and women were raped and some of them burnt alive.

**PRC’s Policy towards Overseas Chinese**

The emergence of China as a united country under Communist rule, after centuries of foreign domination, created a sense of immense pride among the Chinese communities in Southeast Asia. Immediate fallout was that number of Chinese returned to their motherland to contribute their share to the building of China. However, many more Chinese left the shores of China for Taiwan and Hong Kong and, from there, migrated to the countries of the Western world. The PRC inherited the policies formulated by the earlier Kuomintang government with reference to the Overseas Chinese. As far as Southeast Asia is concerned, there were three aspects to the problem. 1) Since the Overseas Chinese were the responsibility of the Chinese Government, it got involved in Southeast Asian affairs. 2) The nationality law promulgated by the KMT Government created ill will and distrust among the Southeast Asian nationalists. 3) The lack of integration of the Overseas Chinese made them an object of suspicion. What is more the powerful support extended by the CCP to the communist movements in Southeast Asian countries and the fact that the leaders and followers in the MCP came from ethnic Chinese further widened the schism between Beijing and Southeast Asian capitals. It may be recalled that during this period China used to denounce the newly independent governments in the region as the “running dogs of imperialism”.

It was apparent from the beginning that China’s policy towards Overseas Chinese was closely linked to its foreign policy goals. Given its support to the revolutionary struggles and opposition to the western oriented governments in the region, the PRC could not effectively protect and promote the interests of the ethnic Chinese in Southeast Asia. This can be illustrated by an incident which took place in the Federation of Malaya during the Emergency. In 1951, the British Government in Malaya, as part of the counter-insurgency operations, deported few Malayan communists to China. General Gerald Templer, during this period, was also vigorously pursuing the policy of quarantining the local Chinese into “New Villages”. There was considerable resentment among the local Chinese and the press in China sharply criticized the British policies. In early 1951, China declared its intention to send an investigation team to Malaya and requested the British Government to provide facilities for relief and welfare work. The British Government bluntly refused. In the face of this firm stand, China began to downgrade its criticism. Beijing had no other option but to accept the Malayan communist deportees.
Soon after the revolution, the PRC formed the Overseas Chinese Affairs Commission. It appealed to the Chinese to send their children to China for higher education; it also appealed to them to extend financial help for the economic development of China.

**Dual Nationality Treaty**

The formal acknowledgement of the “Overseas Chinese problem” was made by Chou En Lai in a statement to the National Peoples Congress in September 1954. Chou En Lai admitted that in those countries with which China did not have friendly relations, the ethnic Chinese are undergoing enormous difficulties. He appealed to those countries “to refrain from discriminating” against Chinese nationals and “respect their proper rights and interests”. On the part of the PRC, Chou En Lai assured that the government “was willing to urge the Overseas Chinese to respect the laws of the local government and local social customs” (15).

During the Bandung phase, the PRC sought better relations with countries of the Third World, especially in Southeast Asian region. From the mid-1950’s Sino-Indonesian relations began to improve in a big way. Sukarno was an ardent votary of non-alignment. Indonesia repudiated the concept of two Chinas and upheld the legitimacy of the PRC. The improved relations paved the way for the signing of the Dual Nationality Treaty on 22 April 1955. The Treaty, which was a landmark in China’s policy towards Overseas Chinese, contained the following important provisions.1) Chinese, designated as nationals of both PRC and Indonesia, would formally choose the nationality of one country within two years after the Treaty was ratified. 2) The citizenship of those, who failed to choose, would be determined by the nationality of their fathers. 3) China pledged that those who remained as Chinese nationals “would abide by the laws and customs of Indonesia” and not “participate in political activities”. By implication, it meant that China would not interfere in the internal affairs by influencing the Chinese minority. 4) Indonesia, on its part, pledged “to protect the proper rights and interests of the Chinese nationals”. It was assumed that the provision would act as a restraint on discriminatory legislation against the ethnic Chinese. Chou En Lai proclaimed that neither China nor Chinese communities posed a threat to Southeast Asian countries and expressed China’s willingness to negotiate agreements with other countries on the lines of Dual Nationality Treaty. In Bandung Chou En Lai offered to sign a non-aggression treaty with the Philippines and assured Thailand that China had no intention in setting up a Thai Autonomous Zone in Yunnan province.

Despite the lofty objectives, the Treaty became a source of internal discord in Indonesia. While the PRC ratified the Treaty in December 1957, on the Indonesian side there was strong opposition from the Indonesian Army, local capitalists and anti-PKI political forces. A crisis was precipitated in 1959, when the Department of Trade revoked the trading licences of aliens in rural areas; it was followed by a decree empowering the army to remove the aliens from their places of residence for “security reasons”. China was taken aback and appealed to President Sukarno to reconsider the decision as the legislation violated the spirit of the Dual Nationality Treaty. China could not influence the Indonesian Government to rescind the legislation. Beijing was faced with a serious dilemma. It did not want to break its carefully nurtured relations with Jakarta; nor could it afford to let down the Indonesian Chinese. Beijing, therefore, adopted another stance; it tried to use economic leverage to force Sukarno to reconsider the decision. In December 1959, Beijing appealed to the patriotism of the Indonesian
Chinese and asked them to come back to China. Nearly 1, 19,000 Chinese returned to China. The Dual Nationality Treaty was ratified by Indonesia in 1960. However, it was repealed in 1969. The incident illustrated again the helplessness of China to protect the interests of ethnic Chinese.

It is interesting to note that Burma, which expressed a desire to sign a similar treaty with China, revised its decision in the light of the Indonesian experience.

Following the downfall of Sukarno and the virtual collapse of the Jakarta-Beijing axis, the Indoensian army began to liquidate the PKI cadres. The Chinese in Indonesia also became the victims of oppression. Beijing once again realized that it had no diplomatic means to ensure the safety and security of the Chinese in Indonesia. In May 1966 Beijing announced that it would send ships to repatriate Chinese wishing to leave Indonesia. Nearly 10,000 Indonesian Chinese returned to China during this period.

Impact of Cultural Revolution on Overseas Chinese

The Cultural Revolution – when China was embroiled in unprecedented internal turmoil – had its adverse impact on Overseas Chinese. China aspired to become the beacon of Maoist revolution which had a detrimental effect on the Overseas Chinese. Prime Minister Chou En Lai was sidelined and the Ministry of Foreign Affairs was sharply criticized by the Red Guard and many senior officials were removed. The ideological momentum spread from China to the outside world and the pro-Beijing communist parties in Southeast Asia renewed their armed struggles. The Red Guards arrived in Burma and in June 1967 the local Chinese wearing Mao badges held demonstrations protesting against the treatment of Overseas Chinese. The Burmese Government detained large number of local Chinese. Rangoon also refused permission for a Chinese team to visit Burma and report on the matter. Even Prince Sihanouk of Cambodia was provoked to denounce the Red Guard activities in his country and the attempts to export Cultural Revolution.

Hoa People in Vietnam

Despite diplomatic reconciliation with Southeast Asian countries in the post-Cultural Revolution era, Beijing could not do much to ameliorate the conditions of the Chinese community in Vietnam, known as the Hoa people. After the unification of Vietnam, Hanoi, for its own reasons of rapid economic integration, passed legislation and took administrative steps, which adversely affected the Hoa people. These measures were taken in the backdrop of the rapidly changing international situation in Indo-China – the escalation of Sino-Vietnamese rivalry; the consolidation of close diplomatic, economic and security relations between Hanoi and Moscow; China’s support to the anti-Vietnamese genocidal Khmer Rouge; the Vietnamese invasion of Cambodia and the installation of the Heng Samrin Government; Beijing’s convergence of interests with ASEAN and the United States to checkmate Vietnamese expansionism and, above all, China’s punitive expedition against Vietnam in February 1979. This was the first instance when Chinese resorted to an armed conflict to protect, among other things, the interests of the Overseas Chinese and also “teach a lesson” to Vietnam. From the point of view of China’s policy towards the
Overseas Chinese, the Sino-Vietnamese war was an unmitigated disaster. It did not contribute to the overall improvement of the situation. Thousands of Chinese left Vietnam during this period.

Role of Overseas Chinese in China’s Economic Transformation

The Deng Xiao Ping years witnessed the rapid economic transformation of China. The sheer momentum of China’s transformation has confounded friends and critics alike. According to the projection made by Goldman Sachs in 2007 the Chinese economy would overtake the US economy in size in 2017 and that by 2050 the Chinese economy would be almost twice the size of the American economy (16).

In the Third Plenum of the Central Committee of the CCP in December 1978 Deng Xiao Ping announced the four modernizations - in agriculture, industry, science and technology and the military. Deng knew that in order to attain these goals what was required was a peaceful environment. In accordance with this policy, the PRC sought foreign investment, foreign loans, and joint ventures with foreign companies. In order to facilitate the flow of FDI, the Government opened several Special Economic Zones. In all these endeavours the PRC laid special emphasis on Overseas Chinese as a major source of capital and entrepreneurial talents.

The Special Economic Zones were located in the areas of migrant origin. The overwhelming proportion of FDI has come from the Chinese diaspora, including the compatriot areas of Hong Kong, Macao and Taiwan. Hong Kong and Macao became part of China in 1997 and 1998 respectively, but they were treated as Special Administrative Regions. Overseas Chinese investors were portrayed as “patriotic Chinese” rather than as those belonging to the capitalist class. The political changes in China were good omens for the Chinese communities in Southeast Asia. Under Deng Xiao Ping they were not subjected to communist propaganda extolling the virtues of Marxism-Leninism. The new policy of “market socialism” endeared the PRC to the ethnic Chinese in these countries.

Between 1979 and 1999, the FDI amounted to a total of US$ 307.6 billion, of which Hong Kong accounted for US$ 154.8 billion, half of the total, and Taiwan for US$ 23.86 billion (7.76 per cent). In all, Asia accounted for 76.79 per cent of the accumulated total, compared to 7.0 per cent from EU countries and 9.6 per cent from the United States. FDI flows started soaring after new sets of reforms were announced by Deng Xiao Ping following his “southern tour” in 1992. The FDI expanded from US$ 11.01 billion in 1992 to US$ 45.46 billion in 1998 and reached US$ 52.7 billion in 2001 (17).

It should be pointed out that the leaders of the Overseas Chinese, especially Singapore leader Lee Kuan Yew, played a catalytic role in bringing about a fundamental change in Deng Xiao Ping’s economic outlook. After wide ranging conversations with Lee Kuan Yew and Dr. Goh Keng Swee, the architect of Singapore miracle, Deng Xiao Ping was convinced of the yeoman contribution of FDI to Singapore’s prosperity. China’s attitude towards Singapore changed. Singapore was “no longer the running dog of imperialism”. In his Memoirs, Lee Kuan Yew quotes Deng’s remarks after a visit to Singapore in October 1979, “I went to Singapore to study how they utilized foreign capital. Singapore benefited from factories set up by foreigners in Singapore. First, foreign enterprises paid 35 per cent of their net profits in taxes,
which went to the State. Second, labour income went to the workers and third (foreign investment) generated the service sectors. All these were income (for the State) (18). On another occasion, Deng Xiao Ping commended Singapore as follows: “There is good social order in Singapore. They govern the place with discipline. We could draw from their experience and do even better than them” (19). Lee Kuan Yew brought home to Deng Xiao Ping the relevance of Singapore experience to China. To quote Lee, “We, the Singapore Chinese, were the descendants of landless peasants from Guangdong and Fujian in South China; whereas the scholars, Mandarins and literati had stayed and left their progeny in China. There was nothing that Singapore had done which China could not do, and do better” (20).

Lee Kuan Yew and other Chinese leaders also made the Chinese leaders realize that the Overseas Chinese should not be viewed as citizens of China. One important gesture in this direction was the termination of the broadcasts from the underground radio stations located in China which extended support to the communist struggles in Southeast Asian countries. In a candid statement to Lee Kuan Yew, Deng Xiao Ping explained China’s position on the Overseas Chinese as follows: “China favoured and encouraged them to take up the citizenship of the country of residence, that those who wanted to remain Chinese would still have to abide by the laws of the country of residence and that China did not recognize dual nationality” (21).

**Bureaucracy Streamlined**

Keeping in mind the significant contributions of the Overseas Chinese in the development of China, the Government streamlined the bureaucratic machinery. The Overseas Chinese Affairs Office of the State Council of the PRC is the administrative office which handles the Overseas Chinese Affairs. Its objective is to protect the legitimate rights and interests of the Overseas Chinese; to enhance their unity and friendship; to promote media and language schools among them; to accelerate the co-operation and exchanges of the Overseas Chinese with China in terms of economy, science, culture and education (22).

**Can the Relations be confined only to the Economic Plane?**

In his absorbing book, *When China Rules the World*, Martin Jacques has pointed out, “Strong centripetal forces operate in Greater China, as within China itself, with the Chinese, wherever they are, feeling a powerful sense of attachment to the homeland” (23). Keeping this reality in mind, naturally the question arises: What will happen, if China also starts exerting political pulls on the Overseas Chinese? In the first part of the essay, I have pointed that whenever the PRC has championed the cause of the ethnic Chinese communities in Southeast Asian countries – in Federation of Malaya in 1951, in Indonesia in 1959, 1965 and 1978, in Myanmar and Cambodia in 1966 and in Vietnam in 1978-79 – it could not only not protect the interests of the Overseas China, these policies resulted in deterioration in bilateral relations.

Recent incidents which had impact on China as well as the Overseas China are clear pointers as to how the equation between the two will work in the years to come. In April 2006, ethnic violence erupted in the Solomon Islands (population – 5, 75,000, Ethnic Chinese – 5,000) and the lives and property of the ethnic Chinese were badly affected. Regardless of whether they were local citizens or not, China
repatriated them to Hong Kong and Guang Dung. One interesting fact should be mentioned. Solomon Islands did not have diplomatic relations with Beijing, but with only Taipeh. Was PRC’s response dictated by the propaganda value to prove to the Overseas Chinese that Taiwan does not care for them?

The enthusiasm of the Overseas Chinese came into sharp focus during the torch relay which was part of the build up for the Beijing Olympics in the summer of 2008. Just before the torch relay Tibet was in a state of ferment and the PRC used brute force to suppress the Tibetan monks and other protestors. The torch relay became an opportune moment for those who were critical of China on the Tibetan issue to express their anger and indignation. In London, Paris, Athens and San Francisco massive demonstrations took place to protest against China’s gross human rights violations. The Overseas Chinese considered these demonstrations as an affront to China. What is more the Chinese Embassies in different countries became very active and exploited the patriotic feelings of the Ethnic Chinese to China’s advantage. Huge demonstrations were organized in Canberra, Kuala Lumpur, Jakarta, Bangkok, Hong Kong and the Ho Chih Minh city, with the ethnic Chinese taking the lead and outnumbering the local people. The solidarity and support of the Overseas Chinese was wholeheartedly welcomed and praised by the Chinese leaders.

**Concluding Remarks**

In a world of shrinking geographical boundaries and widening intellectual horizons, no man can remain an island and no country can also remain insulated. How long can China’s relations with the Overseas Chinese remain only at the economic plane? If the interaction spills over to the political level, frictions are bound to develop in the relations between the ethnic Chinese and the indigenous people and, what is more, it will make the task of integration extremely difficult for them. Lee Kuan Yew posed the dilemma as follows: “No Chinese doubts their ultimate destiny after they have restored their civilization, the oldest in the world, with 4000 years of unbroken history. We, the migrants have cut our roots and transplanted ourselves on a different soil, in a very different climate, lack their self-confidence. We have serious doubts about our future, always wondering what fate has in store for us in an uncertain and fast changing world” (23).

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