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Migration and Trade: The Role of Overseas Chinese in Economic Relations between China and Southeast Asia

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Abstract

In the last 20 years, some 2300-2650 thousand Chinese migrants flew into Southeast Asia. They consisted of business people, students and professionals, technicians, skilled and unskilled labours. Among them more than one million resided in Myanmar, 350-400 thousand lived in Thailand, 350-380 thousand lived in Singapore, while Malaysia, Indonesia, Vietnam, Cambodia and Laos each had 50-120 thousand such Chinese new migrants. The rapid economic integration between China and ASEAN in the last ten years is the most important factor driving the Chinese migrants into Southeast Asia. The increasing Chinese exports, investment, aids and Chinese contracted project constructions in Southeast Asia led to mass Chinese migrants going to Southeast Asia to work in all the economic sectors the Chinese are involved in Southeast Asia. Though they engage themselves in all spheres except politics, the majority of them are traders and hawkers. A great part of them are undocumented and some of them are floating business people between China and ASEAN or within ASEAN.

Keywords: *new Chinese migrants, Southeast Asia, economic integration, Overseas Chinese*

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1. Introduction

The phenomenon of millions of Chinese people emigrating overseas since the 1970s has attracted the world's attention after the 1980s. It is estimated that more than 6 million Chinese migrants left China and most of them headed for the developed countries, particularly those in North America (Zhuang, 2007). However, a new phenomenon has come to be more visible since late the 20th century – i.e. more and more Chinese migrants are heading for the developing countries in Southeast Asia, Latin America and Africa. The new Chinese migrants are different from their predecessors, who were poor farmers looking for their livelihood abroad – poor educated and spoke only regional dialects. A great part of the new Chinese migrants, some of them are well-educated or brought with them funds, began their adventures in Southeast Asia, South Africa and Latin America since the 1990s in the context of China's overseas economic expansion and friendly political relations with these areas. This paper focuses on why and how some two and a half million Chinese immigrated into Southeast Asia and promoted the economic relations between China and Southeast Asia in the last 20 years.

2. New Features of New Chinese Migrants Entering Southeast Asia

2.1. Three Waves of Chinese Migration into Southeast Asia before 1950s

Chinese merchants had appeared in Southeast Asia for more than two thousand years. Mass Chinese migration to Southeast Asia took place in the mid-17th century after the arrival of the Europeans, and we would like to call it the first wave of Chinese migration into Southeast Asia. In the early period, all the European colonist governments in Southeast Asia tried to recruit the Chinese merchants and handicraftsmen for the construction of and bringing prosperity to the trade ports. Our estimation is that there were already about one and a half million Chinese migrants and their descendants in Southeast Asia by the mid-19th century (Zhuang, 2001: 177).

The second wave of Chinese migration could be marked as the Chinese contract coolie migration, which started in the mid-19th century after the British and French defeated the Chinese government in the second Opium War in 1858-1860 and forced the Chinese government to allow them to recruit coolie labours in China. From the late 19th century to the early 20th century, some five million Chinese labours were exported overseas, and a great part of them were sent to the plantations and mines in Southeast Asia. In the 1920s, the number of Chinese in Southeast Asia, including the local born and mixed-blood Chinese, was estimated to be about 5 million (Zhuang, 2001: 185).

The third wave of Chinese migration to Southeast Asia took place in response to the flourishing economic activities in Southeast Asia in the

1920s-1930s. This period witnessed increasing investments by westerners and the establishment of the modern industrial sectors, as well as the growth of Chinese communities and the spread of pan-Chinese nationalism in Southeast Asia. In the middle of the 1940s, more than 7 million Chinese had already settled down in Southeast Asia. At the beginning of the 1950s, about 10 million Chinese resided in Southeast Asia.

In the 1950s-1980s, the mass Chinese inflow to Southeast Asia, which had existed for more than three hundred years, was interrupted. On the one hand, the Chinese Communist Party (CCP) government forbade overseas migration and also considered a great part of those Chinese as “bourgeoisie” who should be eradicated. On the other hand, all the Southeast Asian countries’ governments forbade the mainland Chinese entering their countries after those countries attained independence. From the beginning of the 1950s to the mid-1980s, almost no new Chinese migrants in significant numbers went into Southeast Asia.

Although almost no new Chinese migrants joined the Southeast Asian Chinese communities, even depending solely on natural birthrate, the ethnic Chinese population in Southeast Asia still increased to about 20 million by around 1990. Among them, 5.46 million were in Indonesia, 5.25 million in Malaysia, 4.81 million in Thailand, 2.52 million in Singapore, 0.96 million in Vietnam, 0.85 million in the Philippines, 0.5 million in Cambodia and 0.46 million in Burma.[1]

2.2. Fourth Wave of Chinese Migration: A Part of the Tide of New Chinese Emigration since 1980s

From the middle of the 17th century to the beginning of the 20th century, Southeast Asia had been the main destination of the Chinese migrants and more than 80 per cent of the Overseas Chinese were concentrated there. The fourth wave of Chinese migration into Southeast Asia constitutes a significant part of the new Chinese emigration since the 1980s. However, migration into Southeast Asia is no longer the major component of Chinese overseas migration. Within the tide of Chinese emigration that started at the beginning of the 1980s, Southeast Asia had almost not been the target destination of the new Chinese overseas emigrants before 1990.

From the mid-1990s, the direction of the flows of the new Chinese migrants has undergone some changes, and not all migrants are heading for the more affluent countries. A large number of them have emigrated to the developing countries, particularly after 2000, and Southeast Asia, Africa, South America and Russia were the main destinations. Unlike those who targeted developed countries and were mostly either professionals or unskilled labours, the majority of mainland China’s new Chinese migrants in developing countries are engaged in the commercial sectors, like becoming businessmen, vendors or hawkers. As Southeast Asia is the neighbour of China and the economic cooperation between the two sides is far closer than the others, and there exist large ethnic Chinese communities, the new Chinese migrants can arrive in Southeast Asia at a much lower transit cost and find it easy to get a job. Last but not least important is the fact that Southeast Asia is a very diverse region that includes developed countries like Singapore as well as very poor countries like Myanmar, and hence the different groups of new Chinese migrants can engage in different occupations in different countries. This is a rather different phenomenon compared to the Chinese migrants in Africa, South America and Russia, where most of them can only engage in the commercial sector.

The fourth wave of Chinese emigration to Southeast Asia started in the late 1980s, and the migrants from east Guangdong Province and south Fujian Province were the pioneers. Chaozhou people in east Guangdong where most of the Chinese in Thailand originally came from began again to emigrate to Thailand with tour passports and Jinjiang people in south Fujian where most of the Chinese in the Philippines originally came from tried to enter the Philippines with the pretext of investment or visiting relatives. In the 1990s, Singapore tried to attract as many mainland Chinese students and specialists as possible, especially those who had obtained degrees in developed countries, and China began to export labours to Singapore and Malaysia. The last ten years witnessed an accelerated Chinese emigration into Southeast Asia mainly stimulated by accelerated economic interaction between China and ASEAN as well as China's economic expansion. The hinterland Southeast Asia, like north Thailand and Myanmar, Laos and Cambodia, became the new destinations for Chinese migrants. Meanwhile, Malaysia joined the line of countries who tried to attract Chinese visitors and students. Currently the new Chinese migrants residing in ASEAN should be around some two and a half million, and among them about 100 thousand came from Fuzhou City in Fujian Province.[2]

2.3. A Great Part of the New Chinese Migrants Are Well Educated

The first influx of the new Chinese overseas emigrants began with students and scholars who were sent by the Chinese government from 1980 onwards.[3] Until 2003, 700.2 thousand Chinese students and scholars went abroad for study or research, among them 527.4 thousand settled down abroad,[4] and most of them are in North America, Europe, Japan and Australia. Following the footprints of the students are those who have family relatives abroad and those who dare to take the risk to emigrate in "irregular" ways – normally through the international human smuggling network. United States is their preferred destination. To the end of the 1990s, some four million Chinese new emigrants, including those from Taiwan and Hong Kong, settled down abroad and most of them were concentrated in developed countries. This figure is estimated to grow to some 6.5 million towards the end of 2006. Among them more than one million were from Fujian Province,[5] and almost half of the new migrants from Fujian mainly entered USA.

Regardless of whether they take the way of overseas study for migration or go abroad in the way of family union or overseas investment or even illegal immigration, the new Chinese emigrants are very different from the Chinese migrants before the 1950s. In contrast with their migrant predecessors who were poorly educated and came from poor rural regions, a great part of the new emigrants graduated from universities or colleges in China, and are elites or potential elites in the mainland Chinese society. Our estimation shows that by 2006 about one million mainland Chinese studied abroad and about 70 per cent of them settled down abroad. Adding their families who are normally well educated as well, the number of well-educated Chinese emigrants, including those from Taiwan and Hong Kong who are almost all well educated, could be more than two million.

2.4. Emigration for Better Developing Opportunities instead of Survival

Unlike their predecessors who went abroad searching livelihood for survival, most of these new emigrants did not come from poor families, even including those from rural areas, and what they wanted was to adventure abroad to make a fortune or create a much better life, especially for those who were investment immigrants. China's rapid economic growth results in increasing foreign trade and overseas investment, which offered more chances for new Chinese migrants to engage in occupations in the sectors related to them. In return more new Chinese migrants can promote China's economic expansion. Another difference is in the origins of the Chinese emigrants. For a hundred years almost all the Southeast Asian Chinese came from the Fujian and Guangdong provinces in southeast China. However, the new Chinese emigrants heading for Southeast Asia are from almost all parts of China, and in recent years more and more Chinese migrants from the west and central provinces like Hunan, Sichuan and Hubei are involved in the wave of migration to Southeast Asia.

2.5. Floating rather than Settling Down upon Their First Arrival

Moreover, the process of globalization also gave the new Chinese migrants a floating feature. In contrast to the old emigrant generation who normally landed and rooted themselves in the country they first arrived in, many new migrants are self-called "globalists" preferring to float from one country to another in order to seek better opportunities. Like their predecessors, they are the first emigrant generation and logically keep close relations with where they originated from because of the strong Chinese consciousness of clan and hometown. However, unlike their nationalist predecessors, the new Chinese migrants mainly look out for their own self-interests when they stress their China link. They are people who are chasing profits everywhere in the world. Therefore, we do not agree with the comments by many western journalists and scholars that these new migrants are Chinese nationalists and do not feel that they have stopped being part of China.[6]

3. What Drives New Chinese Migrants into Southeast Asia?

While many factors which emerged after the mid-1980s stimulated and accelerated the process of Chinese emigration to Southeast Asia, we would like to emphasize the factor of rapid economic interaction between China and Southeast Asia, particularly the rapidly increasing bilateral trade and Chinese investment in Southeast Asia.

3.1. Improvement of Political Relations and Transformation of China's Image

Before the 1980s, the People's Republic of China (PRC) and most of the Southeast Asian countries had been in a politically hostile situation. China was considered by most of the Southeast Asian countries to be bending on exporting the communist ideology, supporting the military insurrections led by the communist parties against the Southeast Asian governments, making use of the Overseas Chinese in Southeast Asia as the Fifth Column, and intending to use military force on land- and sea-border disputes. In short, China was perceived as a threat by most of the Southeast Asian countries. Since 1978, China gradually gave up a foreign policy dominated by radical ideology and proceeded to pursue a "good neighbourliness" policy, the core purpose of which is to keep a stable and friendly relationship with Southeast Asia in seeking a peaceful international environment for domestic economic development.

When Malaysia and the Philippines established diplomatic relations with China in 1974 and 1975 respectively, China promised in the diplomatic statement not to interfere in ethnic Chinese issues. However, the political relations between the two sides did not obviously improved because China had still not totally cut off its relations with the communist parties in these two countries due to its traditional relations with the communist parties in Southeast Asia. Until the early 1980s, China informally promised the anti-Communist governments in Southeast Asia not to support the communist parties in these countries whether in moral or material terms. In practice China had gradually given up such support based on the communist ideology after the end of the 1970s.

The Southeast Asian communist parties had always been considered by the local authorities to be related to the Overseas Chinese, and China's cutting off its relations with the communist parties in Southeast Asia had helped to reduce the suspicion that the Overseas Chinese could be used by China as the Fifth Column. When the Chinese prime minister Li Peng visited Jakarta in 1990 for the restoration of diplomatic relations between China and Indonesia, he stressed again based on the memorandum for the restoration of diplomatic relations signed by the two governments, that China did not recognize dual nationalities and the Chinese descendants who have Indonesian nationality will not be recognized as Chinese citizens.[7] When anti-Chinese rioting occurred in 1998 soon after the Asian financial crisis, China kept a patient attitude and avoided criticizing the Indonesian government sharply. After the Suharto regime, the successor Indonesian governments abandoned the assimilation policy on Indonesian Chinese and allowed them to be citizens with full legal rights. As the Indonesian government, which had been considered to be holding the harshest attitude towards the ethnic Chinese, improved its policy on ethnic Chinese, the ethnic Chinese have not become barriers in the relationship between China and the Southeast Asian countries.

The South China Sea dispute among mainland China, Taiwan, Vietnam, the Philippines, Malaysia and Brunei, who all have their own territorial claims to various parts of the South China Sea, had brought China into several conflicts with Vietnam and the Philippines through the 1980s and 1990s. However, these conflicts did not result in serious military confrontation as China would not solve disputes with neighbouring countries by force. In 2002, China signed the Declaration on the Conduct of Parties in the South China Sea which was proposed by the ASEAN Regional Forum and designed to solve dispute by conduct of involved sides (Dalpino and Steinberg, 2003: 49). In October 2003, China's prime minister Wen Jiabao signed in Bali the Treaty of Amity and Cooperation in Southeast Asia which was proposed by ASEAN in 1976, in order to show the Chinese government's attitude to keep a friendly relationship with ASEAN on the principle of mutual respect and thus give up the use of force in disputes. On the thirteenth borderline negotiations at the government level between China and Vietnam in 2007, China and Vietnam agreed to finally clear the dispute on land border in 2008, and let the sea border dispute be discussed in further negotiation. It means that China has already ended the land border disputes and let the South China Sea dispute be solved by further peaceful negotiations in the future.

Last but not least, in terms of political relations between China and Southeast Asia, when Southeast Asian countries were suffering in the financial crisis of 1997/98 with their currencies in free fall, China resisted pressure to devalue its currency, thereby saving the Southeast Asian countries from being further hurt. Since then, China has received more and more recognition from the Southeast Asian countries as a responsible big country playing a constructive role in regional economic and political affairs.

When China's image was regarded by ASEAN as benign along with China's rapid rising in Asia, Chinese migrants were not considered to be as unacceptable as before.

3.2. Intimate Economic Interactions between ASEAN and China

We paid particular attention to the economic integration between ASEAN and China and considered it as the most important factor that made Chinese migration to Southeast Asia possible and acceptable.

The economic integration between ASEAN and China was partly initiated by the ethnic Chinese in Southeast Asia. In the first decade of China's opening to the world, there were US$9546.5 million of foreign direct investments (FDI) in mainland China, and among the total FDI in China, US$9254.16 million came from the Chinese overseas, and US$292.34 million came directly from the Southeast Asian Chinese.[8] During 1990-2007, FDI into China increased rapidly, and in the total FDI of US$790.747 billion, 39.02 per cent or US$308.533 billion came from Hong Kong, and 5.72 per cent or US$45.239 billion from Southeast Asia.[9] Meanwhile, it was believed that a sum much bigger than what the statistics show flowing into mainland China from the Southeast Asian Chinese was in the name of Hong Kong capitals. Because direct investment from some Southeast countries into the Mainland during the 1980s-1990s had raised political sensitivity and resulted in the local authorities' suspicion of the ethnic Chinese loyalty, many huge Southeast Asian Chinese enterprises established their agencies in Hong Kong to engage in investment into mainland China. Hong Kong has played a role as the centre of financial and business services for the Overseas Chinese entrepreneurs in the world, and it is a reasonable and easy choice for the ethnic Chinese in Southeast Asia to invest into mainland China through their Hong Kong branch companies.[10] The intimate economic interactions between ASEAN and China were mainly marked by the rapidly increasing bilateral trade and it was also greatly due to the ethnic Chinese in Southeast Asia, who play a crucial role in promoting trade between Southeast Asia and China in the first two decades after China's opening to the outside world.

The total trade between China and ASEAN increased from US$7.42 billion in 1990 to US$202.55 billion in 2007, or increased more than 20 times in 18 years. In 1993 the total trade between China and ASEAN was only US$10 billion, and in 2000 this figure grew to US$35 billion. The last

Table 1 Mainland China's Trade with Southeast Asia, 1990-2007 (US$ billion)

Year	Total	Export	Import
2007	202.55	94.18	108.37
2006	160.84	71.31	89.53
2005	130.37	55.37	75.00
2004	105.88	42.90	62.98
2003	78.26	30.93	47.33
2002	54.79	23.57	31.22
2001	36.52	19.82	16.70
2000	35.01	18.63	16.38
1999	25.41	13.86	11.55
1998	22.40	11.85	10.55
1995	20.42	11.71	8.71
1990	7.42	4.79	2.63

Sources: Figures of 1990-2001 – International Monetary Fund (IMF), *Direction of Trade Statistics*, quoted from Nie Dening, *Quanqiuhua xia Zhongguo yu Dongnanya Jingmao Guanxi de Lishi, Xianzhuang ji Fazhan Qushi* [History, current situation and trends: trade between China and ASEAN under the context of globalization], Xiamen: Xiamen University Press, 2006, p. 406; figures of 2002-2007 – from *Direction of Trade Statistics*, Ministry of Commerce of China.

few years witnessed a high tide of bilateral trade. In 2001 total trade between the two sides was US$36.52 billion, and in 2007 this figure rapidly grew to US$202.55 billion.

Actually the real figure of bilateral trade will be more than what is shown in China's government statistics, as a great part of border trade and hawker trade was not included, particularly the trade with Myanmar, Cambodia, Laos and Vietnam.

The launching in November 2002 of the process to establish the China-ASEAN Free Trade Area (CAFTA) was significant to promote the economic interaction of both sides. According to the framework agreement of CAFTA both sides will eliminate most tariff lines from 2005 onwards, until zero tariffs in 2010. It means that the world's largest free trade zone with 1.7 billion people will be created by 2010. Although labour movement between the two sides had not been mentioned in the agreement, more capital and commodity flowing will result in an easier flow of traders and labour between the two sides.

Table 2 Mainland China's Trade with Each Country of ASEAN, 2001-2007 (US$ million)

Countries	2001	2002	2003	2004	2005	2006	2007
Brunei	165	263	346	299	261	315	355
Myanmar	631	862	1077	1145	1209	1460	2062
Cambodia	240	276	321	482	563	733	933
Indonesia	6724	7928	10229	13481	16789	19057	25009
Laos	62	64	109	114	129	218	262
Malaysia	9425	14271	20128	26261	30703	37112	46398
Philippines	3566	5260	9490	13328	17558	23412	30616
Singapore	10934	14018	19353	26684	33149	40854	47157
Thailand	7050	8561	12655	17343	21812	15704	34639
Vietnam	2815	3264	4634	6743	8196	6666	15117

Source: *Direction of Trade Statistics*, Ministry of Commerce of China.

When cheaper commodities made in China, from large machines to daily necessities, were popularly accepted in Southeast Asia, the Chinese traders, who were suppliers of Chinese goods or investors, were welcome by the local people in Southeast Asia. The Chinese small vendors also benefited from being suppliers of Chinese goods, as they could earn their livelihoods from selling Chinese goods at their street-side stalls. A great part of the new Chinese migrants in Southeast Asia acted as mobile vendors upon their arrival, and several months or years later, they would be able to have small stores with several employees if they had been diligent and thrifty enough like the old migrant generation. Be they big businessmen or small store owners, they all preferred to employ Chinese workers, and this offered a new space for the new coming migrants' living. The new Chinese migrants also benefited from the prosperity of border trade between China and Vietnam and Myanmar, which resulted in several thousand Chinese vendors frequently making a living at the border each day. Currently, the new Chinese migrants owning small stores and street-side stalls are spread over many cities and towns in Southeast Asia, particularly in north Thailand, north Myanmar, Laos, Cambodia, Malaysia and the Philippines. The rapid commercial expansion of new Chinese migrants even begins to challenge the monopoly position of ethnic Chinese in the sale of China-made goods. The cheap Chinese goods occupying a great part of the Southeast Asian market in recent years has greatly helped the Chinese businessmen, vendors and hawkers, who act as the suppliers of Chinese goods, to settle down in Southeast Asia.

3.3. Chinese Investment and Contracted Projects in Southeast Asia

Chinese investment and contracted projects in Southeast Asia have also led to an increase in the number of Chinese migrants because the Chinese invested enterprises like to hire technicians and administrative staff from the Mainland, and the project constructions contracted by Chinese have to depend on Chinese technicians, skilled workers and even unskilled workers introduced from the Mainland, like the cases in Singapore.

Until the late 1990s, China had always been a country waiting for FDI, including those from Southeast Asia, though a few state-owned resource companies did engage in some outward investments, like the Petro China (中国石油公司) investment in the oil sector in Indonesia.

From the late 1990s onwards, China is rapidly emerging as an important investor in Southeast Asia, particularly in the last few years. On the one hand, China's high economic growth from the 1990s onwards has led to a significant increase in the demand for fuel and industrial raw materials, and China's increasingly internationalized economy needs to obtain an international marketing and distribution network as quickly as possible. Moreover, sustained rapid economic growth has also led to substantial capital inflows and a big current account surplus, as well as huge foreign reserves, which have given the Chinese enterprises, especially the state-owned companies, the ability of outbound direct investment. On the other hand, over-supply has become a serious challenging issue in some of China's industries, such as textiles and clothing, bicycles, footwear, and electrical appliances, since the late 1990s. Many small and medium-sized Chinese enterprises were driven by fierce domestic competition into the determination to venture into foreign markets. Southeast Asia became the first target as it is within the neighbouring area and huge numbers of ethnic Chinese, who had been the traditional consumers of Chinese products, lived there.

According to the Chinese government statistics, the Mainland's investments in Southeast Asia amounted to about US$2.763 billion in 1996-2007. Some Chinese outbound investments were registered in the name of the local people in ASEAN and thus were not shown in ASEAN's statistics, which resulted in different figures in the two statistical sources. In fact, according to either the Chinese government's or ASEAN's statistics, the total FDI from mainland China into Southeast Asia was still very small in comparison to that of USA or Japan, and even much less than those of Taiwan and Hong Kong.

Normally, the private Chinese investors would not show their wealth in China while they also wanted to escape from taxation. Therefore, many small and medium-sized Chinese investors just brought cash abroad, and such investments were actually not included in the Chinese government statistics. When they reported their outbound investments to the Chinese government but invested their capitals in the names of the local partners, these investments

Table 3 Mainland China's Investments in Southeast Asia, 1996-2007 (US$ million)

Year	Vietnam	Laos	Cambodia	Myanmar	Thailand	Malaysia	Singapore	Indonesia	Philippines	Brunei
1996	1	0	16.305	14.3	3.532	1.32	1.054	1.53	0.681	0
1997	0.58	0	10.017	0	0	0.889	2.424	1.792	0	0
1998	2.22	0	5.877	2.53	0.8	5.616	11.12	10.856	0.832	0
1999	6.62	2	32.77	6.63	2.04	0	2.94	18.95	0	0
2000	17.6135	2.44	17.2255	32.8708	3.2567	0.4789	0.9693	8.0	3.63	0
2001	26.79	1.16	34.8717	1.784	121.2858	0.4392	0.3837	0.64	0.231	0
2002	27.787	6.1	5.1526	15.7794	3.94942	98.72	2.0914	3.71	0.9224	0.4508
2003	8.166	1.2332	33.375	0	49.1318	3.1895	26.2213	103.1155	0.50	0
2004	19.8787	10.22	101.604	12.2832	28.00172	7.075	17.449	26.4455	0.538	0
2005	55.2205	46.992	60.5698	1.004	72.165	15.8539	20.59	30.42927	1.6295	0
2006	43.52	48.04	9.81	12.64	15.84	7.51	132.15	56.94	9.30	0
2007	110.88	154.35	64.45	92.31	76.41	77.67	397.73	99.09	4.50	1.18
Total	320.2757	272.5352	392.0276	179.2614	376.41244	221.0287	615.1227	361.4983	22.7639	1.6308

Note: These figures exclude the financial investment.
Source: Ministry of Commerce of the People's Republic of China – *Zhongguo Duiwai Jingji Maoyi Nianjian* (*Yearbook of China's Foreign Economic Relations and Trade), 1997-2003*; *Zhongguo Shangwu Nianjian* (*China Commerce Yearbook), 2004-2008*; *Guobie Maoyi Touzi Huanjin Baogao 2006* (*Foreign Market Access Report: 2006*).

would not be included in ASEAN's statistics. This occurred particularly in northern Indochina where many Chinese investors just brought cash and crossed the border to invest there in the local people's names for the reason of convenience. Therefore we are sure that the Mainland's real total investment is much more than that shown in both statistics, though we could not offer the precise figure.

China's investments in Southeast Asia are mainly involved in the sectors of the exploiting and processing of resources which can be exported to China as well as the manufacturing industries which have export quotas to developed countries, particularly in Laos, Cambodia, Myanmar, Thailand and Indonesia. These sectors need more labours and technicians on low- and medium-tech levels, and this leads to the massive influx of Chinese skilled workers and technicians into Southeast Asia.

By August 2006, the Chinese-invested enterprises in Laos had been involved in 43 projects of mining and mineral exploration, which were about 34 per cent of Laos' total mineral projects.[11] The same phenomenon also emerged in Cambodia, Thailand and Myanmar. In Cambodia, Chinese investments were concentrated in the sectors of electricity, textiles, garments, building materials and engineering contracts.[12] In Thailand, China's FDI reached US$376.41 million in 1996-2007, and most of China's invested projects were involved in the sectors of the processing of agricultural products and exploitation of resources.

In comparison to USA's 19.5 per cent and Japan's 13.3 per cent of total FDI in ASEAN in 1995-2004, China's FDI in ASEAN was only 0.4 per cent of total FDI, and only 7.1 per cent when it included Hong Kong and Taiwan. However, China's investment in ASEAN greatly promoted Chinese migration into ASEAN. Normally, the Chinese-invested projects were constructed by Chinese contractors and managed as well as tech-supported by the Chinese from mainland China. It means that a large number of Chinese managers, technicians and even labours should be imported into these countries. This is mirrored by the TCL groups which are the vanguard of China's TV producers to invest in Vietnam. In order to compete with TVs made in Japan and Korea, TCL paid much attention to after-sales services and sent a large number of technicians and sales staff into Vietnam. By its excellent service and lower prices, TCL's TVs had become popularly accepted in Vietnam.[13] In Thailand, 5-10 per cent of the employees in the Chinese-invested enterprises were foreigners, and it is believed that they were Chinese. In northern Myanmar, a Chinese-invested sugar cane plantation in a mountain area in the Shan State, which is located opposite to China's border city of Ruili, had recruited some 5000 workers from China to work there.[14]

In comparison to China's FDI, China's contractors for industrial and public project construction played an even more active role in Chinese migration. China's enterprises of external contracted projects are quietly successful in the international competition in ASEAN and getting stronger in the last few years. ASEAN has been one of the most important markets to Chinese contractors of external project construction. In 2004, Chinese contractors obtained contracted projects valued at a total of US$23.75 billion and finished the projects valued at US$14.17 billion, and among them, almost one third of the total contract value was offered by Singapore.[15] In 1995, the Chinese enterprises contracted only a value of US$495.11 million of project constructions in ASEAN, but by 2005 this figure had increased to US$28.6193 billion.

Chinese investments, projects contracted by the Chinese and China's labour cooperation with ASEAN, have led to massive numbers of Chinese technicians, skilled workers and even unskilled workers who being introduced legally to ASEAN. According to China's statistics, this number in 1995 was 40652. By 2000, the number had increased to 113861, and since then, this scale has been keeping stable. Among the ASEAN member countries, Singapore is the most important market to the Chinese external project contractors, and also the country into which the largest number of Chinese workers have been introduced legally. The Chinese contracted projects in Singapore led some 100 thousand Chinese workers from the Mainland into Singapore as early as in 2001, and most of them worked in the construction industry.[16]

The numbers of contracted workers and technicians in Table 4 refer to those introduced legally from China. Actually, much more Chinese workers and technicians worked in Southeast Asia without work permits. Moreover, because most of the Chinese contracted projects last 1-2 years or longer, and massive numbers of Chinese technicians and administrators and even labours were recruited from the Mainland, many of them adapted to the local social environment and knew how to settle down there after the projects were finished. In Malaysia, the Chinese ambassador recognized there were some 20000-40000 illegal Chinese workers in 2004 while the legally introduced workers from the Mainland were only 3816.[17]

Although we could not provide an exact number of legal and illegal Chinese labours in ASEAN, this figure will not be less than 2000 thousand. In Singapore alone, there were about 746 thousand legal Chinese contracted workers towards the end of 2005. Besides Singapore, Myanmar became the second important market to Chinese external project contractors since 1999. In 1995, Chinese contractors only obtained a value of US$20 million in Myanmar, but in 1999, it amounted to US$192.69 million. In 2000-2005, Chinese contractors had obtained a total value of more than US$17 billion for the project constructions in Myanmar. The rapidly increasing value of Chinese contracted projects could partly explain why so many Chinese flew into Myanmar in the last five years.

Table 4 Numbers of Chinese Technicians and Labours Introduced to ASEAN in 1995-2005

Years	Singapore	Thailand	Malaysia	Indonesia	Philippines	Vietnam	Cambodia	Laos	Myanmar	Brunei
1995	30863	1906	1883	1016	283	1372	563	2525	102	139
1996	45496	2264	3413	832	647	2035	1525	2890	343	343
1997	58583	2584	5239	1215	1058	3004	2466	2737	1204	267
1998	59705	2078	3452	1334	1140	2344	3521	2409	1893	175
1999	73229	1797	3228	1738	681	3692	5598	2598	2497	187
2000	87592	1843	3649	1890	841	4716	6 898	3450	2554	428
2001	99680	3496	4026	2557	1018	6008	5885	2795	2132	76
2002	91220	2906	4498	3552	936	6737	6181	4188	3592	57
2003	81444	2678	5577	4819	1007	8678	5560	3419	4144	215
2004	73844	2963	3816	4713	820	8638	5075	3715	4872	472
2005	74682	2900	3937	2832	804	7943	4798	3094	8726	1263

Source: National Bureau of Statistics of China.

China's aids to ASEAN are also a factor which stimulates Chinese labour migration. Mostly, the Chinese aid projects were contracted to Chinese enterprises, and then the contractors introduced technicians and even labours from China for the reasons of cost and administrative convenience. According to a study by Henry Yep of the National Defense University in Washington, in 2003, China's aid to Cambodia nearly matched the US levels, while its aid to the Philippines was roughly four times greater, that to Indonesia was nearly double, and that to Laos was three times greater than that of USA (Kurlantzick, 2006). In Laos, China provided economic aid of more than US$1200 million in October 2001-March 2004 after China's president visited Laos, and most of the aid was used to build roads, bridges, large electric

Table 5 Estimation of New Chinese Migrants in Southeast Asia by 2006

Countries	Numbers ('000)	Occupations	Remarks
Myanmar	1000-1100	Hawker, trader, farmer, technician, labour, staff	Mostly "floating people"
Thailand	350-400	Hawker, trader, technician, teacher, artist, staff	Mostly "floating people"
Singapore	350-380	Professional, labour, student, staff, businessman	
Philippines	150-200	Hawker, trader, labour, staff, student	
Malaysia	100-150	Hawker, labour, student, technician, servant, full-time housewife, retired	Mostly "floating people"
Vietnam	100-120	Investor and family, manager, technician, trader, hawker	Mostly "floating people" and Taiwanese
Indonesia	100	Investor and family, trader, hawker, technician	Mostly Taiwanese
Laos	100	Hawker, trader, farmer, technician, labour, staff	Mostly "floating people"
Cambodia	50-100	Hawker, trader, technician, staff	Mostly "floating people"
Total	2300-2650	Involved in all occupations except politics, the majority being hawkers and traders	Mostly "floating people"

utilities and cement, as well as large public buildings like the national culture palace.[18] Since Laos could almost not offer any mining technicians and even skilled constructors, it would be reasonable that all the constructing projects are crewed by the Chinese.

According to the estimation by Zhuang (2008), the total number of new Chinese migrants entering Southeast Asia probably amounted to 2300-2650 thousand from the late 1980s to the present day.

4. Conclusion

The Chinese migrants into Southeast Asia constituted a part of the tide of the new Chinese emigration during the last 30 years since the Chinese government relaxed the policy forbidding overseas emigration. However, the motives and career structure of those migrants going to the developed world and those heading for Southeast Asia have been quite different.

The economic integration between China and ASEAN is the most important factor to drive Chinese migrants into Southeast Asia. The last ten years witnessed a high tide of mutual investments and rapidly increasing trade between the mainland China and Southeast Asia. As a result of the rapid growth of exports, investments, aids and contracted constructions from China to ASEAN, more than two million Chinese went to ASEAN in the last twenty years, particularly the countries bordering China. They are engaging in all occupations except politics, particularly as traders and hawkers selling cheap Chinese goods. In return, several hundred thousand Southeast Asians reside in China managing their investments, like those from Singapore, Malaysia, the Philippines, Thailand and Indonesia, or earning their livelihood, like those from Vietnam, Cambodia and Myanmar.

It seems that a historical phenomenon is appearing again. The overseas expansion of the Chinese business network brought about Chinese emigration from the early 17th century to mid-19th century, which resulted in a large Chinese society in Southeast Asia, and in return, these Chinese migrants became a pillar of the Chinese overseas expanding network by playing their roles both as sellers and consumers of Chinese goods. Currently, the new Chinese migrants are not only greatly dependent on the Chinese goods like their predecessors, but are also benefiting from the capital, technology and aids to ASEAN from China. In return they are contributing to the economic integration between China and ASEAN. However, it is a new phenomenon that more than a hundred thousand Chinese professionals and students have been working and studying in Southeast Asia and most of them are concentrated in Singapore and Malaysia. This trend will continue in the near future as there are many well-educated Chinese who are keen to go abroad and they are welcome by these two countries.

In all the countries of ASEAN, most of these new Chinese migrants are traders and hawkers who make a living mainly by selling cheap Chinese goods to the local people, including the ethnic Chinese. The Chinese-invested enterprises and project constructions contracted by China's enterprises, some of which were financed by China as aid projects or investments, led to a large number of mainland Chinese technicians and labours flowing into ASEAN. In return they became consumers of Chinese goods and promoted the flow of more Chinese traders and hawkers into the ASEAN countries, particularly Myanmar, Thailand, Laos and Cambodia. It is also significant for the new Chinese migrants to engage in commercial agriculture upon their arrival in northern Indochina in order to make use of the tax free condition to export agricultural products to China, which represents a new phenomenon which has never happened before in the history of free Chinese overseas emigration. The Chinese migrants engaging in agriculture are less floating than any other kinds of Chinese migrants, and their growing in number is forming new Chinese communities in northern Myanmar, Cambodia, Laos and northern Thailand.

Whether it is in Singapore where immigration is strictly controlled or in Myanmar where the border or immigration control is loose, a small or big part of the new Chinese migrants is undocumented because they can easily disappear in the vast ethnic Chinese communities in Southeast Asia. In Malaysia, the Philippines, Laos, Cambodia, Thailand, and particularly in Myanmar, the undocumented Chinese constitute a great part of the new Chinese migrants.

The arrivals of the new Chinese migrants, in general, are welcome by the authorities and people in Southeast Asia. Benefiting from the economic integration of China and ASEAN, they bring capital, technology, cheap Chinese goods and even advanced administration to Southeast Asia and contribute to the economic development of Southeast Asia, particularly the inland areas of Indochina. In return, the new Chinese migrants in ASEAN play a key role in China's exports, foreign aids and contracted project constructions in ASEAN, and a great number of emigrants have served to reduce the situation of labour surplus in the sending places in China.

The key mark of globalization is the free flow of capital, technology and labour among countries. In the context of globalization and the rapid growth of economic integration of China and ASEAN, the trend of Chinese emigration to Southeast Asia will continue in a certain scale in the near future as the presence of the Chinese migrants in ASEAN is bringing a win-win situation to both sides. In return, a great number of Southeast Asians will flow into China to manage their investments or find good opportunities in the developed parts of China.

Notes

1. Most of the numbers are estimations and not from population censuses. They are from Suryadinata (1997: 7). We doubt the number of Indonesian Chinese, which is obviously an underestimation.
2. *Survey on Overseas Chinese from Fuzhou City*, by the Council of Overseas Chinese Affairs of the Government of Fuzhou City, 2006, unpublished.
3. The term "new Chinese migrants" we used here refers to the Chinese who emigrated abroad since the end of the 1970s and who are distinct from the old ones who went abroad before the 1950s. This term has become popular around the world, being used by scholars who study Chinese overseas or Chinese emigration, though this term is often used with minor variations regarding definition.
4. Figures from the Ministry of Education of China. <*www.Chisa.edu.cn/newchisa/web/8/2004-02-23/news_17713.asp*>
5. Figure from the 2006 survey statistics of the Office of Overseas Chinese Affairs of Fujian Province.
6. For example, Nyiri Pal, a Hungarian Sinologist, gave this comment and received wide recognition (see Bertil Lintner, "Third Wave: A New Breed of Migrants Fans Out", *Asia Times Online*, 17th April 2007).
7. *Renmin Ribao* (People Daily), Beijing, 9th August 1990.
8. Figures from the Ministry of Commerce of China.
9. Figures from *China Commerce Yearbook 2008*, Beijing: China Commerce and Trade Press, 2008.
10. The cases of Liem Sioe Liong and Mochtar Riady's investment in the Mainland before 2000 can be seen as a model of the Southeast Asian Chinese indirect investment through Hong Kong (see Tracy and Lever-Tracy, 2002: 68-69).
11. The Mining Ministry of Laos, cited from the Economic Department of the Chinese Embassy in Laos.
12. *Guide of Investment in Cambodia*, compiled by the Economic Department of the Chinese Embassy in Cambodia.
13. Association of China's Overseas Industrial Development and Planning (ed.), *Zhongguo Haiwai Touzi Niandu Baogao 2005-2006* [Annual report of China's overseas investment 2005-2006], Beijing: Social Science and Document Press, 2006, pp. 113-114.
14. Unpublished interview materials by Dr Qu Jianwen, the Vice-Dean of the School for International Studies in Yunnan University, 2006.
15. Figures from the Economic and Commercial Counselor's Office of the Embassy of China in Singapore.
16. Yang Ruoqian, "Why Are Chinese Workers Falling Easy Prey in Singapore: Analysis", *People Daily*, 10th July 2002.
17. *Nanyang Press* (南洋商报, Malaysia), 18th April 2004.
18. Interview of Liu Yongxing, the Chinese ambassador in Laos, by journalist of Xinhua News Agency.

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