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*The preeminence of overseas Chinese communities within the economies of Southeast Asia and within those countries' trade with China has come to form part of our basic knowledge of East Asia. With particular reference to the Philippines, this article considers the unreliability of recent and current estimates of Chinese economic activities, and why this is so. It suggests that long-established and very powerful street representations of the Chinese, scholars' and merchants' positive cultural constructions of the Chinese, and the abstraction of the Chinese for analysis may have combined to inflate the economic significance of the Chinese. This overstatement, however, has helped to enhance the catalytic effect of Chinese business within the Philippine economy.*

**KEYWORDS:** *Chinese overseas, economic significance, representation, East Asia*

The preeminence of overseas Chinese communities within the economies of Southeast Asia and within those countries' trade with China has come to form part of our basic knowledge of East Asia. In recent years, however, as the purer forms of cultural explanation of Chinese economic success have come to be viewed more critically, and as more fluid conceptions of "the Chinese" and "Chineseness" have gathered favor, estimates of the numbers of Chinese and their economic strength in Southeast Asia have been recognized explicitly as intrinsically vague, unreliable, and inaccurate (Wang 1999; Jomo 1997; Chu 2002 a and b; Wickberg 1999). Underlying this greater circumspection, in part, has been

the economic crisis, and a concern that cultural explanations and the more remarkable claims of Chinese economic success might only serve to hone the Chinese into a target for frustrations and resentments. Certainly the tendency to rely too strongly upon definitive cultural characteristics and the more colorful estimates associated with those explanations have been described variously by writers such as Wang (2000), Chan (2000), and Ruskola (2000) as incredible, exaggerated, probably mischievous, serving the agenda of chauvinists and nationalists, peddling caricatures and colonial myths, essentialist, reductionist, fallacious, and deceitful.

Implicit in these kinds of doubts and charges, for good or ill, are estimates of the economic significance of the Chinese, as well as cultural explanations of their significance, that have become a part of the construction of both negative and positive representations of the Chinese. However, aside from these kinds of concerns, few studies attempt specifically to consider just how unreliable these estimates can be, and why this may be so. This article will consider these questions with particular reference to the Philippines.

## **Facts and Figures**

The economic strength attributed to the Chinese in the Philippines is no less remarkable than in other countries in Southeast Asia. It is commonly said that, although they constitute only 1 percent to 2 percent of the population, their share of market capital is between 50 percent and 55 percent. They control the Philippines' major supermarkets, department stores, fast-food chains, and nearly all the main banks and stock brokerage firms, and they dominate the nation's wholesale distribution networks, its shipping, construction, textiles, real estate, manufacturing, pharmaceuticals, and press (see, for example, Chua 2003; Hiscock 2000). It is very likely, as various studies have shown (for example, Brown 2000; Hutchcroft 1998), that the economic significance of Chinese business in certain activities—such as textiles, banking, retailing, and wholesaling—and at certain times and places has been very marked indeed, and remains so today. Yet, as these more nuanced studies make plain, so complex and fluid is the position of the Chinese that it is probably

unsafe to use a vocabulary that conveys anything more than a general sense of what their importance might be. This complexity and fluidity is evident from the very first problem confronting any attempt to arrive at estimates—that of identifying those who are Chinese. One of the few attempts (Postan, Mao, and Yu 1994) made to provide an open and comprehensive assessment of the number of Chinese in every country throughout the world appears to indicate that, even where national censuses provide figures for the numbers of Chinese, the reliability of these data is far from certain. Estimates provided for any particular country (with the possible exception of the United States) appear to vary considerably (commonly by hundreds of thousands or even millions) from one source to the next (compare, for example, Postan, Mao, and Yu 1994 with Pan 1999). In most cases, and this is not said critically, the bases of figures given for the numbers of Chinese are neither clear nor perhaps even known. This is hardly surprising as there are, in the view of some commentators, many degrees of Chineseness. As Brown (2000) points out, the degree of assimilation in many Southeast Asian countries is such that it makes little sense to put a figure on the percentage of population that is Chinese. Arriving at some kind of working definition, therefore, is not easy. Indeed, the more capable of capturing something of the complexity on the ground any definition may be, the more awkward are its categorizations likely to become, such that categorization may serve only to demonstrate that we should have profound reservations about the purpose of such exercises and their meanings. This is a matter to which we shall return at the end of this article.

With these comments in mind, it is suggested that the simplest, most direct, and possibly most inclusive criteria are those of name. Furthermore, because Chinese may adopt Filipino names, it is necessary to assess whether or not those who are identified as Chinese see themselves and are seen as such by others. This is the definition of “Chinese” used here; and it is one that *includes* Chinese who do not hold Filipino citizenship. Consequently, “Chinese” with foreign citizenship are excluded from the definition of “Internationals,” which is used here to refer to individuals who are foreign citizens. Thus, “Filipino” refers to individuals with Philippine citizenship and who are neither “Chinese” nor “Internationals.” The category of “Filipino” may exclude a small number

of individuals who originally held Filipino citizenship (but who are not “Chinese”) and who have taken on foreign nationality, and include a small number of individuals who were originally foreign (but not “Chinese”) and who have taken on Filipino citizenship. “International” also includes small numbers of former citizens of the Philippines who are not “Chinese.”

The question of definition is complicated further by a need for a working definition of the ethnicity of corporations. Ownership of and interests in corporations are most often complex, dynamic, and diverse so much so that from the vantage point of the Central Bank one wonders about the purpose of attempts to define and measure the potency of any specific group, as suggested by a member of the Monetary Board (Salazar 2004). In any such attempt, increasingly cumbersome definitions and categories soon begin to emerge. In this article, companies owned solely by Chinese or by Filipinos or by Internationals are described as “pure,” as are companies dominated by one of these groups and in which the interests of one or both of the other two groups are “nominal.”<sup>1</sup> “Exclusive” is used to describe companies that are owned solely by Chinese, or by Filipinos, or by Internationals, and in which neither of the other two groups has interests, nominal or otherwise. The term “cosmopolitan” is used here to encompass companies that comprise either “pure” Internationals with nominal Chinese or, in the majority of cases, nominal Filipino interests, or some combination of Chinese, Filipinos, or Internationals each of whose interests in the company are more than nominal.

These rather ungainly categories into which the problem of identity seems to lead us are but a taste of the complex and fluid patterns of economic activity within which we must attempt to set the position of the Chinese.<sup>2</sup> Turning then to a consideration of the Philippines’ strongest (as measured by gross domestic sales) 120 companies that together account for around 55 percent of the domestic sales of the nation’s top 7000 companies (SEC 2004), and for more than 40 percent of the nation’s gross domestic sales, we find that the proportions dominated by Chinese and Filipinos are 25 percent and 31 percent, respectively, while the proportion of Internationals is 42 percent. Of these same 120 companies, the proportion that is “purely” Filipino drops marginally to

12 percent, while the share of the “pure” Chinese rises to 16 percent. Companies with some combination of Chinese, Filipino, or International interests comprise 41 percent, and the proportion of pure Internationals is 30 percent.<sup>3</sup>

With regard to the Philippines’ direct trade with mainland China (along which we would expect the overseas Chinese to show a strong presence), the balance of Chinese interests is less favorable.<sup>4</sup> Companies that are predominantly Chinese (primarily Taiwanese, Singaporean, or American Chinese) account for only around 11 percent of those dominating exports to China (2000–2003 first quarter).<sup>5</sup> Of these exporters, only two are owned solely by Chinese; two others have significant International interests; and seven have nominal Filipino interests. Companies that are predominantly Filipino make up 22 percent of these exporters; and two-thirds are International. Of these International companies, most (over half) have nominal interests that are Filipino only; those with nominal interests that are Chinese only constitute 5 percent, while those that are exclusively International account for 10 percent; companies that have both Chinese and Filipino nominal interests comprise about a quarter. If we consider the balance of interests among the country’s strongest exporters (regardless of destination), we find that among the top exporters the proportion of the balance of interests falls to 9 percent and 13 percent for Chinese and Filipinos, respectively. The remaining exporters may be described as cosmopolitan. The pure Internationals (most of which have nominal Filipino interests) account for nearly three-fifths of all exporters, and getting on for another one-fifth is exclusively International.

Imports directly from mainland China (for the period) create a more complex picture. The share of imports is spread relatively evenly over a large number of companies (more than 1,600 companies) and over many thousands of transactions. Nevertheless, sufficient concentrations give rise to a discernible and interesting pattern. The top 23 importers account for just over half of all imports by value. Ten of these are predominantly Chinese, but they account for only 10 percent of the top 23 companies’ imports. Apparently, this characteristic—that of a low share of import value relative to the share of the numbers of companies—holds true among the remaining Chinese importers. Within

most provinces or provincial-level cities across the Philippines, the proportion of the total value of imports from China is a little higher (by about 5 percent) than the proportion of the total number of companies importing from China. Yet, in Binondo—a part of Manila that loosely equates with the heart of the Philippines' Chinatown—the proportion of the number of companies is more than twice the proportion of the value of imports. This pattern holds true when we expand our definition of Chinatown to include Tondo, and even when we include Manila. We also find similar proportions in Pasig, where there is a concentration of Chinese businesses, many owned and managed by mainland Chinese. This comparison is made even more dramatic if set against Makati (where the share of the total number of companies and of the value of imports is ten and three times the national averages, respectively). Here the city's share of the total value of imports is nearly four times its share of the number of companies.

If we exclude both our expanded definition of Chinatown and Makati from the calculations, then we find that nationally, in each administrative division, the share of the total number of companies importing from China, on average, is greater than the share of the total import value from China by about 15 percent. Although Binondo no longer appears so exceptional in that nationally the average share of companies is higher than the average share of the value of imports, the situation in Binondo nevertheless remains marked. Moreover, if we remove only Chinatown from the estimates of the national averages, then we find the comparison is still more dramatic: even if nationally the share of the value of imports is, on average, 24 percent greater than the share of the number of companies, in Chinatown the share of the number of companies is more than double its share of the value of imports. In short, although there are in Chinatown more companies engaged in importing goods from China than in any other administrative division in the Philippines, this is not matched proportionally by Chinatown's share of the value of imports.

It would appear, then, that as the scale of operations increases and as we take a national view the Filipino and, even more so, the cosmopolitan firms are those that are of far greater economic significance. Increasing cosmopolitanism with economic strength is also coincident with a

kind of hierarchy. Although there are in provincial cities quite complex, though fairly contained, networks of ownership (which again often exhibit varying degrees of ethnic exclusivity) among those businesses with a strong local presence, the strongest “local” companies lie outside those local networks. These companies have a strong national presence, are usually centered in the national capital region, and often form part of more complex and less contained networks of ownership and board memberships (Hodder 2002). These webs are those that dominate the economy and with which International companies are entwined. Here again, it must be noted, some of the strongest companies in the capital, and certainly the strongest exporters, exist outside these combines, but form part of still more extensive and complex international relationships.

The observation that cosmopolitanism is growing is reinforced by another: that the origins of imports from China are concentrated in Shanghai (a little over 40 percent). The next highest concentrations of originators are to be found in Guangdong (and Shenzhen), Zhejiang, Fujian, and Jiangsu, each with less than 10 percent of the total. Viewed nationally, however, there is a clear concentration in central-eastern China, spreading out, in order of importance, north and west, and lastly southeast (with just 15 percent of the total). Yet the majority of Chinese in the Philippines is said to originate from southeastern China.

### **Inflation of Economic Significance: Three Strands**

The discrepancy between the prevailing estimates of Chinese economic strength in the Philippines and the restrained estimates introduced above can be explained by three strands of argument.

#### **Street Representations and National Extrapolations**

Within the picture of economic activity dominated by internationals and cosmopolitans, a concentration of Chinese interests in the trade of large volumes of low-value everyday goods apparently exists in Binondo, which suggests a strong interest in wholesaling. This observation is confirmed by a consideration of the patterns of activity in a local economy—that of Davao City in the southern island of Mindanao. The city is large enough to trade directly with Greater China (China, Hong



Kong, and Taiwan) through its own port, and yet modest enough for the smaller (and what some writers may regard as the more traditional) companies to stand out. Here we find that marketplaces are heavily dependent upon wholesalers of dry and manufactured goods who are to be found in a part of the city centered on and around Uyanguren Street and commonly, if very loosely, referred to as Chinese. Indeed, in this area those that are wholly Chinese account for some 54 percent of all establishments (sole proprietorships and corporations); those that are predominantly Chinese-owned account for around 11 percent.<sup>6</sup> These wholesalers commonly obtain their goods either through their suppliers in Binondo or from marketplaces in Manila, whose sellers in turn buy their goods from suppliers in Binondo. A small proportion of their goods is also brought in directly from Greater China through the port of Davao.

Chinese companies are also responsible for the lion's share of imports (by value) from Greater China into Davao. Of the ranking twelve companies (that together account for just under 75 percent of imports), three are owned solely by Chinese; in another two Chinese companies, Filipino interests are only nominal. Together these five companies account for just over 52 percent of imports. Among the thirty-five remaining companies Chinese interests are also strong: eight are owned solely by Chinese; in another four Chinese-owned companies Filipino interests are nominal; and in yet another four companies, Chinese hold majority ownership. If we consider direct trade with mainland China only (and exclude trade with Hong Kong and Taiwan), the preeminence of Chinese-owned companies is even more pronounced. Two companies that are predominantly Chinese are responsible for some 60 percent of exports; and again two, predominantly Chinese, companies are behind some 60 percent of imports. Chinese companies also dominate exports to Greater China. Seven companies account for some 60 percent of exports (by value). Among the remaining nineteen companies who, together with the top seven, account for 90 percent of exports to Greater China, Chinese interests are less strong, though only marginally so. Five are "pure" Chinese. Another four are dominated by Chinese interests. Of the remaining ten companies, seven are "pure" Filipino and three are "pure" "Internationals."

Clearly, although Chinese economic strength appears to be greater than their share of the total population of the Philippines would lead us to expect, that strength is nevertheless modest, and falls far short of national or even local dominance. Even if we assume Chinese dominance of wholesaling and retailing nationally, the figure stands nationally at around 14 percent only of total gross domestic sales of the top 7000 companies, and at some 13 percent of GNP (Pambansang Lupon sa Ugnayang Pang-Estadistika 2002). However, viewed from the street—and this is the crucial point—there are notable concentrations of Chinese interests in wholesaling in everyday goods in local and national economies.<sup>7</sup> In Davao direct trade with Greater China is dominated by Chinese companies. This fact in itself is likely to attract attention, more so because certain goods (such as fertilizers), which account for a significant proportion of this trade (especially imports), have a wider significance for the agricultural economy, and are brought in through Chinese companies.

It is not difficult to appreciate why for anyone in the street in Davao—and most especially for those who rely on the markets, the wholesalers and the cheaper shops for everyday goods—the Chinese should have become so much a part of their daily routine that economic success itself has become the prime marker of Chineseness. The existence of prominent Chinese entrepreneurs on the national stage reinforces street representations of the Chinese and facilitates the extrapolation of the local dominance of certain activities to national dominance of all economic activities. It also makes it easy for anyone on the street to point to this or that building or business and—regardless of the complexities of share holding, ownership, and background—say “Chinese.”<sup>8</sup> Indeed, because Chinese involvement has been, and may still be, a major element in certain activities, it has been easy to assume that this is also true of the entire economy. Thus survives a kind of street representation: that of the Chinese middleman, dominating the economy and much of daily life.

There are three further dimensions to this pattern that help to reinforce the sense of overwhelming Chinese economic power. The first is historical. To the American businessmen in the early twentieth century, the Chinese immigrants were a crucial source of labor; to the civil

administrators the immigrants—who were disposed to set up small businesses and thus find themselves in direct competition with the Filipino—were a source of tension.<sup>9</sup> Given the proximity of the Filipino on the street and their presence in what was to the ordinary Filipino the more important area of the economy, it was only a matter of time before the Chinese would be accused of everything from impenetrable bookkeeping to sedition. How could it have been otherwise that their economic power should have been exaggerated?<sup>10</sup> And so, even though the Americans, and before them the Spanish, were those who had by far the largest share of profits from the colony, it was the Chinese who were charged with owning three-quarters of the rice mills, dominating retail trade, and exerting undue influence upon the banking system (Callis 1942). Even after the Second World War, and with independence, such was the frame of mind of people and politicians that figures showing the Chinese with, at best, a third of the import-export trade and a quarter of national assets and sales (*Manila Post*, 11 Mar. 1947, cited in Purcell 1965) were magnified into a Chinese monopoly, sufficient to warrant retail nationalization laws, and pushing Chinese merchants into wholesaling and manufacturing (Mendoza et al. 1999). One cannot but help wonder if the ripples of this part-colonial and part-nationalist image of the Chinese and the actions taken under its influence are still being felt today.

The second dimension is political. The reasons for, and ramifications of, the cynicism with which Philippine political institutions are viewed are complex. Nevertheless, the influence of business interests on politicians has been commonly seen not only by academics but also on the street as being central to an understanding of the country's political weaknesses (Bolongaita 1995; Hutchcroft 1998, 2001; Landé 2001; Putzel 1999; Rafael 2003; Skene 2003). Given the economic power of the Chinese, it was entirely logical that they should be closely allied with politicians who received a low salary (officially at least) and no state financial support to meet the costs of their election. The involvement of Chinese in banking, in particular, carried with it all kinds of connotations: since there were indeed Chinese bound up with politicians, then surely, it was reasoned, most Chinese were exerting undue influence? There was a historical dimension to this too. Prior to the Second World War the Chinese in many parts of Southeast Asia had been seen as revenue

collectors, channeling money from the indigenous peoples through to their rulers; as competitors to Filipino businesses; and as raiders of the territories' coffers, drawing off, in the case of the Philippines, the silver sent from Mexico to pay for the islands' administrative costs, through piracy, moneylending, the silk trade, and tax avoidance (Purcell 1965; Wickberg 1962). Finding themselves in such an invidious position, Chinese entrepreneurs had perforce to cultivate relationships in many directions simultaneously. After 1945 the Chinese developed still closer relations with Japanese, American, and European firms as well as with the political elites of Southeast Asian states—relationships which would become closer still as China opened up. All of these could not but add grist to the mill, strengthening the street representations of the ubiquitous Chinese who, if they dominated economic life, must surely corrupt political life.

The third dimension is the apparent diminution of the Chinese among the larger and more important companies that dominate the Philippines' domestic economy and its trade with China. As we have already noted above, although Chinese were certainly present and sometimes influential in various sectors of the economy before and after the Second World War, they were by no means omnipresent, monopolistic, or uniformly wealthy. Indeed, given Chinese involvement in the lower levels of the economy, which caused such friction with Filipinos in the past, and the marked cosmopolitan quality of the upper levels of the economy today, we cannot rule out the possibility that the apparent diminution of Chinese may in fact indicate the relative strengthening of Chinese economic significance in a broader range of activities. Chinese entrepreneurs, in other words, have managed in more recent times to break out from wholesaling and certain other sectors (and often from the lower levels), and move on outwards and upwards. This break out may have been helped by the creation of a fictitious and crude antitype (the traditional Chinese) against which the younger, more cosmopolitan, modern Chinese could define themselves. Fashioned from the street representations floating around them, this antitype, by reinforcing those negative street representations, may have made it easier for those who were Chinese to establish greater empathy, and to highlight their similari-

ties, with the non-Chinese. "Traditional," then, may be something of a recent invention.

The power of the street representation of the Chinese, buttressed by these various dimensions, is illustrated by two observations. The first is that, as we move down the economic hierarchy into the marketplaces, we find that the proportion of Chinese traders operating there is large, perhaps surprisingly so, at around 16 percent, although only 1 percent speak Chinese. Among marketplace traders, however, there is no general sense of a Chinese presence in this area of the economy. Moreover, one can always find examples of individuals who, though they bear Chinese names, are not regarded as being Chinese. Similarly, a closer look at Chinese wholesalers reveals that less than a quarter of the two-thirds who are Chinese speak Chinese. A substantial proportion (more than two-fifths) is either not Chinese or, even though they are identified as being Chinese, do not speak Chinese. This would suggest a much looser and more fluid sense of identity (Chu 2002a and b) and interactions in this Chinese part of the economy in this Chinese part of town. Yet it is not unusual to find examples of establishments that, even though they are not staffed, owned, or managed by Chinese, are nevertheless regarded as Chinese by traders in the markets who buy their goods.

### **The Transformation of Street Representations**

The second strand of our explanation comprises the merchants' and scholars' transformation of these negative street representations into positive versions. The rise of East and Southeast Asia turned the Chinese into one of the most important symbols of the belief that the non-Western was just as good as, if not better than, the Western at delivering prosperity and the good life. This was so for good reasons: three of the economies of East and Southeast Asia (excluding mainland China) were populated mainly by Chinese; the two that had led the way, Japan and South Korea, had been heavily influenced by Confucianism; and, in most of the remainder, street representations of the Chinese were already well-established. At the same time, part of the solution of the various problems that faced entrepreneurs as they attempted to build up their companies involved the construction of cultural images. In Taiwan,

Greenhalgh (1994) argues, the drive to keep costs down and so to remain competitive and successful in an uncertain global economy, a government that was suspicious of big business, and banks that denied credit to small firms left entrepreneurs with little choice but to create firms out of their families. To this end they exploited traditional family hierarchies and cultural expectations about the role of men and women. The use of culture by scholars to conceal this fact was understandable: Chinese and Chinese-American scholars were attempting to disrupt the European-American cultural legacy and to give their own culture a place in the sun. But in so doing they drew on older Orientalist constructions (such that these scholars were participating in a kind of inverse Orientalism) and inadvertently contributed to a conservative, antifeminist, intellectual-cum-political agenda in the United States that idealized strong familism, strong tradition, strong social and political discipline, intelligence, and industriousness. In other words, Chinese and Chinese-American scholars chose to see in the Chinese what it was that the dominant conservatives thought best about America. Dirlik (1997) took a similar view. The strength and intensification of transnational subcontracting practices renewed the significance of small businesses; to this end Chineseness was reshaped, reorganized, and reinvented. Production was, in a word, "ethnicized." But in doing so certain realities were ignored. In particular, cultural practices of uncertain ethnic origins were appropriated. The values and practices commonly ascribed to Confucianism (such as a strong family; commitment to education; strong kinship or pseudokinship; and social networks and their use for economic and other purposes) were hardly unique to the Chinese and were much more the product of particular social and historical circumstances. Weaving such practices and values into the cloak of Chineseness represented nothing less than an assimilation of Chinese traditions to the values of European capitalism or, to put it in another way, the "Weberizing" of Confucianism. And yet, at the same time, differences such as class, gender, and even ethnicity among the Chinese were suppressed. The reconfiguration of Chineseness, argued Dirlik, also justified authoritarianism while transforming socialism into a historical aberration, which stood briefly against the natural tendency of the Chinese toward capitalism. In common with Greenhalgh, Dirlik (1994, 1997) argues that this resinification must also

be understood as an assertion against centuries of Euro-American cultural hegemony—an assertion he describes as a kind of self-Orientalism that itself may have become hegemonic. After all, the idea that there might be a “Chinese” variant of capitalism arose not in any Chinese society but in the United States where “two conditions, both of global significance . . . gave birth to it: the retreat from socialism in China, and the apparent regression in Euro-American capitalisms against evidence of unprecedented growth in East and Southeast Asian societies” (Dirlik 1997, 305).

That such images, picked up and elaborated upon by scholars, may also have found their way back to Chinese entrepreneurs seems entirely likely; as does the possibility that merchants would have taken those scholarly representations, modified them slightly, and fed them back to the scholar. Thus it may have been that a dialectic between entrepreneur and scholar refashioned negative street representations and (re)presented the Chinese, traditional as well as modern, in a kinder light, and with pride. In short, the rise of East and Southeast Asia constituted the context within which entrepreneurs and scholars married both the region’s economic success and the fact of a strong Chinese presence in particular activities in those Southeast Asian states where they formed a minority, with the fiction of their general monopolization of domestic and regional economies, to produce a more positive image of the Chinese in which economic success was an enduring and inextricable quality.

### **Abstraction and Attribution**

A third strand to explain the inflation of Chinese economic significance may lie in the very attempt to abstract any group from the wider social context for enumeration, assessment, and analysis. The suggestion here is that, as we begin to abstract a group from its wider organic context, it becomes easier to conceive of the possibility that the group can be defined and distinguished in absolute terms. This implies that, however fluid and nuanced we might still believe the boundaries of identity to be (see Clifford 1997), the group and its behavior and the behavior of any one of its members are to be explained, at least in part, by the attributes by which they are defined. Thus, as we abstract (from the context) and as we attribute (cultural and structural features), we may find, inexorably,

that analysis itself begins to take an active part in the creation of the Chinese. Understandably scholars felt comfortable in participating in this creation. Not only was East and Southeast Asia in the ascendancy, but also there was an intense and growing interest in diaspora. By the last quarter of the twentieth century, the word *diaspora*—which had been used during the nineteenth century and through the first half of the twentieth century to describe, most commonly, the dispersal of Jewish and black communities—was being applied to just about every and any group. The fall of the Soviet Union and the metamorphosis of communism in China; the reemergence of national boundaries that are almost medieval in their porosity; the reacknowledgment of the importance of the movement of peoples and things; the broadening range of stimuli to dispersal (while the significance of conflict as one of those stimuli has deepened); and the speed and ease of movement and communication: all these seemed to demand that the study of diaspora should attract far more attention. Out of the mass of publications on diaspora over the last twenty years has emerged the idea of a kind of third nation or community—a community that is neither of its home or destination, kept separate from both by nostalgia, harsh memories, and its own strengthening tradition of stories, literature, stories, arts, rituals, practices, and institutions (see, for example, Huyssen 2003; Duany 2000; Bhatia and Ram 2001; Bhatia 2002; Slobin 2001; Tölöyan 1996; Naficy 1993). Carried by this worldwide zeitgeist, it was only natural that, whether intentionally or not, scholarship on the overseas Chinese (most especially if the authors themselves were Chinese overseas) should have become part of the literary tradition of a new “third” community.<sup>11</sup>

## Explanation

The three strands to our explanation of the inflation of the economic success of the Chinese are then: (a) the long-established<sup>12</sup> and very powerful street representations of the Chinese; (b) the more positive representations of the Chinese, which have been crafted by merchants and scholars; and (c) abstraction and attribution. Those early street representations of the Chinese—the middleman (*auri sacra fames*) dominating the economy and daily life—may well have constituted the basic



knowledge upon which the very idea of turning the economic success of the Chinese into a matter for analysis may have been cast. Thus, attention and energy centered upon why the Chinese were preeminent, and not whether this was so. The next step was to enumerate and assess and, therefore, to abstract. The more cleanly it was abstracted, and the more closely it was defined, the harder the concept of the Chinese became, such that it was possible to conclude that the Chinese could be explained at least partly by the criteria that defined them. With the rise of East and Southeast Asia, and most especially of Hong Kong, Singapore, Taiwan, and China, merchant and scholar fashioned more positive images of the Chinese in which an elemental defining quality was economic success. As interest deepened, so analysis began to lose sight both of those who were not Chinese, and of the complexity and significance of interactions among Chinese and non-Chinese. The assumption that where successful businesses were to be found there would be Chinese, and vice versa, was now just a matter of course. Viewed through this glass, and now so keenly sensitized to the presence of the Chinese (who were, by definition, economically powerful), it was hardly surprising that the significance of the Chinese would be inflated.

This view is sympathetic to the more circumspect interpretations and estimates noted at the beginning of this article, although it suggests that more than just a kind of pernicious mischievousness accounts for the inflation of Chinese economic power. It is also sympathetic to the more broad-brushed, institutional view of Chinese capitalism (the Chinese as *go-between*) in Southeast Asia alluded to earlier. If we were to take both the more restrained estimates of Chinese economic power and also the reason for their inflation, and set the Chinese as more modest players in the complex of relationships and interactions between merchant and state, then we are left with an interesting possibility: that Chinese businesses have not so much dominated or driven economies as acted as catalysts. In common with Japanese, Koreans, Indians, and other groups, they at once helped to create a competitive and cosmopolitan atmosphere, and to show that one did not have to be Western to run a business and do it well. The inflation of Chinese economic power worked to enhance their catalytic effect beyond their true economic importance.

## Conclusions

Questions surround the more modest assessment presented above, and its explanation needs further consideration, however brief.

To begin with, doubts must attend the figures and information gathered on ownership and investments. The extent of smuggling and tax evasion is, almost by definition, unknown;<sup>13</sup> this, together with the shortages of staff in government agencies in the Philippines, must cast doubt on the accuracy of data. Although a few studies do provide us with a longer view (see, for example, Palanca 1995b), investments and ownership change constantly. Furthermore, in this article, we have considered only domestic sales and merchandise trade with China, and we have done so over a short period. No direct attempt has been made to estimate the scale of investment between the two countries.

The more modest estimates provided above, it might also be suggested, indicate an absolute but recent decline in the wake of the 1997 crisis and the increasing competition with foreign capital. In response to these considerations Chinese entrepreneurs might have been adopting more fluid, cosmopolitan identities. Or it might be that the apparent decline is only relative. After all, even with the figures provided in this article, there is little doubt that the economic significance of the Chinese in the Philippines is greater than the figure commonly given for the proportion of the Chinese in the population as a whole. Undoubtedly, the value and volume of China's trade with the outside world and the streams of investment into China, and the number of countries participating in this trade, have been increasing very quickly, particularly in the run-up to and since China's membership of the WTO. Relative to these increases, the interests of the overseas Chinese were bound to shrink. That this is so may be reflected in the apparent reversal in the balance of interests nationally among Chinese, Filipinos, and Internationals when compared with the balance found in Davao; and in what appears among the strongest 100 companies to be a fall in the proportion of those that are exclusively Chinese or Filipino from around 5 percent and 13 percent, respectively, in the mid-1990s to less than 5 percent each today.

A fundamental question is whether the definitions of Chinese and Filipino adopted in this article have taken into account the complexity

and, perhaps, the peculiarity of circumstances in the Philippines. Could it be that the Chinese have been assimilated to an unusual degree, at least partly under pressure from Filipinization policies in the years after independence?<sup>14</sup> Or could it be, as some have argued, that the particular quality of the Filipino and Chinese cultures, combined with complex historical events, have strengthened the economic power of the culturally pure Chinese, and brought about creolization on such a scale and intensity that mestizos (the offspring of Chinese and Filipino unions) “were not really absorbed into indigenous society . . . (but) . . . merged with it to form modern Filipino society” (Skinner 1996, 90; see Chu 2002a, 2002b)? We might conclude that the economic influence of the Chinese (which, as we have already noted, is indeed greater than their numbers suggest) is in fact even stronger than we think, but appears less so precisely because Chineseness is so fundamental in Filipino society and culture. Because it is everywhere, we see little of it. Many better-off Filipinos even today, despite their Filipino names, are Chinese or of Chinese descent and, it has been suggested (*ibid.*), exhibit aspects of Chinese and mestizo culture. A reliance on name or indeed self-identity cannot but deflate the significance of the Chinese.

Another possible reason why the Chinese are less significant than might have been expected is that traditional Chinese business operations and traditional Chineseness have given way to broader, even universal, techniques and practices. A variation on this theme is that Chineseness has merged with the practices of a homogenized and globalized world to create a new form of Chineseness whose qualities, in Wang’s (1999) view, include neither language nor traditional values (let alone name). If so, then again the criteria adopted in this article could not but deflate the economic significance of the Chinese.

Clearly, then, there is a need for a more detailed consideration of a greater range of data over a longer period and for more of the Philippines’ trade partners. A detailed examination of records of imports, exports, and investments as far back as they go is also necessary, if we are to determine whether or not the role of the Chinese in the Philippine trade with China was indeed highlighted (as still appears to be the case in Davao) by smaller and narrower trade flows and weaker economies in earlier years. If the true extent of the economic influence of the

Chinese is indeed disguised by assimilation and new forms of Chineseness, then there is also a pressing need both for (a) detailed comparative analyses of how Chinese, other immigrants, and Filipinos saw themselves and each other in the past, and how they do so today; and (b) comparative analyses of the past and present institutions and practices of these and other groups (such as Japanese, Koreans, and Indians). Accompanying all these concerns is the need to explore fundamental questions about the purpose and possibility of defining and assessing the economic power of specific groups.

Yet the problems referred to above may cut both ways. While forcing us to acknowledge the need for more extensive work, they also bolster the explanation outlined above in a number of respects. With regard to the accuracy of data, we cannot but note that doubts attend all such data; and that, although the source of many figures for the dominance of the Chinese over economies is not always known,<sup>15</sup> we have in this article relied mainly upon raw data. The fluidity of investments, ownership, and trade flows must also prompt questions about the ease with which Chinese economic power is declared and figures are provided. Moreover, although we cannot rule out the possibility that the Chinese figure more strongly in trade with Hong Kong and Taiwan (the Philippines' more important trade partners) or with the United States and Japan (the country's most important trade partners by far), we nevertheless would have expected that the significance of overseas Chinese in trade with the Chinese mainland would have been very marked and directed largely toward south and southeast China, especially given Pye's (1995) view that economic imperatives are subordinate to *guanxi* in the mind of the Chinese merchant.

The suggestion of an absolute decline in the significance of Chinese business probably holds true for a very specific period immediately before and after 1997, but it would seem unlikely that Chinese businesses would have been affected more than any of the others. If we take the longer view and in the absence of a clear benchmark, it is impossible to be sure that the modest figures presented above are part of any such decline. Moreover, although it may indeed be a response to certain problems, growing cosmopolitanism is nevertheless difficult to dissociate from

an expansion of opportunities and a strengthening of the economic significance of Chinese and other groups. The same point can be made in reply to the suggestion that the comparatively modest estimates indicate a relative decline. In response, it should be noted that, even if the absolute value of trade with China has increased, the opportunity for relative changes has been limited. For instance, the absolute value of exports to China quadrupled and the value of imports from China increased more than five-fold since the early 1990s. However, exports to China as a share of total Philippine exports have remained below 3 percent (compared with the 16 percent share of Philippine exports absorbed by Japan), while imports from China as a share of total Philippine imports have remained at a little over 3 percent (compared with the figure of 21 percent for the value of imports from Japan in relation to the value of total Philippine imports). If it is assumed that Chinese businesses have an advantage in trade with China, or at least do not have a disadvantage,<sup>16</sup> and given that there has been no marked shift in trade away from China, then there would seem to have been limited scope for Internationals and Filipinos to increase their share relative to Chinese businesses.

The argument that the assimilation of the Chinese to an unusual degree may have led to an underestimation of their economic influence is certainly plausible. However, if this is not an argument made to emphasize that attempts to identify, enumerate, and assess have little meaning, then it is an argument that would appear to make all kinds of assumptions about the human condition, culture, heritability, socialization, and history. It would imply, for example, that being Chinese is not a matter of preference (Wong 1999), and that individuals are Chinese even if they do not think of themselves as such. These kinds of assumptions need to be made explicit and examined carefully, for they bring us face to face with the question of abstraction and attribution. Moreover, are we not also bound to ask why assimilation should occur in only one direction? If non-Chinese have borrowed much from Chinese, then should they not also be classified as part of the assimilated Chinese?

Similarly, the argument that Chinese influence is disguised by fusion such that a new kind of Chinese has emerged from the global and

traditional is no less plausible. Once again, however, if this is not a way of saying that Chinese in the Philippines particularly and Southeast Asia generally have become more cosmopolitan, and that "traditional" may have been a recent invention, then it leaves itself with a number of problems. The idea of melding seems merely to transpose traditional Chineseness. We are also left with the possibility that, unless transposition is uniform and agreed upon (and it is clear from the different views of Chineseness to be found on the street and among Chinese academics that this is not the case), then are we not saying that a meaningful assessment of the economic significance of the Chinese is indeed impossible? However, if the traditional is not being transposed, then, as suggested earlier, must not those non-Chinese who have assimilated certain Chinese ways also be defined as the new kind of Chinese just as surely as those traditional Chinese who have assimilated formerly non-Chinese practices, techniques, values, and patterns of behavior? We can take this line of argument even further. We can suggest that we are all, in one way or another, the product of hybridization (for we must in our everyday lives, and generation by generation, accommodate and compromise if we are to live with each other). In this view, how is it possible to define the Chinese and what is the purpose and value of doing so?

One further comment which seems to arise from this discussion is that, in their dynamic representations of self and group, those whom we might define as Chinese, Filipino, Korean, Japanese, or Indian have left behind those of us who would attempt to enumerate and assess them. They may even have made it impossible for us to do so with any confidence or free from any ambiguity of meaning. It may only be sensible that we should accept this possibility. For the more we attempt to enumerate and assess, the harder our concept may become, and the more we risk lending our interpretations to misrepresentations and abuse. This is not a problem unique to the study of the Chinese overseas. If the intentional and unintentional construction of identity by academics has political repercussions for the Chinese in Southeast Asia, then those repercussions will be felt even more deeply by those who have only recently survived war, or who are driven by profound political divisions or whose intention is to dismantle particular regimes, if not the home nation itself (Fandy 1999; Bernal 2004).

## Notes

1. "Nominal" is defined here as an ownership stake of less than 10 percent in the company. In most instances that stake is in fact less than 1 percent and is usually attached to board membership.

2. Capitalization is usually classified into domestic (Chinese, Chinese-Filipino, or Filipino); foreign/alien; and multinational corporations. This scheme, however, would not produce elegant categories, although it would help to emphasize that any attempt to classify the fluid dimensions of ethnicity very quickly becomes unwieldy.

3. Information on ownership provided in this article is derived from updated records (as of 2002/2003) held at the Securities and Exchange Commission (SEC) in Manila and in Davao. In some cases information from the SEC is supplemented either by personal communication with major shareholders or by records held at the Business Bureau and other local government departments in Davao, Makati, and Manila. The records held at the SEC provide details on the value of shares of companies (public and private) held either by individuals or by other companies. They also provide details on the nationality and addresses of named individuals and companies and, where relevant, on the official position of those individuals within the company. The records held by the local government departments provide details on company sales, name and address of owner (in the case of sole proprietorships), and local tax to be paid. Local governments compile these records to give them a handle on local tax revenues due.

4. Although there is some fit between the country's 120 strongest companies and its strongest exporters, most exporters are not ranked among the strongest 120 companies, nor are they linked to those 120 companies' networks of mutual investments and board memberships.

5. Figures for imports and exports are derived from raw data on imports and exports held at the Bureau of Customs (Davao and Manila), which provide data on goods, values, quantity, companies, brokers, and trade partners. The data cover 2002 and 2003.

6. The information and figures on marketplace traders were gleaned from interviews with close to 2,000 traders in markets in and around Davao and Manila in 2002 and 2003. Around 350 wholesalers in Davao were subsequently questioned. Surveys of both markets and wholesalers focused on—among other matters—ethnicity, language, family involvement, and origins and sources of goods. This information was supplemented with records held by the Business Bureau, the SEC, and Bureau of Customs.

7. Again the picture is often mixed. For instance, in Antipolo, Marikina, Tanay, Pillila, and Morong, and in many small towns in northern and central Luzon, retailing and wholesaling often seem to be in the hands of Filipinos

together with, on occasions, Indian and Muslim traders. (My thanks to an anonymous referee for these observations.)

8. See, for example, Hau's (2001) discussion on the conflation of Chinese ethnic identity with money.

9. For a much broader view of the economic history of the Chinese during the American colonial period, see Wong Kwok-Chu (2000).

10. In Indonesia, certainly, Chinese organizations complained that the economic preeminence claimed for the Chinese was no more than a myth (Purcell 1965, 458).

11. It goes without saying that other powerful media for the transmission of popular or street representations of the Chinese have been films. See, in particular, Hau (2005).

12. The characterization of the Chinese as *homo economicus* dates back at least to the latter part of the Spanish colonial period. (My thanks to an anonymous referee for this observation.)

13. Certainly there are many anecdotes to this effect. For instance, it is thought to be an open secret that imports from China today, no matter what their real value, are commonly taxed "under the table" at about P120,000 per container. (My thanks to an anonymous referee for this information.)

14. See Mendoza et al. (1999); see also Wickberg (1999, 2000) for a broader historical perspective.

15. Many of the figures in circulation today seem little changed from those cited by other writers more than a decade ago. See, for example, Rao Meijiao 1993; Minority Rights Group 1992; Suryadinata 1985; Redding 1990; Liang Yingming 1993; Kraar 1993; Lim 1992; Kotkin 1993. These older figures were themselves passed on from other, still earlier academic and journalistic materials; rarely is their original source ever certain.

16. It is noted earlier in this article that the position of the Chinese is stronger among exporters to China than among exporters to all countries combined.

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