The Overseas Chinese Connection: An ASEAN Perspective*

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Introduction

This paper has no pretensions of undertaking an in-depth inquiry on the assimilation and contribution of overseas Chinese in economies in the Association of Southeast Asian Nations (ASEAN). Such topics are far more competently undertaken by eminent historians, anthropologists and sociologists. While economic development theories have noted the role of capitalism and culture, these were dealt with separately until Berger (1987) rediscovered what has been termed "economic culture". However, there is no rigorous theory which can be applied to study the phenomenon of the overseas Chinese from an economic dimension.

The task in this paper is to draw observations, policies and implications from some salient features of the economic role of overseas Chinese in the ASEAN economies. It is not to assemble a theory, but more to test a tentative idea on how the economics of overseas tribalism, an extension of Kotkin's global tribalism (1993) can be furthered. We put forward a hypothesis of reculturization, whereby younger generations of overseas Chinese combine their capital, knowledge and technology with their cultural roots to tap opportunities in China which is attracting kinsfolk. The timing for such a hypothesis is right, as China is reforming in an era of massive global changes.

We first note the global context affecting capitalism in general and overseas Chinese in particular. The literature is burgeoning (see References) with a number of revolutions or at least, megatrends, including:

1. the political revolution in the 1980s with the fall of command economies to new capitalist centres in Asia and Europe, including the deepening of market principles reflected in liberalization, deregulation and privatization, ranging from the UK to Indonesia's competitive loosening in response to China's reforms;
2. the electronics revolution since the 1950s propelling miniaturization, the speed and spread of convergence between computers and telecommunication;
3. the corporate revolution leading to global chains, global shakeouts, global paradox and strategic alliances;
4. the tribal revolution; and
5. the Asia Pacific economic revolution as the next growth pole.

* Paper first presented at workshop on "Overseas Chinese Capitalism, Political Economy and Cultural Practice in the Pacific Rim", jointly organized by University of California, Berkeley and Department of Sociology, National University of Singapore, August 1994, Singapore.
The opportune occurrence of a number of trends like the corporate revolution amidst the boom in the Asia-Pacific have relevance and implications for overseas Chinese capitalism. The internationalization of value-added chains, production and flows of resources are expedited by the electronics revolution and the convergence of telecommunication and computers. This has simultaneously led to an unprecedented super competitive era and global shakeout (Turner and Hodges, 1992) to which no industry or no country can be immune.

Naisbitt (1994) goes further to show that as world trends point overwhelmingly toward political independence and self-rule on the one hand, there are more economic alliances and greater interdependence on the other. Acquisitions and alliances mean added muscle without getting bigger, producing a product anywhere using resources from anywhere by a company located anywhere, to be sold anywhere as the world turns borderless in economic terms. Economic alliances are propelled by a number of developments which give scope to small companies and challenge large ones, including:

1. removal of trade barriers which benefit big and small companies;
2. computers, telecommunication and information technology are becoming less formidable, inaccessible or expensive;
3. deregulation and globalization mean greater accessibility to capital and finance;
4. convergence of consumer tastes with more lifestyle products and options such that greater integration permits greater differentiation has exploded the markets and market niches;
5. while the traditional big brand names still count, others have to complete very hard as quality can be replicated easily by competitors such that the game is now speed to the market and innovation rather than consumer loyalty and names; and
6. personnel in smaller companies find it more exciting and satisfying to have responsibility and control such that the attraction of big companies for prestige is lessened.

Accordingly, Turner and Hodges (1992) propound the global shakeout where companies reassess strategies and restructure operations in a supercompetitive environment in contrast to purely national strategy. One only has to recall that today the United Kingdom has no single entire British-owned company in the automotive sector to appreciate what a global shakeout means. Instead, strategic alliances straddle continents and nationalities and lead to permanent merging of corporate identities. Very often, governments help the shakeout with policies in liberalization and deregulation.

The wider challenges of the global shakeout include:

1. organizing economic life and not just production of goods and services;
2. forging the industrial culture which may be a global mongrel culture but which is internationalist at heart, making it relatively stable;
3. identifying the policy approaches;
4. rolling global panics which periodically sweep across the world because of increasing global interdependence and linkage through the equally tribal electronic mail;