
Claudia Astarita
Globalisation and the emergence of China as an economic power are two of the most significant international developments of recent decades, and have had a profound impact on the socio-political and economic background of the Southeast Asia region. Leo Suryadinata’s book focuses on three issues: the rise of China and its impact on Southeast Asia’s economies and businesses, especially on those involving ethnic Chinese; Southeast Asian government policies—particularly economic and business policies—towards local ethnic Chinese; and Southeast Asian Chinese business in the era of globalisation. The book highlights the roles that ethnic Chinese have played in the region, and explores whether China’s rise has had a positive or negative impact on the economic development of Southeast Asian countries. As every country in the region has different social and economic characteristics, the analysis is split into sections describing the cases of Indonesia, Malaysia, the Philippines, Singapore, and Thailand.

1. Analysing the implications of China’s economic rise for Southeast Asia as a whole, John Wong and Sarasin Viraphol observe that while the launch of China’s economic reforms in the late 1970s was expected to disrupt the economic growth of the Association of Southeast Asian Nations (ASEAN), over the long run it has proven to be not only a new engine for development in the Asian region, but also a catalyst for integrating the Southeast Asian economies. Wong explains how the dreaded competition has been transformed into mutually advantageous development, while acknowledging
uncertainty in the development of China-ASEAN relations vis-à-vis China’s intended geo-political role. Viraphol, on the other hand, emphasises the idea that China and ASEAN can join in creating a multilaterally beneficial economic region thanks to the “goodwill approach” of the People’s Republic. Moreover, Viraphol parts with Wong in underlining the importance of overseas Chinese entrepreneurs in forming a network to mobilise global resources of capital, market, know-how, and talent in the first phase of China’s economic development.

As the first case study presented in the book, Indonesia is analysed from three different perspectives by Djisman S. Simandjuntak, Thee Kian Wie, Sujoko Efferin, and Wiyono Pontjoharyo. Simandjuntak argues that given the transitional nature of the development China and Indonesia are facing, no long-term conclusions can be drawn on the effects of China’s rise on Indonesia. Nevertheless, the author believes that a strong Indonesian economy is crucial to the emergence of new synergies between the two countries. Thee Kian Wie focuses on the attitude of the Indonesian government towards Chinese minorities, finding that the post-Suharto government has allowed ethnic Chinese to expand their activities beyond the economic sphere into other domains, including politics. Finally, Efferin and Pontjoharyo examine the characteristics and management styles of Chinese Indonesian businessmen through a survey of their activities in East Java.

In their case study of Malaysia, Lee Poh Ping and Lee Kam Hing highlight the opportunities that the “opening” of China offers to Malaysian investors generally and Malaysian Chinese in particular. Some negative aspects of China’s rise are also explored, although it is argued that a more supportive government may be able to overcome any obstacles. As Thee Kian Wie does for Indonesia, Ho Khai Leong examines the Malaysian government’s economic policies towards the Chinese minority, demonstrating how the economic potential of Malaysian Chinese has been hindered by official policies and regulations promoting wealth redistribution to the advantage of Malays. Finally, Leong Kai Hin presents the results of his survey on the impact of globalisation on Malaysian Chinese businesses and the strategies they have adopted to face such challenges, finding that while large firms have benefited from globalisation and the rise of China, the same is not true for small and medium enterprises.

In their examination of the Philippines in the third case study, Teresita Ang See and Go Bon Juan argue that the threat China poses to Southeast Asia, and specifically to the Philippines, is exaggerated, if not baseless. While acknowledging that some Filipino small and medium-sized companies have suffered from competition with Chinese firms, the authors stress that the benefits from Chinese Filipinos doing business with China outweigh the disadvantages, and present five empirical cases to support this contention. Ellen H. Palanca looks at the business environment—determined by politics and public policies—faced by Chinese in the Philippines since the colonial period, and how it has affected their industries. She concludes that the business environment was volatile and generally unfavourable before the mass naturalisation in 1975, with nationalistic policies restricting the types of business and even the professions Chinese could enter. Nevertheless, once members of the Chinese minority obtained Filipino citizenship, their gradual integration into mainstream Filipino society led to their rapid emergence as a powerful elite.

Ng Beoy Kui describes the problems posed to Singapore by globalisation and the growth of China. The author discovers that Singapore started encouraging ethnic Chinese
businessmen to invest in China only after the establishment of diplomatic relations with China in 1990. However, he concludes that ethnic Chinese enterprises in Singapore are not homogeneous, and any attempt to stereotype overseas Chinese business would be seriously misleading.

Finally, Pavida Pananond illustrates her views on Chinese business tycoons in Thailand through a profile of the most well-known Chinese-owned company, the Charoen Pokphand Group. She concludes that while the founders’ ethnicity and extensive networks in China may have contributed to the group’s initial success, the challenges it is facing now have less to do with ethnicity and more with business competence.

Describing the impact of China’s rise throughout Southeast Asia is in itself a challenge, and Leo Suryadinata’s book confines itself to offering fact-based insights without venturing to draw a synthetic conclusion. Nevertheless, the book presents a wide and multifaceted frame of reference that serves as a good starting point for further analysis.