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Trends in  
Southeast Asia

CHINA'S EVOLVING POLICY  
TOWARDS THE CHINESE DIASPORA  
IN SOUTHEAST ASIA (1949–2018)

WU XIAO AN

**ISEAS** YUSOF ISHAK  
INSTITUTE

# Trends in Southeast Asia

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# FOREWORD

The economic, political, strategic and cultural dynamism in Southeast Asia has gained added relevance in recent years with the spectacular rise of giant economies in East and South Asia. This has drawn greater attention to the region and to the enhanced role it now plays in international relations and global economics.

The sustained effort made by Southeast Asian nations since 1967 towards a peaceful and gradual integration of their economies has had indubitable success, and perhaps as a consequence of this, most of these countries are undergoing deep political and social changes domestically and are constructing innovative solutions to meet new international challenges. Big Power tensions continue to be played out in the neighbourhood despite the tradition of neutrality exercised by the Association of Southeast Asian Nations (ASEAN).

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# China's Evolving Policy towards the Chinese Diaspora in Southeast Asia (1949–2018)

By Wu Xiao An

## EXECUTIVE SUMMARY

- The Chinese diaspora, consisting of both Chinese living overseas who are citizens of China (*huaqiao*), and people of Chinese descent who are citizens of foreign countries (*huaren*), have significantly shaped the making of modern China.
- China's policy towards its diaspora is primarily governed by its national interests and foreign policy imperatives. However, the Chinese government has been careful to ensure that the *huaqiao* and the *huaren* fall into different policy domains: Chinese citizens living overseas are subject to China's domestic policies, while Chinese descendants who are citizens of other countries come under China's foreign affairs. Nevertheless, from the beginning, the latter continue to be regarded as kinsfolk distinct from other foreign nationals.
- The *huaqiao-huaren* distinction is often blurred in ordinary discourse and this has been a source of much misunderstanding. However, it has not been the policy of the Chinese government to blur this distinction, and it is acutely aware of the complexity of the issue and is therefore very cautious about implying any change. As such, when terms such as *huaqiao-huaren* are introduced in the official lexicon, they are meant to acknowledge certain historical and contemporary realities, and not to deliberately obfuscate the two categories. The use of the combined term is in fact a recognition of the clear-cut distinction between the two groups, and is meant to convey a semantic balance in which neither category is emphasized at the expense of the other.
- In general, since the establishment of the People's Republic of



China in 1949, the Chinese government has treated the diaspora as an asset, rather than a liability. The sole exception was during the Cultural Revolution when returnees, or the *guiqiao*, were condemned as reactionary and bourgeois elements.

- There is therefore a fundamental continuity in China's diaspora policy: namely, that China embraces both groups as part of a global Chinese community. Some policy shifts can be expected in future as China becomes more proactive in reaching out to its diaspora while balancing the needs and interests of Chinese abroad with the needs and interests of the Mainland.

# China's Evolving Policy towards the Chinese Diaspora in Southeast Asia (1949–2018)

By Wu Xiao An<sup>1</sup>

## INTRODUCTION

The issue of China and its diaspora, particularly the one in Southeast Asia, is the subject of much academic attention and popular controversy. China's diaspora affairs receives greater scrutiny than the diaspora issues of other countries such as India, Israel, and Ireland. This paper tries to tackle the issue holistically by covering both the historical and contemporary dimensions of Chinese diaspora policy, with an emphasis on its reach and impact in Southeast Asia.

There is a need to clarify at the outset the various terms related to China's diaspora discourse. The two primary terms are “overseas Chinese” and “Chinese overseas”. According to Professor Wang Gungwu, these two terms posit a legal and political distinction between two different ethnic Chinese communities residing outside mainland China. The “overseas Chinese”, or *huaqiao* (华侨) in Mandarin, refer to citizens of China who are living abroad. The “Chinese overseas”, or *huaren* (华人), are foreign citizens who are Chinese by descent and ethnicity. This distinction between the *huaqiao* and *huaren* was introduced partly because the ethnic Chinese of Southeast Asia, having naturalized their citizenship in their country of residence, wanted to maintain and emphasize their difference and distance from the Chinese mainland. For them, this was a strategy of self-preservation, undertaken as a means of allaying domestic

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<sup>1</sup> Wu Xiao An was a Visiting Senior Fellow at the ISEAS – Yusof Ishak Institute, Singapore from 23 August 2018 to 22 November 2018, and is Professor of History in Peking University and Director of the Peking University's Center for the Study of Chinese Overseas.

suspicious about their allegiance, especially in the light of anti-Chinese undercurrents running through many Southeast Asian countries.

However, it must be noted that the scholarly demarcation of these terms does not necessarily comport with their regular use and meaning on the Mainland. For instance, the terms “overseas Chinese” and “Chinese overseas” are often used simultaneously in China as a combined term *huaqiao-huaren* (华侨华人), which is denoted in English as a parallel term separated by a hyphen.

In the light of China’s historical, ideological, and policy contexts, “overseas Chinese” is an evolving category which includes important contemporary dimensions such as the newer waves of Chinese migrants to the developed countries of the West as well as the overseas Chinese returnees of the 1950s and the post-1990s. It is important to note that China’s diaspora policy, especially over the last few decades, has not only been directed at the Chinese residing abroad, but also to Chinese returnees who are either citizens or permanent residents of foreign countries, but who have chosen to return to settle in China. Therefore, in China’s policy context, the “overseas Chinese” is not an outdated historical term, but rather an active and fluid category.

*Qiaowu*, or Overseas Chinese Affairs, is a term that encompasses the totality of China’s bureaucratic institutions and policies aimed at the Chinese diaspora. *Qiaoban* refers to the Office of Overseas Chinese Affairs, the primary governmental organ for diaspora affairs. It was under the direct supervision of the State Council until being shifted in 2018 to the United Front Work Department of the Central Committee of the Chinese Communist Party (CCP). The *Qiaolian*, the All-China Federation of Returned Overseas Chinese, is a ministerial-level organization tasked with governmental assignments and official responsibilities to look after the welfare of returnees, otherwise known as *guiqiao*. (There is also the China ZhiGong Party, one of the eight official political parties in China, which has overseas Chinese interests as its specific constituency.)

In other words, *qiaowu* refers to the sum of China’s outreach efforts to the Chinese diaspora, including the overseas Chinese, the Chinese overseas, and returnees, as well as the institutional architecture that supports these efforts. However, such a description belies the contemporary complexity and ambiguity inherent in *qiaowu*. Although

there have been important policy statements regarding diaspora affairs by various Chinese leaders in the past, neither the Chinese government nor Chinese scholars have managed to develop or articulate *qiaowu* in a systematic way. This partly explains why the Overseas Chinese Affairs Office commissioned a key research project on this specific subject in 2011, although no major new findings were announced when the project was completed in 2013.

## THE CHINESE DIASPORA

With an estimated population of 60 million ethnic Chinese abroad, the Chinese diaspora is a global phenomenon. Most of the diaspora is concentrated in the following four regions: Hong Kong, Macau, and Taiwan; Southeast Asia; North America; and the rest scattered across Africa, Latin America, Eurasia, Australia and New Zealand. Historically, the Chinese diaspora in Southeast Asia was the most important, although the Chinese of Hong Kong, Macau, and Taiwan were similarly elevated into a priority after the 1950s. During the 1980s, following the new wave of outward migration, there was also renewed attention to the Chinese diaspora in North America. With Chinese external migration becoming more geographically diversified, and Chinese communities emerging in Africa, Latin America, Europe and Oceania, China's diaspora policy is also adopting a globally oriented approach. This means that any attempt to understand China's policy towards its diaspora must go beyond country-specific analyses, while discussions of *qiaowu* must be contextualized against the larger framework of China's position in international politics.

The Chinese diaspora can be described as being both “strategic and historic” as well as “unique and complicated” for China. The diaspora is strategic and historic because it has significantly shaped the making of modern China as well as spurred the opening-up, modernization and internationalization of China in the post-Mao era. China is also in the unique and complicated position of being intimately identified with its diaspora to the extent that both China and its diaspora are sometimes treated as an inseparable whole or mistakenly identified one for the other. This closeness is not only the result of the shared ancestral and cultural

bonds between the Chinese within and outside of the Mainland, but also due to the intertwining histories between China and the Chinese communities abroad.

Generally, China's diaspora policy is primarily driven by its national interests and foreign policy imperatives. One primary consideration that guides the diaspora policy is the distinction between the *huaqiao* and the *huaren*. Although both communities are part of the Chinese diaspora, the Chinese government has been careful to ensure that the two groups fall into different policy domains: the Chinese living overseas who are citizens of China are subjected to China's domestic policy-making, while ethnic Chinese who are foreign citizens come under the purview of China's foreign affairs apparatus. However, this has not prevented the frequent blurring of the boundaries between the overseas Chinese and Chinese overseas in official and informal discourses. This has led to much misunderstanding and misinterpretation (which will be addressed later in the paper).

## **THE CHINESE DIASPORA IN SOUTHEAST ASIA**

China has generally regarded the ethnic Chinese residing in Southeast Asia in favourable terms—a sentiment that is accompanied by a sense of emotional attachment and cultural identification. Professor Wang Gungwu described how the classical image of the Chinese “sojourners” was cultivated:

After the centuries of relative economic success in the Southeast Asian region, there had developed in this century the image of the “Nanyang Chinese” (Southern Ocean Chinese). It was an image projected by the southern Chinese themselves about sailing south to Southeast Asia, and it was characterized by vast numbers, by numerous success stories of the Chinese middlemen, entrepreneurs and even capitalists, and by the spectacular advances in Huaqiao education. For the Western colonial powers and the native political leaders, this image was projected as one of economic dominance. And for the people of south China, the Nanyang was both a land

of wealth and opportunity as well as a romantic place filled with wild or charming and easy-going people.<sup>2</sup>

Premier Zhou Enlai's speech to a group of overseas Chinese in Burma on 18 December 1956 is also helpful in detailing how China views its diaspora in the region as "good relatives" with whom it was keen to remain in contact:

The Chinese government as early as two or three years ago openly declared the dual nationality problem of the overseas Chinese must be resolved. If they have willingly chosen to become citizens of the country they reside, according to law, they are no longer Chinese citizens. Will they be discriminated against by the Chinese and the Chinese government? No, because we are still relatives. What is wrong with having relatives? It is just [like] when a daughter is married, she is no longer considered a member of the family of her own parents, but she will still be considered a relative of the family.... Therefore when overseas Chinese have chosen to acquire the nationality of Burma, the Chinese government will treat you as good relatives. Of course, we have to make it clear that not everyone wants the nationality of the country where they reside. If some overseas Chinese want to remain Chinese, they will be allowed to keep Chinese nationality.<sup>3</sup>

## **CHINA'S DIASPORA POLICY FROM 1949 TO 2018**

The focus of this paper is on China's policy towards its diaspora from 1949 to 2018, thus starting from the establishment of the People's

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<sup>2</sup> Wang Gungwu, "South China Perspective on Overseas Chinese", *Australian Journal of Chinese Affairs*, no. 13 (January 1985), p. 75.

<sup>3</sup> Tao-tai Hsia and Kathryn A. Haun, *Peking's Policy toward the Dual Nationality of the Overseas Chinese: A Survey of its Development* (Washington, DC: Library of Congress, 1976), pp. 50–51.

Republic of China (PRC) to the present day. As we shall see, during this period, China's underlying approach was to regard the overseas Chinese community as an asset, rather than a liability, to the Mainland. The years of the Cultural Revolution (1966–76) marked the sole exception to this approach, as revolutionary fervour targeted the *guiqiao*, or the overseas Chinese returnees, for condemnation.

Although the paper will discuss China's contemporary diaspora policy from the founding of the PRC, it is still helpful to look back to the 1870s. This was the period when the Qing Dynasty began to abandon its negative stance and suppressive policies towards the Chinese diaspora and instead adopted a more genial posture. Prior to the 1870s, Chinese migrants were negatively characterized as “overseas orphans”, “deserters”, “exiles”, or even “traitors”.<sup>4</sup> This attitudinal shift was partly prompted by the desire to modernize the country following the humiliation inflicted by the two Opium Wars. For those on the Mainland, the overseas Chinese appeared as a manifestation of Chinese modernity. As China pursued institutional reforms through initiatives such as the Self-Strengthening Movement, the Chinese diaspora was seen as a source of capital and expertise to assist with these modernization efforts. At the turn of the twentieth century, China continued to actively establish closer ties with its diaspora. A consular office was established in Singapore to supervise the affairs of the overseas Chinese, while the Nationality Law of 1909 declared that all overseas Chinese were to be automatically regarded as Chinese subjects. The relationship between the Mainland and the overseas Chinese was further strengthened during the Chinese Revolution of 1911. The overseas Chinese were regarded as revolutionary pioneers who played a critical role in supporting and sustaining Sun Yat-Sen's republican movement, thus burnishing the legacy and importance of overseas Chinese nationalism. This positive attitude towards the overseas Chinese would persist, as the following discussion would show.

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<sup>4</sup> Yen Ching-Hwang, “Ch'ing Changing Images of the Overseas Chinese (1644–1912)”, *Modern Asian Studies* 15, no. 2 (1981): 261–85.

## CONTINUITY IN TRANSITION, 1949–1955

The PRC was officially established in 1949 after the CCP under Mao Zedong emerged victorious in the civil war against Chiang Kai-shek's Kuomintang. There was however little change in terms of policy towards the overseas Chinese during the transition to Communist rule. The CCP retained the old Kuomintang policy of treating all Chinese abroad as subjects of the Chinese state, thus continuing what Stephen Fitzgerald described as a “colonial approach” to the overseas Chinese. On top of granting the overseas Chinese political representation in the National People's Congress (NPC), the CCP continued to encourage the inflow of investments and remittances from the overseas Chinese and to entice them to return to assist with the socialist construction of the Chinese motherland. The overseas Chinese were also called upon to support the Chinese war effort in Korea and stand against the runaway Kuomintang forces which had by then relocated to Taiwan. Furthermore, in an effort to earn the patriotic allegiance of the overseas Chinese, the PRC also established a special department named the Overseas Chinese Affairs Commission under the Ministry of Foreign Affairs. The Commission sought to act as the “grand protector” of the overseas Chinese, issuing warnings to the governments of Siam, Indo-China, and Malaya over their anti-Chinese policies, and declaring that the “10,000,000 Overseas Chinese shall not and must not be subjected to any further abuse”.<sup>5</sup>

However, this “colonial approach” towards the overseas Chinese was complicated by the fact that Southeast Asia was in the midst of decolonization and nation-building processes. With China making an active claim to the loyalties of the Chinese diaspora and with the fledging nation-states being intent on developing a post-colonial national identity to unite their new subjects in their territories, the issue of divided allegiances and citizenship status came to the fore. Taken together, this marked the emergence of the “Chinese problem” that would come to cast

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<sup>5</sup> Victor Purcell, “Overseas Chinese and People's Republic”, *Far Eastern Survey* 19, no. 18 (25 October 1950): 194–96.



a long shadow on Sino-Southeast Asian relations. As William Skinner wrote,

Southeast Asian governments [were] determined to loosen the Chinese grips on their nationalist economies, to achieve an unequivocal clarification of the citizenship status of resident Chinese, to end the foreign activity among [them] and to proceed with educational and political integrations of their citizens of Chinese descent ... [while] China strove with equal determination to protect the special interests of Overseas Chinese; to win their loyalty; and to profit materially, politically and strategically from their patriotism.<sup>6</sup>

At that time, the Chinese in Southeast Asia were regarded as “outsiders”, a perception that was partly born out of the colonial policy of divide-and-rule. Chinese migrants in colonial Southeast Asia were kept separate from the indigenous population and given minimal to no rights of political participation in local affairs. Not only did this compel the overseas Chinese of the region to continue identifying with the Chinese motherland, but their relative isolation from the wider local public also meant that most of them were only socialized into autonomous Chinese migrant community spaces, such as Chinese schools, Chinese newspapers, secret societies, and other social organizations like the *kongsi*. The dislocation of the overseas Chinese from the local mainstream society only served to reinforce their status of immigrant outsiders, which occasionally metastasized into anti-Chinese sentiments.

The Communist takeover of China and the intensifying Cold War also posed an additional security challenge for some of the new Southeast Asian states struggling to contain their domestic communist insurgencies. The CCP’s efforts to claim the support and allegiance of

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<sup>6</sup> G. William Skinner, “Overseas Chinese in Southeast Asia”, *Annals of the American Academy of Political and Social Sciences*, Vol. 321, *Contemporary China and the Chinese* (January 1959), p. 136.

the overseas Chinese contributed to the fear of the Chinese as a “fifth column” in the region. There was hence a need to resolve the “problem” of the 10 million overseas Chinese in Southeast Asia, including the issues of citizenship and dual nationalities, their political integration within the newly independent nation-states, their educational, cultural and heritage rights, and their economic role vis-à-vis the Mainland.

## **“PEACEFUL COEXISTENCE” AND REPATRIATION, 1955 TO EARLY 1960s**

This period marked a policy departure from the “colonial approach” as China sought to establish “peaceful coexistence” with its newly independent Southeast Asian neighbours as a foreign policy imperative. In the interest of maintaining friendly relations with Southeast Asian countries, in particular Indonesia, China relinquished its claim to the allegiance of the overseas Chinese and instead encouraged them to adopt the citizenship of their respective host countries. In April 1955, the Dual Nationality Treaty signed by Indonesia and China also ended the possibility for overseas Chinese to hold dual nationalities. China also sought to clarify that:

We don't promote the organization of Communist or other democratic parties among Overseas Chinese ... [if they want] to participate in political parties, they should return to China. But it is impermissible to do so locally; this would invite misunderstanding in the countries of residence.<sup>7</sup>

The Chinese of Southeast Asia were instead asked to abide by local customs and laws, while helping to promote cultural, trade, and technological exchanges between China and their respective countries.

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<sup>7</sup> Stephen Fitzgerald, “Overseas Chinese Affairs and the Cultural Revolution”, *China Quarterly*, no. 40 (October–December 1969), p. 106.

In brief, from 1954 onwards, China shifted its emphasis by prioritizing the need to establish and maintain friendly relations with the states of Southeast Asia over the desire to serve as a “grand protector” of the interests of overseas Chinese in the region.<sup>8</sup> However, the pursuit of “peaceful coexistence” with the Southeast Asian states did not mean that China had abandoned the Chinese of Southeast Asia as a priority. These were interrelated issues since friendly bilateral relations between China and the Southeast Asian states ensured the best protection for the ethnic Chinese in the region, while also serving China’s foreign policy objectives.

Furthermore, in 1957 and 1958, China developed and implemented the “three-goods” policy. The “three-goods” referred to: first, China’s encouragement of the overseas Chinese to naturalize their citizenship in their host countries; second, its call for the overseas Chinese to integrate locally; and third, the introduction of repatriation as a way to protect the ethnic Chinese in the event of persecution abroad. China intended for this “non-ideological” approach to signal its commitment to avoid being too deeply involved in the affairs of the overseas Chinese or asking for their allegiance to the communist cause, thus helping to lessen tension with its Southeast Asian neighbours.

The repatriation component of the “three-goods” policy came to the fore when a spate of anti-Chinese sentiments emerged in countries such as Indonesia in the late 1950s and early 1960s. This period witnessed the repatriation and resettling of a large number of returnees in special overseas Chinese farms located in the provinces of Guangdong (which then still included Hainan), Fujian, Guangxi, and Yunnan. However, this generation of returnees were different from the overseas Chinese who had returned in the early 1950s in order to receive education and participate in the socialist construction of China. Having arrived earlier,

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<sup>8</sup> Skinner, “Overseas Chinese in Southeast Asia”, pp. 136–47; Mary F. Somers Heidhues, “Peking and the Overseas Chinese: The Malaysian Dispute”, *Asian Survey* 6, no. 5 (May 1966): 276–87.

that group of returnees had enjoyed better opportunities for assimilation and employment.

One particular incident that required repatriation was the 1959 ban on alien retail traders in Indonesia which was meant to target the ethnic Chinese population residing in the country. As a result, China had to prepare itself to receive 600,000 returnees, with the expectation that the number could rise to several million if the situation were to worsen. Prior to this, there were already 250,000 overseas Chinese who had returned to China, many of whom were either students or impoverished as a result of war and other misfortunes. In contrast, the post-1959 returnees mostly consisted of petty retail traders. By 1960, the final number of repatriated Chinese from Indonesia was 94,000, which included 18,800 students. Combined with another batch of 20,000–30,000 returnees in 1961, it was estimated that at least 130,000 overseas Chinese were repatriated from Indonesia before the worsening economic situation in China and calmer heads in Southeast Asia brought the movement of people to a close.

There was another major wave of repatriations in the later part of the 1970s due to the conflict and political instability in Indo-China. Reported estimates suggest that over a period from mid-to-late 1970s, a total of 215,000 and 300,000 overseas Chinese were repatriated from Cambodia and Vietnam respectively. In 1978 alone, 265,000 crossed the border between Vietnam and China, with 95 per cent of them coming from Quang Ninh province. This situation prompted concerns in the Overseas Chinese Affairs Office that the number of returnees could reach a high of 400,000 if the situation were to continue unabated.<sup>9</sup>

## **THE CULTURAL REVOLUTION, 1966–78**

The Cultural Revolution, which lasted from 1966 to 1976, marked a significant interregnum in the history of China's diaspora policy. It

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<sup>9</sup> C.Y. Chang, "Overseas Chinese in China's Policy", *China Quarterly*, no. 82 (June 1980): 281–303.

effectively silenced diaspora policy while accelerating the demise of the *guiqiao* in China.<sup>10</sup> Many returnees from the preceding years became the targets of the “revolution”, and faced hostility, abuse and torture for their perceived association with capitalist and bourgeois elements during their time overseas. A substantial number of the *guiqiao* were “imprisoned as ‘spies’ or ‘counter-revolutionaries’ and attacked as ‘capitalists,’ ‘imperialists,’ ‘worshippers of things foreign’ and, in the most hurtful way, ‘foreign devils’”.<sup>11</sup> By the end of 1976, a total of 300,000 returnees had departed again from China, including former cadres, doctors, scientists, engineers, teachers, writers, and artists. Around 250,000 of them settled in Hong Kong, another 25,000 in nearby Macau, while some sought refuge in the countries that they had initially left.<sup>12</sup> In all, not more than 100,000 returnees were said to remain on the Mainland by the end of the Cultural Revolution, with thousands waiting for exit permits.

## **A FUNDAMENTAL REVERSAL TOWARDS THE PRESENT-DAY OVERSEAS CHINESE POLICY, 1978–84**

The collapse of the Gang of Four ended the Cultural Revolution and started China’s economic reforms and its opening to the outside world. Domestic developments also coincided with the advent of Sino-Soviet rivalry in Southeast Asia and the expulsion of ethnic Chinese from Vietnam. 1978 in particular was a watershed year in the history of Chinese diaspora policy-making. Not only did it mark the end of the anti-returnee sentiment of the Cultural Revolution, it was also the year in which a policy foundation for diaspora affairs was established which would last to the present day.

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<sup>10</sup> Fitzgerald, “Overseas Chinese Affairs and the Cultural Revolution”, p. 103.

<sup>11</sup> Michael R. Godley, “The Sojourners: Returned Overseas Chinese in the People’s Republic of China”, *Pacific Affairs* 62, no. 3 (Autumn 1989): 330–52.

<sup>12</sup> Godley, “The Sojourners”, p. 349.

The primary thrust of the Chinese diaspora policy from 1978 onwards was to regard the overseas Chinese as a positive asset for the Chinese polity rather than a liability. This return to the policy equilibrium of the 1950s was obviously meant to address the excesses of the Cultural Revolution. The revival of the Overseas Chinese Affairs Commission was also a policy priority aimed at encouraging overseas Chinese and their relatives to return to China once again. Cases of wrongful accusations against the *guiqiao* during the Cultural Revolution were revisited and redressed, with confiscated properties and bank accounts returned to their rightful owners. Reunions between family members and relatives located in Hong Kong and abroad were also permitted once more.

In terms of foreign policy, there was a similar reversal to the pre-Cultural Revolution practice of recognizing the ethnic Chinese in Southeast Asia as fellow kinsfolk and friends, even if they had acquired citizenships in their respective countries and were no longer Chinese subjects. Replicating the balance of its diaspora policy in the 1950s, China also urged the overseas Chinese to abide by the laws and decrees of the host countries, while issuing appeals to the Southeast Asian governments to “protect the legitimate rights and interests of overseas Chinese and respect their national tradition, customs and habits”.<sup>13</sup> Such statements were partly prompted by the emergence of anti-Chinese movements in countries such as Vietnam. It has been noted that although China reprimanded Vietnam for the persecution of its large domestic Chinese community, it was silent in the face of the killing of hundreds of thousands of Cambodian Chinese. China’s uneven responses to the respective anti-Chinese actions in Vietnam and Cambodia suggested that its diaspora policy tends to be subordinate to its broader foreign policy goals.

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<sup>13</sup> Leo Suryadinata, “Overseas Chinese”, in *Southeast Asia and China’s Foreign Policy: An Interpretative Essay*, (Singapore: Institute of Southeast Asian Studies, 1978), p. 30.

Overall, there were two broad tendencies in the post-1978 diaspora policy. First, the overseas Chinese are distinguished from ethnic Chinese who are foreign citizens. In recognition of the differences in their respective nationalities, China has sought to avoid equal treatment for *huaren* and *huaqiao*. Second, in its treatment of foreign subjects in general, China allocates certain privileged rights to Chinese who are foreign citizens, due to the shared ethnic and cultural commonalities. In other words, the Chinese overseas are not to be treated as merely ordinary foreigners.

## **REACHING OUT TO THE *HUAREN*, 1985–1992**

From 1985 onwards, China began to directly appeal for foreign nationals of Chinese descent to lend their expertise and skills to China's Four Modernizations drive. Donations and remittances of the *huaren* were no longer adequate to sustain China's economic reforms and opening up to global trade. What China required was the direct investment, technology and managerial expertise that the *huaren* could bring. For that purpose, China established four Special Economic Zones in Shenzhen, Zhuhai, Shantou (Swatow) and Xiamen (Amoy) in 1984. These four regions, located near Hong Kong, Macau, and Taiwan, were prominent *qiaoxiang* (侨乡), or home villages of the Chinese abroad.

Furthermore, supporting regulations and legislations were promulgated to entice the Chinese overseas to return to China. In 1986, twenty-two sets of regulations were passed, including those that established better standards for overseas investments. In 1990, a law to protect the interests of the returnee and their dependants was passed.<sup>14</sup>

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<sup>14</sup> Zhuang Guotu, "Chinese Government Policy towards Overseas Chinese since 1979", *Southeast Asian Affairs* (Xiamen University), vol. 103, no. 3 (2000), p. 8.; Mette Thunø, "Reaching out and Incorporating Chinese Overseas: The Trans-Territorial Scope of the PRC by the End of the 20th Century", *China Quarterly*, no. 168 (December 2001), p. 919.

Mette Thunø described how, in an effort to woo the Chinese overseas and their investments, China refocused its outreach policy in such a way that:

... The basic rights of dependents and returnees were still to be safeguarded, but since the reconciliation work was almost officially completed, work with dependents and returnees should be incorporated into the objective of “giving rise to letting overseas connections of dependents and returnees serve as bridges [to overseas Chinese]”, and *qiaoxiang* villages would function as windows for Chinese Overseas to obtain better impression of the PRC.<sup>15</sup>

As a result, there was a substantially larger amount of foreign direct investment (FDI) into China from 1984 to 1991 compared to the preceding period from 1979 to 1984. While the amount of FDI into China approached US\$386 million in 1982, it rose to US\$4 billion by 1991 and US\$7 billion by 1992. From 1979 to 1991, the total FDI inflow into China was US\$26.8 billion, with two-thirds originating from regions outside the Mainland with substantial populations of ethnic Chinese. The largest share of FDI inflows came from Hong Kong, followed by Macau and Taiwan. Hong Kong’s share of FDI into China rose from 58 per cent in the period from 1979 to 1983 to 71.5 per cent in 1992, while investments from Singapore and Asia steadily rose to 25 per cent over the same period.

## **NEW-ROUND DEVELOPMENT AND TRANSFORMATION, 1992 TO 2008**

With Deng Xiaoping’s 1992 tour of Southern China to jump-start economic reforms following the Tiananmen Square incident, China’s development and opening up to the world grew apace. First, China’s

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<sup>15</sup> Thunø, “Reaching out and Incorporating Chinese Overseas”, p. 921.



economy shifted to a market-driven orientation. Second, with the end of the Cold War and increasing globalization, the political, economic, and socio-cultural relationship between China and ASEAN was strengthened. Third, China also liberalized exit and re-entry conditions for its citizens during this period, enabling Chinese students to pursue their studies overseas as well as encouraging talented Chinese émigrés to return.

This period oversaw two different phases of economic development in China. The earlier stage of development consisted of a domestically oriented transition of the economy which was abetted by the inflow of FDI and the outflow of Chinese migrants. At the turn of the century, however, there was a newer stage of transformative development with outward expansion of the Chinese economy and inflow of talented returnees. During the tenure of President Jiang Zemin from 1989 to 2003, China began to attach importance to overseas Chinese talents as a significant pool of human resources, while continuing the emphasis on attracting FDI to spur China's modernization. Similarly, Hu Jintao, in his first term as President, maintained the policy priorities of attracting both foreign investments and overseas Chinese talents. He however added a new dimension to the overseas Chinese policy by proposing the idea of a "harmonious overseas Chinese community". This was an outward extension of the domestic policy calling for the Chinese to cultivate and nurture a "harmonious society" in the face of social tensions arising from China's rapid socio-economic transformation. The pursuit of a "harmonious overseas Chinese community" was partly prompted by the gradual realization that it behooves China to establish a relationship of reciprocity in which the interests of the overseas Chinese communities are also served, rather than the Mainland being the one-sided beneficiary of the diaspora's generosity.

The changes to investment incentives and to its entry-and-exit policy proved to be an economic boon for China. In 1992, China became the largest FDI recipient among the developing countries, and globally only second to the United States. In 1993, FDI inflow into China amounted to US\$26 billion, exceeding in a single year the cumulative flows of US\$23 billion over the past thirteen years from 1979 to 1991. In 1997, FDI inflow to China grew to US\$45.2 billion. These foreign investments primarily originated from areas with large ethnic Chinese populations:

Hong Kong, Macau, Taiwan, Malaysia, the Philippines, Singapore and Thailand.<sup>16</sup>

In terms of *qiaowu*, this period could be considered as an exemplar in Chinese history, in which a confident and liberal diaspora policy was institutionalized, standardized and codified. There were two new developments that shaped China's overseas Chinese policy during this period. The first was the emergence of the Chinese diaspora and their business networks as a significant economic force in the region. In the pursuit of FDI inflows, it thus became a policy priority of the Chinese government to seek their investment, even though most of these businesses were held by the *huaren* who had already adopted the citizenship of their country of residence. This was supplemented by a policy to encourage the return of Chinese overseas talent, including students and professionals, to invest their wealth and share their expertise for China's economic modernization. This was part of the impetus for the new open-door policy which allowed Chinese students and scholars to study overseas before returning to China. Second was the intensification of the fourth wave of Chinese emigration which had started in the 1980s. About 80 per cent of this new group of immigrants had chosen to head to developed countries such as the United States, Canada, Australia, New Zealand, Europe and Japan.

Although there was a clamour, especially from the new generation of Chinese emigrants, to restore the system of dual citizenship, China has resisted such calls out of consideration for the historical realities of the Chinese diaspora in Southeast Asia. Furthermore, as the issue of the ethnic Chinese in Southeast Asia remains sensitive, China has exercised political wisdom by signing up to a series of bilateral and multilateral

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<sup>16</sup> Ibid., pp. 926–28; Kevin H. Zhang, “Foreign Direct Investment in China”, *Canadian Foreign Policy Journal* 13, no. 2 (2006): 35–36; Peter J. Buckley, Jeremy Clegg, Adam R Cross and Hui Tan, “China's Inward Foreign Direct Investment Success: Southeast Asia in the Shadow of the Dragon”, *Multinational Business Review* 13, no. 1 (Spring 2005): 11, 14.

border and security treaties with countries in the region to allay their worries and concerns. Moreover, China has sought to defuse its competition with Southeast Asia for foreign investment by becoming an attractive export destination through the China-ASEAN Free Trade Area agreement. With the increasing improvement in Sino-ASEAN relations since the 1990s came an unprecedented growth of large-scale socio-economic interaction. In terms of trade volume, for example, ASEAN is currently China's third largest trading partner. The total value of imports and exports between China and ASEAN was US\$2.64 billion in 1980, rising to US\$6 billion in 1990, to US\$41.6 billion in 2001, and to US\$160.8 billion in 2006. In 2007, the figure stood at US\$202.55 billion, having reached the projected volume of US\$200 billion in 2010, ahead of schedule by three years.<sup>17</sup>

## **THE GLOBAL CHINESE COMMUNITY, 2008–18**

The year 2008 coincided with significant events in Chinese and global history: the tragic Sichuan earthquake, the Beijing Olympics, and the global financial crisis. That year also marked the thirtieth anniversary of China's post-Mao reformation. In 2010, China surpassed Japan to become the second largest economy in the world while also becoming ASEAN's largest trading partner. In 2017, trade volume between China and ASEAN reached US\$514.8 billion, which was 6.6 times the amount in 2003, while accumulated investment amounted to over US\$200 billion. There were 3,800 weekly flights between China and the region, with people-to-people exchanges totaling 50 million and with 200,000 students on university exchanges.<sup>18</sup> In 2018, China-ASEAN trade was about US\$600 billion, an increase of 11.2 per cent from the previous year,

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<sup>17</sup> Xinhua News, Qingdao, 22 June 2004; Reuters, Beijing, 8 October 2007; *International Daily News* (GuoJi Ribao, Indonesia), 17 January 2008.

<sup>18</sup> <http://www.chinanews.com/gn/2018/09-13/8626235.shtml>

outpacing the trade growth of China's next two top trading partners (EU, 7.9 per cent; US, 5.7 per cent).<sup>19</sup> Chinese economic growth in the face of the financial and debt crisis in the West meant that China was able to effectuate a transformative restructuring of the global political economy, including establishing the Asian Infrastructure Investment Bank.

The ascension of President Xi Jinping in 2012 galvanized China's policy towards overseas Chinese into three themes: Grand Qiaowu, China Dream, and the "Three Benefits". Grand Qiaowu establishes an all-of-government approach to overseas Chinese affairs, rather than having the task as the sole responsibility of one singular Overseas Chinese Affairs office. An idea first mooted in a 1997 paper written by Xi, Grand Qiaowu has brought about the bureaucratic restructuring of the various agencies that were coordinating different facets of overseas Chinese affairs. As has been mentioned, the Overseas Chinese Affairs Office was incorporated into the United Front Work Department of the Central Committee of the CCP while other offices were merged into the All-China Federation of the Returned Overseas Chinese. However, such reshuffles should be kept in perspective: it is less a signal about the increased policy significance of Chinese diaspora, and more about an organizational streamlining of policy processes related to overseas Chinese affairs.

The China Dream is intended to encourage Chinese communities across the globe, whether foreign or Chinese nationals, to engage and assist in the economic rejuvenation of the Mainland. In particular, the Chinese overseas are expected to act as a bridge to advance and implement China's signature Belt and Road Initiative (BRI). To underline their significance, both the China Dream and the BRI have been respectively written into the Party Charter of the CCP and the amended Constitution of China. The "Three Benefits" outline the fundamental considerations underlying China's diaspora policy, namely, "to benefit China, to benefit

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<sup>19</sup> [http://www.sohu.com/a/288794502\\_123753?g=0?code=df77b268f7341144a0cab0a3a70b6eb7&spm=smc.home.top-news1.6.1547468299906y1tMp5z&f=index\\_cpc\\_5](http://www.sohu.com/a/288794502_123753?g=0?code=df77b268f7341144a0cab0a3a70b6eb7&spm=smc.home.top-news1.6.1547468299906y1tMp5z&f=index_cpc_5)

the host countries, and to benefit Chinese overseas”. Hence, China intends its diaspora policy to be mutually reciprocal and beneficial for both the Mainland and the overseas communities, rather than being an instrument for China to take advantage of for exploiting the Chinese overseas for its own selfish benefit.

In sum, China has tried to balance its diaspora policy during this period with some shifts in orientation. Instead of merely calling for the help of the overseas Chinese to support its modernization drive, China has begun to renew emphasis on serving the interests of the overseas Chinese as well. China has also started to pay more attention to the new Chinese migrants residing in the developed Western world instead of focusing solely on the old diaspora. Moreover, China has begun to pursue the return of talented Chinese from abroad for their knowledge and expertise, rather than restricting itself to attracting the flow of investment funds.

Significantly, both the old and new Chinese diaspora, whether foreign citizens or Chinese nationals, have become priority targets for China’s diaspora bureaucracy and policy. These developments have however caused some uneasiness among the Southeast Asian Chinese. Not only are they confronted with the increasingly pronounced presence of the new Chinese migrants in their respective countries, they have also yet to adjust themselves to the reality of a rising China and the loss of their previous sense of psychological superiority over Mainland Chinese.

## **“CHINA’S CHANGING POLICY” AND CATEGORY BLURRING**

Observers of China’s diaspora policy towards the *huaqiao* and the *huaren* have generally been anxious to show that there has been a change in its approach since the turn of the century. For one, China has engaged in high-profile overseas rescue missions in the Solomon Islands in the South Pacific, North Africa, and the Persian Gulf, departing from its previous position of passive non-interference. China has also sought to develop a “knowledge diaspora” in attracting the return of talented ethnic Chinese individuals from abroad regardless of their nationality, instead of merely looking at them as sources of investments and funds. Furthermore, China

has learned to use the “soft power” of the overseas Chinese to improve the relationship between China and foreign countries as well as to assist in the unification of Tibet, Xinjiang and Taiwan.<sup>20</sup> In so doing, according to Thunø,

Beijing both creates and governs the Chinese diaspora without directly challenging the sovereignty of other countries or giving overt reasons for concern about the loyalty of the Chinese diaspora.... The Chinese state ties global Chinese diaspora networks into reciprocal relationships bound together in a complexity of multiple interests, cultural affinities and economic interests. In reconfiguring the spatiality of the state, China breaks with the Westphalian principle of congruence between territory, sovereignty, population and political authority, while introducing new ways of conceptualizing citizenship and national belonging.<sup>21</sup>

This has the effect of engendering both official and informal public scepticism about China’s “changing policy” towards its diaspora, especially in what is seen as an increasingly assertive approach towards the *huaren*. Given the sensitive historical circumstances in Southeast Asia, such reservations are expected. I want to suggest that recent developments in China’s diaspora policy should be best understood not in terms of an abrupt change, but rather as an evolution which adapts and accommodates the new circumstances of China’s socio-economic development as it opens up and grows increasingly integrated into the world. Furthermore, save for the Cultural Revolution, there has been

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<sup>20</sup> Leo Suryadinata, *The Rise of China and the Chinese Overseas: A Study of Beijing’s Changing Policy in Southeast Asia* (Singapore: ISEAS – Yusof Ishak Institute, 2017); Mette Thunø, “China’s New Global Position: Changing Policies towards the Chinese Diaspora in the Twenty-First Century”, in *China’s Rise and the Chinese Overseas*, edited by Bernard P. Wong and Tan Chee-Beng (Abingdon and New York: Routledge, 2018), pp. 184–208.

<sup>21</sup> Mette Thunø, “China’s New Global Position”, pp. 200–1.

a fundamental continuity underlying Chinese diaspora policy over the past one and a half century since the 1870s, in which the Chinese polity has always regarded the Chinese diaspora as a positive asset. Therefore, if any change is perceived, it is not one that is precipitated by China. Rather, the sense of change comes from the Chinese overseas communities, especially those in Southeast Asia whose identities and attitudes towards China have undergone a fundamental shift over the past decades. Furthermore, it may also be the case that accusations that China is using the Chinese overseas as an “instrument” are themselves an ideological instrument to contain China and its pursuit of development.

A second major issue revolves around how the different elements of the heterogeneous Chinese diaspora are often subjected to conflation, particularly the controversial suggestion that China is blurring the boundaries between the *huaqiao* and the *huaren*. It is important for me to outline the relevant context before addressing this controversy. China has undergone a unique experience as a state, nation, and civilization that is unparalleled in the West. As Professor Wang Gungwu has pointed out, much of the modern identity of China and the Chinese people were shaped by the century of humiliation imposed by the Western powers following the Opium Wars. This was followed by Western discrimination of China and the ethnic Chinese through different iterations of the “Yellow Peril” panic over the decades, which has now culminated in the contemporary idea of the “China Threat”. These experiences of marginalization have had an impact on how China and the Chinese diaspora perceive themselves.<sup>22</sup>

After understanding this context, it is thus important to clarify whether category blurring exists as policy or practice. To be clear, it is not the stated and official policy of the Chinese government to obscure

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<sup>22</sup> Wu Xiao An, “In Search of Chineseness: Conceptualization and Paradigms”, in *Malaysia and the Chinese Community in Transition: Selected Papers on The Second Biennial International Conference on Malaysian Chinese Studies*, Vol. 2 (Community and Politics) (Kuala Lumpur: Centre for Malaysian Chinese Studies, 2015), pp. 55–91.

the boundary between the *huaqiao* and *huaren*. China is acutely aware of the complexity of the issue and is hence very cautious about departing from this distinction. As such, when terms such as *huaqiao-huaren* are introduced into the official lexicon, it is done to acknowledge the historical and contemporary reality of the Chinese diaspora, and not as a deliberate attempt to conflate the two categories. In fact, the use of the combined term of “overseas Chinese and Chinese overseas” is a recognition of the clear-cut distinction between the two groups. It is meant to convey a semantic balance in which neither category is emphasized at the expense of the other.

Having said that, it must be acknowledged that, in both China and abroad, there is a tendency to be conceptually ambiguous about the distinction between the *huaqiao* and the *huaren*. There may also be isolated incidents in which certain local governmental agencies might be susceptible to exaggerating the size and significance of overseas Chinese to advance their own departmental interests. However, this is oftentimes not the result of a deliberate policy consideration. Furthermore, the issue of language and cultural barriers should not be understated. Due to the linguistic ambiguity surrounding the terms, such category connotations may be the result of mistaken (or sometimes deliberate) misinterpretations by the domestic and foreign media, which is then subsequently misunderstood by foreign governments and Chinese communities overseas. It is an unfortunate fact that policy speeches by Chinese officials responsible for overseas Chinese affairs are often greeted with criticisms by the local Chinese communities in Southeast Asia. Due to the fact that English has yet to become a routine working language among the various governmental and departmental officials supervising *qiaowu* matters, their statements in Chinese are prone to be misinterpreted by outsiders, especially by communities that do not speak Chinese.

Furthermore, China’s diaspora policy must necessarily accommodate the evolving circumstances of global politics and of the Chinese diaspora. There have been calls for policy revisions not only from China, but also from some Chinese communities abroad. Although these individuals (who often have ties to the Chinese government) may not necessarily be representative of all the Chinese located outside the Mainland, the fact



remains that these requests from the diaspora do exist and have to be channelled to the Chinese authorities. Oftentimes, it is the representations and requests of these groups that form the rationale and impetus behind China's revisions of its diaspora policy.

As such, there are four primary challenges that China needs to address in developing its *qiaowu* policy in future. First, the Chinese government must learn and accommodate the fundamental interests of the majority of Chinese communities overseas, rather than merely treating the diaspora as an asset to serve the interests of the Mainland. Second, the majority of Chinese communities overseas, whether Chinese or foreign nationals, have to be convinced about the value of Chinese transnationalism. Their reservations must be addressed so that they can be more receptive to China's diaspora policy initiatives. Third, the diaspora policy should be balanced in its focus: it should unite the different and disparate Chinese communities across the globe, rather than seek to establish "new friends" at the expense of "old" ones. Fourth, China needs to streamline the formulation and implementation of *qiaowu*, and avoid inter-agency conflicts and overlaps. The Chinese government is aware of these priorities, but successfully addressing them remains a huge challenge.

## CONCLUSION

There were two forces of revolutionary changes that have shaped China's policy approach towards the *huaqiao* and the *huaren* since 1949. The first consists of the domestic upheavals in modern Chinese history: the establishment of the PRC in 1949, the Cultural Revolution from 1966 to 1976, and the economic reform and opening-up of China in 1978. The second refers to the significant developments in the post-war global order: the abrupt end of Western colonialism, the emergence of Southeast Asian nationalism, the Cold War, and the contemporary trends of globalization and transnationalism which have diminished the boundaries of the nation-state. The Chinese diaspora has been a pioneering, dynamic and reliable force in both the shaping of a modern China and its opening to the outside world.

The recent emergence of China as a global power and the outflow of Chinese investment and trade have coincided with the return of some

members of its diaspora to the Mainland. However, China's rise does not entail physical, economic, technological and military domination, but rather a further process of deepening reform and opening-up in order to sustain the growth of a global China. This is a China that is not only a global power in terms of political economy, but a China that is socio-culturally global as a result of migration inflows and outflows. As such, China's immigration policy would have to, and has indeed already, adapt to these new context and circumstances, including expanding its focus to non-Chinese migrants coming into China. Historically, China's immigration policy has involved mainly Chinese emigration and had little to do with Chinese returnees and non-Chinese immigration.

In sum, there is fundamental continuity in China's diaspora policy: namely, that China attaches great priority to the issues of the *huaqiao* and the *huaren*, and that it embraces these groups as part of a global Chinese community. This is unlikely to change. There might however be some policy shifts in future as China becomes more proactive in reaching out to its diaspora, while balancing the needs and interests of Chinese abroad with the needs and interests of the Mainland. It will remain the national policy of China to woo Chinese communities abroad for their talents. However, how Southeast Asian citizens of Chinese descent respond to this call remains to be seen.

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