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The Asia Pacific as a Regional Concept?
Towards Identity and Utility

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Introduction

‘Asia Pacific’ is idea or has real base? How to examine and prove ‘Asia Pacific’ as a region and as an integrated region? The term ‘Asia Pacific’ shows different definitions and interpretations according to the different foci. Compared to ‘Asia’ and ‘Asia-related region’, ‘Pacific’, ‘Pacific Rim’, ‘Asian Pacific’, ‘Asia-Pacific’ and ‘Asia Pacific’ has different background, history and purposes.

Arif Dirlik argues as follows: We must resist the reductionism of the very concept of the Pacific: the Pacific is as much a realm of fragmentation as of unity, which therefore deprives any effort to describe it with the narrative unity that might lend a guise of comprehensiveness to an otherwise diffuse subject. Definitions of the Pacific are part of the very struggle over the Pacific they seek to describe. Nevertheless we should try to bring to the surface some of the significant problems that present themselves to any discussion of the Pacific that seeks not an ideological constitution of the region but a recognition of the complex and contradictory relationships that shape the Pacific discourse.

We can begin with several premises: The Pacific Rim (or Pacific Basin Asia-Pacific) is an invented concept. But being an invented concept does not mean the Pacific has no material basis. This material basis is defined best not by physical geography, but by relationships (economic, social, political, military and cultural) that are concretely historical. These relationships that give meaning to the notion of the Pacific are also relationships of contradiction that disrupt the very unity that they imply. (Arif Dirlik, ed., What is in a Rim? Rowman and Littlefield, 1998, p.3)

To attain the goal of discussion on ‘Asia Pacific’, we need to discuss that globalization and network expansion changed idea and concrete shape of region and regionalism. For example, in the start of the discussion on Asia Pacific region in 1980’s, the idea of Asia Pacific meant wideness and connectedness of geo-political region beyond inter-national level. Globalization, however, changed the scope of region and regionalism from wideness and connectedness to one part of the world. Globalization also changed the perspectives of
regions and inter-regional relations. Globalization, at the same time, provided new light to localization. Local ties became important factors to manage regionalism and inter-regional relations. Globalization made local financial network possible to facilitate the migration=home remittance of the overseas Chinese, Vietnamese and Koreans more widely. In other words, we can say that the period of nation state and nationalism has been changed greatly in these decades and regions and networks started to function under globalization. The traditional world and worldview based mainly on the nation state is being replaced by multi-layered and multilateral views of the world at the global, regional, national, and local levels. Then after globalization deepened its influence, migration networks became a typical substance to form and change regions in their inter- and intra-regional relations.

Network discussion changed the idea of region and regionalism as globalization did in these decades. The term ‘network’ has been used to explain nature of societies such as family ties, social ties, regional ties and business ties in different disciplines such as anthropology, sociology, history, business management and economic history. This discourse on network has corresponded to the economic development of East Asia and Southeast Asian countries and the rapidly increasing role of overseas Chinese business and investment in the economic development. Consequently, the study of the nature of Chinese society and family system in the South China region has come to include the conduct of business based on guanxi (connection) and ‘network’. This concept of a network has also been used to explain the forces behind the economic development in Southeast Asian countries after 1980’s. Theoretically speaking, it is rather “flexible” to use the term ‘network’, which implies something different when used to refer to economic activities in the open market, or an economic institution such as a business organization or company. It is also useful in this context to explain the peculiar function of the overseas Chinese business network as this will widen our scope and perspective in a discussion of the characteristics of non-western models of economic development such as Asian value and entrepreneurship.

However, the argument that economic development has led to the spread of the overseas Chinese network points to the latter’s strength, rather than its weakness, vagueness and flexibility. Furthermore all these arguments have been related to the economic development and do not explain the economic crisis in Southeast and East Asia which began in 1997. Then new discussion on network started to explain the world economy and world itself through the idea of network. In the field of international studies, network became the term to discuss the current world and its characteristics.

We also have much stronger interpretation of network to observe current globalized world. It reads as follows:

We live in a networked world. War is networked: the power of terrorists and the militaries that would defeat them depend on small, mobile groups of warriors connected to one another and to intelligence, communications, and support networks.
Diplomacy is networked: managing international crises—from SARS to climate change—requires mobilizing international networks of public and private actors. Business is networked: every CEO advice manual published in the past decade has focused on the shift from the vertical world of hierarchy to the horizontal world of networks. Media are networked: online blogs and other forms of participatory media depend on contributions from readers to create a vast, networked conversation. Society is networked: the world of My Space is creating a global world of "Our Space," linking hundreds of millions of individuals across continents. Even religion is networked: as the pastor Rick Warren has argued, "The only thing big enough to solve the problems of spiritual emptiness, selfish leadership, poverty, disease, and ignorance is the network of millions of churches all around the world." (Anne-Marie Slaughter, America’s Edge in a Networked World, Foreign Affairs, January/February 2009, Vol. 88, No. 1, p. 94)

I. Migration and Remittances by Overseas Chinese

Here the nature of network (with reversibility and without center, will be re-examined through a case of financial network and it will be argued that a crisis in the national economy and its development was simply replaced by a new network in the wider regional economies. In other words, a crisis can also be an opportunity for profit-making and network expansion since network has created another opportunity within the same formation. Network, in its basic nature, has multi-dimensional functions to seize any moment for change whether it is positive or negative for the national economy.

I shall go back to the 1930s in which silver-based financial system in East Asia, Southeast Asia and South Asia was functioning on a wider regional basis comprising both the gold standard and silver standard currency systems. I shall also try to trace the home remittance network of the overseas Chinese and explain the factors affecting the fluctuations of remittances; such as the role of the Amoy-related migration and home-remittance in strengthening the relationship between South China and Southeast Asia, through the financial business of remittance houses and foreign banks which utilized the overseas Chinese remittance network.

As a whole, my discussion of the 1930s will be compared to 1990s from the perspectives of both development and crisis and consequently will show how region and inter-regional relation were substantiated by these migration = remittance networks.

The overseas Chinese went abroad to earn money and send it home, not to settle permanently in a new land, the individual's wages being part of the household income. They also remitted funds to agents for their passages from the homeland. 1) Overwhelmingly from Fujian and Guangdong, the immigrants' funds helped to finance transactions across the South China-Southeast Asia trade zone. 2) In addition, some money was remitted for investment
Remittances did not go entirely into household expenditures. Recycled for commercial payments and investment capital, this money became a vital element in China's international financial ties. When Great Britain, France, the United States, and Japan developed important interests in Southeast Asia, all of them utilized this financial resource.

Chinese immigrants could get money back to China in five ways: by mail, hand carried, through private remittance agents, remittance houses, and foreign banks:

**Mail.** The Universal Postal Union was created in 1878, but the Chinese government did not sign the convention until 1917. Branch post offices were set up by foreign countries in China that handled international mail. However, few overseas Chinese used them.

**Hand-carried.** As described by H.B. Morse in *the Chinese Maritime Customs in the Twentieth Century*, overseas Chinese personally brought back gold/silver, foreign drafts, and local paper currency, or entrusted funds to returnees.

**Private remittance agents.** The agents provided various services: recruited settlers, loaned passage money, booked passages and handled commercial transactions. They stayed in close touch with the immigrants, visiting each Chinese community every few months. The newcomers invariably dealt with an agent from the same hometown in China in sending money as well as personal letters. In areas not serviced by remittance houses, agents were the main conduits.

**Remittance houses.** Immigration to Southeast Asia reached significant proportions in the fifteenth century and steadily increased despite the Ming dynasty's ban on emigration. Chinese merchants abroad sold rice, sugar, raw cotton, foodstuffs and handicrafts to China, and imported sundries, handicrafts, and tea. In addition, Siam, Vietnam, and Burma made a profit on the tributary trade with China, a mercantile policy that helped to create a trade zone between South China and Southeast Asia. In the seventeenth century the European powers moved into the region in search of certain Asian products. Thanks to this well established commerce, Western merchants were able for the first time to buy highly prized goods like tea, silk, pepper, and cotton and made profits from the entrepot trade.

The remittance house, the principal instrument by which the Chinese sent their money home, was the financial linchpin of the trade between South China and Southeast Asia. Known as the ‘silver remittance houses’, ‘Guangdong and Fujian silver houses’, and by other names, remittance houses were a combination of post office and foreign exchange bank. Many also engaged in trade, financed trade deals, and dealt in gold and silver. This exchange/remittance network predated the arrival of foreign banks, which also competed for the business. Tian Yi Ju, one of the large remittance houses in the early twentieth century, was based in Amoy and had branches or agents in Manila, Saigon, Penang, Singapore, Medan, Batavia, Bandon, Samarang and Rangoon. With subunits throughout Fujian, including Quanzhou, Chaozhou, Dongan, Anxi, Jinmen, and Huian. Tian Yi Ju handled most of the
remittances sent by people from the province.

There were many remittance houses in Southeast Asia. Headquartered in Singapore, Bangkok, Malacca, Batavia, or Manila, they had branches or agents in Hong Kong, Guangdong, Hainan, and across Fujian. The approximately four million Chinese living in Southeast Asia in the early twentieth century sent about 57 million US dollars annually to their homeland.7)

Remittance houses transferred money in several ways--cash, drafts, and as commercial goods. A customer purchased a draft for a certain amount in Chinese dollars. Rather than sending the money immediately, the houses waited until individual transactions amounted to a fairly large sum or until the exchange rate was favourable. In lieu of actual transfers, they also purchased goods for sale in China or bought gold and silver. Some transactions were yuan denominated, while others made via Hong Kong were in Hong Kong dollars. The Hong Kong dollar was the settlement currency for so much of the commercial activity between China and Southeast Asia that, although typically the final destination of a remittance was a family in a rural village, in variegated forms the money was used for trade, finance capital, and investment.8) The huge volume of drafts moving through Hong Kong involved double conversions--first to Hong Kong dollars and then to Chinese dollars. Remittance houses also used the money to offset bills paid in Hong Kong for export/import transactions; some turned a profit on the price differential in gold and silver bullion between Singapore and Hong Kong. There was a synergistic interplay of trade and foreign exchange dealing.

Foreign Banks. The huge one-way flow of remittances by the overseas Chinese to South China could easily affect the exchange rates. A fall in the exchange rates in Southeast Asia could be prevented by offsetting the receipts of gold/silver and imports, i.e., liabilities to Shanghai and Hong Kong. This trade pattern solidified ties, through foreign banks, between the region and Japan, Europe, and the United States. Great Britain's financial interests in Asia, anchored on Singapore and Hong Kong, depended on trends in the region--China, Southeast Asia, and India. British colonial banks were vital cogs in extending the financial grid to Japan and Europe.

Through its commercial ties, Shanghai strengthened its connections with East Asia and Southeast Asia. Hong Kong, an important player in trade, increasingly became a financial entrepot for account settlements and remittance transactions.9)

From the mid-nineteenth century, when Hong Kong gained importance as a financial intermediary and Singapore emerged as a supplier of rubber and tin to European markets, foreign banks seriously entered the field. Chinese exchange banks also began operations in Southeast Asia during the same period.10) These so-called modern banks enlarged and reshaped the channels originally formed by the remittance houses to create an Asian financial region around the Singapore-Hong Kong artery. Far from being supplanted by the banks, the
remittance houses used the exchange rates set by the foreign banks (especially those of the Hongkong and Shanghai Bank) and entered new fields of business activity.

Foreign banks opened branches in commercial centres created by the overseas Chinese. The Chartered Bank of India, Australia and China was strongest in India and the Malay Peninsula, The Hong Kong and Shanghai Bank in Hong Kong and China, and le Ban l'Indochine in Indochina. All three institutions had branches or agents in the main business hubs and trade ports of Southeast Asia. However, all of them were established by following historical trading and financial centres inherited from tributary trade networks and overseas Chinese trade and remittance networks.

II. Home Remittance and Amoy in 1930s

The greatest category among remittances is unquestionably investments. Generally, in the hometowns of the overseas Chinese, commercial or other businesses such as transport have either been initiated by or are being operated wholly or partly by the overseas Chinese.

I would just like to describe the very important position occupied by overseas Chinese capital in the land deals that were vigorously carried out a number of years ago in Amoy, by individuals, companies, and more notably the ‘syndicate’.

This syndicate was founded by the overseas Chinese in the Philippines who from 1928 were affected by a slump and returned to China in a growing stream. As most of China was not very secure, the overseas Chinese were forced to remain in Amoy. Some of them bought land on Amoy Island, built new houses and decided to live there. Once this trend began, many others followed the example and among them some wealthy overseas Chinese organized the syndicate and constructed the Great Southern New Village in South Putou. Funds of 200,000 yuan was invested in this project.

More than 10 modern western-style houses were built to attract returning overseas Chinese to rent or invest in the development of the New Village. Apart from this, the Yinan Company and the Overseas Chinese Bank dealt in land. The total investment in individually managed land at one time was as high as 7,000,000 yuan. Later on, with the gradual decline in land value and the slump in Amoy, most construction stagnated.

The Amoy Telephone Company, established by Lin Erjia, was the first case of an overseas Fujian Chinese returning home and investing in a business. This company was founded in 1907, originally with only 40,000 yuan, but this was gradually increased to 1,000,000. Every year it suffered damage from war or banditry, with losses of about 2,000,000 yuan, but fortunately it benefited from skilful management and was able to compensate for its losses. The enterprise has been inherited by Huang Yiju and has a monthly income of over 10,000 yuan, making a committed dividend of 0.5 per cent, apart from outlays. The company has established branches in Gulangxu, Hoshan, Haicang, Zhangzhou, Shima, Quanzhou and elsewhere, so that calls are possible to all towns in southern Fujian.
The first modern sugar mills managed by the Chinese themselves originated with the Huaxiang Company, established in southern Fujian in 1908 by an overseas Fujian Chinese, Guo Zhenxiang, with 5 yuan in capital. To establish it, 2,500,000 cane seedlings were purchased from Java and the Philippines and cultivated in such areas as the Wangxue mudflats and Tianbian, in Lungqi, and Shuitou in Tongan County. Sugar mills were installed in Shuitou and Hutou. Eighty tons of sugar cane per day were used at the Shuitou mill, although later on, for reasons that are not clear, production gradually declined.

Overseas Fujian businessmen who have invested in areas other than Fujian are too numerous to list but the more important among them are Hu Wenhu’s Yungantang, Chen Jiageng’s[Tan Kah Kee’s] rubber factory and Huang Yiju’s alcohol plant, which give a glimpse of the magnitude of the contribution of overseas Fujianese to China.

There are altogether four banks in Amoy which have been established purely by overseas Chinese capital:

(a) The Zhongnan Bank with paid-up capital of 7.5 million yuan, was opened in 1921.
(b) The Overseas Chinese Bank registered on British territory with paid-up capital of 10,000 Straits dollars, was established in 1932. It had a predecessor of the same name.
(c) The Zhongxing Bank registered in the United States with paid-up capital of 5,700,000 pesos, was established in 1927.
(d) The Amoy Commercial Bank was established in Amoy in 1930 and closed in 1935.

There are as yet no accurate statistics for the net proportion of overseas Chinese capital among the remittances sent via Fujian private mail exchanges, either for direct or indirect investment. However, the fact that such exchanges found it necessary to set up numerous branches overseas and head offices all over Southeast Asia shows that these facilities are the most convenient for overseas Chinese investments.

It is true that expectations in Amoy commercial circles regarding overseas Fujianese investment were somewhat dashed by the blow of falling land value in 1934. From that year most overseas Fujianese funds were deposited in banks in Amoy and Hong Kong to await investment opportunities. These funds have been kept as current deposits, and from the business reports of one or two of the leading banks in Amoy, we can surmise – in view of the yearly increase in the proportion of current and private deposits in those years – how much of this type of idle capital there is. From an economic viewpoint, a large amount of idle capital is an unhealthy phenomenon and can relentlessly develop into a threat to financial stability. However, if utilized with proper inducements, it can prove very efficacious.

Part of the remittances to middle-class migrant households is invested in rural areas. The rural economy in Fujian has long been indigent and there is a dire need for relief funds in all quarters giving rise to an ideal situation for usurers. A prevalent means of profiteering in the rural areas of southwest Fujian - apart from investing overseas savings in normal businesses - is lending money for interests.11)
III. Factors Affecting Remittance Fluctuations

The amount of overseas Chinese remittances varies from year to year and the interaction of economic phenomena greatly affects such sudden or gradual fluctuations. Such fluctuations are also very closely linked to the economic fortunes of Fujian. A massive influx of remittances makes the finances of the whole province vibrate, invigorates trade and makes the market thrive. A sudden decrease brings about slackening finances, declining trade and contracting commerce. The fluctuations have even greater influence in centres like Amoy and Quanzhou, where a concentration of remittances can stimulate the market. I shall examine the different types of fluctuation as follows:

(1) **Earning power of overseas Chinese.** Remittances are mainly derived from the income from labour and profits from enterprises. Fluctuations in these two components directly affect the capacity of the overseas Chinese to remit which is an indication of their earning power. Even in a single area, the capacity to remit depends on the remitters' occupations and earning power. For example, remittances by businessmen are larger than those of peddlers. In addition, even within one district, major variations in occupations from one year to the next will inevitably give rise to changes in the amount of remittances.

(2) **Overseas economic conditions.** The business conditions overseas directly affect the fortunes of the overseas Chinese. Such a situation was extremely notable during the time of war. Before the outbreak of the First World War, economic conditions abroad were particularly good and remittances by the overseas Chinese massively increased, but the protracted conflict led to economic depression in many parts of the world. Many overseas Chinese lost their employment and returned to China, while those who remained abroad suffered a steady decline in prosperity and the amount of remittances was much reduced. Again, when the market for Southeast Asian products was flourishing, businessmen and small landowners all made huge fortunes from rubber, tin, rice, coconut and the like. Also, high wages due to a short supply of labour have in the past brought about major fluctuations in business profits. Other causes of fluctuations include the instability in the value of silver (before the introduction of the new currency policy in 1935) and changes in the customs policies and currency systems in the various countries, all of which have directly or indirectly affected the level of remittances.

(3) **Magnitude of investment profits.** If the greater part of overseas Chinese remittances is regarded as being channeled into investment, the changing size of the investment profits in the home country will clearly be reflected in the fluctuations in the amount of the remittances. Investments naturally relate to profitability. For example, in the period from 1929 to 1931, investment in houses and land was much reduced when the Amoy city administration began to be implemented. However, when the investment turned in a profit, the Chinese remitted whatever they could from their small earnings to be invested in
land, thus pushing up the amount of remittances.

(4) **Availability of investment opportunities.** The more opportunities for investment increase, the higher the concentration of funds will be realized. When there are many channels of investment, investors can find a suitable time and occasion for their investments as is common in the use of idle capital. Some remittances, for instance, are deposited in Hong Kong banks awaiting such opportunities.

(5) **Political conditions at home and abroad.** The availability of enterprise capital is dependent on political stability. If public order is poor and banditry is rampant in the hometowns, the overseas Chinese in such areas are careful not to flaunt their wealth. The political situation in South China up to 1934 was perpetually unstable and accordingly overseas Chinese remittances were much curtailed. On the other hand, when in recent years war broke out in Europe bringing an uncertainty to the future developments in Southeast Asia, the Chinese there sent their savings home as a safe haven, thus greatly increasing the amount of remittances.

(6) **Level of interest rates.** The level of interest rates in the money market also affect the latter’s capacity to absorb overseas Chinese remittances. In the international money market, what is called short-term capital is held in money markets in more than one area. A loss resulting from the movement in the exchange rates can thus be compensated for or higher returns can be obtained by moving the capital to places offering high interest rates. If interest rates are higher in the domestic market than abroad, overseas Chinese capital is remitted to the home country.

(7) **Currency control policies.** The free flow of international capital entails the problem of security, and many countries have applied currency controls since the 1930s. In extreme cases controls on the drawing and transfer of money are imposed. Such artificial restrictions create inconvenience for remitters. This is surely one reason why the remittances from Chinese residents of Thailand dropped rapidly in the 1930s.

(8) **Exchange rates.** As money transfers between countries involve different currencies, to some extent the exchange rates between them affect the amounts of overseas Chinese remittances measured in different currencies. Speaking only of the Southeast Asian region, the remittances received in various areas fluctuate with differences in the domestic and foreign monetary systems. Before the implementation of the legal tender policy in November 1935, currency exchanges between China and other countries involved the complex relationships in the relative value of gold and silver besides the outward changes in the exchange rate. As China was then on the silver standard, its external exchange rates rose and the rates of foreign to domestic currencies declined when the value of silver appreciated. This meant that the amounts of overseas Chinese remittances unavoidably decreased, even if there was no particular decrease in terms of foreign currencies. Conversely, when the value of silver fell the exchange rates of foreign to domestic currencies rose, so the overseas
Chinese remittances might be expected to increase, although there was no increase in the amount of foreign currency sent.

After the implementation of the legal tender policy the Chinese monetary system left the silver standard, adopting an exchange value pegged to the British pound, so that fluctuations in the exchange rate were no longer affected by the relative value of gold and silver. Nevertheless, the exchange rate did not escape the process described above. Table 1 provides an explanation of the fluctuations in overseas Fujianese remittances in foreign currency.

Table 1 Indices of Overseas Chinese Remittances for Fujian and Amoy (1926=100)

| Year | Fujian Province | | | Amoy | |
|------|-----------------|----------------|----------------|----------------|
|      | Domestic        | Foreign        | Domestic       | Foreign        |
| 1926 | 100.0           | 100.0          | 100.0          | 100.0          |
| 1927 | 78.5            | 71.2           | 78.5           | 71.2           |
| 1928 | 68.6            | 64.1           | 67.9           | 63.5           |
| 1929 | 82.9            | 70.4           | 82.1           | 69.7           |
| 1930 | 91.6            | 55.7           | 90.9           | 55.3           |
| 1931 | 109.8           | 51.1           | 106.1          | 49.3           |
| 1932 | 76.0            | 39.6           | 75.3           | 39.2           |
| 1933 | 73.3            | 72.6           | 40.2           | 39.8           |
| 1934 | 66.3            | 41.5           | 65.6           | 41.1           |
| 1935 | 78.3            | 53.8           | 77.6           | 52.2           |
| 1936 | 89.1            | 49.0           | 88.46          | 49.2           |
| 1937 | 87.2            | 49.0           | 86.5           | 48.6           |
| 1938 | 107.0           | 43.7           | 80.2           | 32.7           |

Over the 13 years from 1926 to 1938, the remittance indices for the whole province of Fujian increased by seven per cent when calculated in domestic currency but decreased by 56.3 per cent when calculated in foreign currency. Remittances received in Amoy during this period show a decrease when calculated in both domestic and foreign currencies but, whereas the decrease for the former was 19.8 per cent, that of the latter was as much as 67.3 per cent. These facts show that the drop in value of domestic currency in the foreign exchange caused an increase in overseas Chinese remittances in these years. In other words, the domestic currency, taking 1938 as a unit value, could not be exchanged for as much foreign currency as in 1926.

Over the three years beginning in 1929 the value of silver continued to fall sharply and the rate to foreign currencies of the domestic currency calculated by the silver exchange rate declined. This was reflected in remittances in that while the remittance index calculated in foreign currencies was still falling (from 70.4 for 1929 to 51.1 for 1931 for the whole province and from 69.7 to 49.3 for Amoy), the index calculated in domestic currency showed a rise (from 82.9 to 109.8 for the whole province for the period and from 82.1 to 106.1 for Amoy).
From 1931 silver attained a higher value, when the rate to foreign currencies of the domestic currency calculated by the silver rate rose. This was reflected in remittances: the index calculated in domestic currency fell (from 109.8 for the whole province in 1931 to 66.3 in 1934 and from 106.1 to 65.6 for Amoy). The index calculated for foreign currencies also declined but not as much. In 1935 the Chinese domestic economy was in a slump from the effects of the declining value of silver but, with the adoption of the legal tender standard, the index of overseas Chinese remittances calculated in domestic currency rose from that year. To some extent, however, this was stimulated by a fall in the exchange value of the domestic currency.

(9) Seasonal variations. The various factors affecting fluctuations in remittances mentioned above relate either to space or to time but the latter appears only in the series of yearly calculations. However, there are monthly fluctuations within a year, described in statistics as "seasonal variations". There are two reasons for seasonal variations. One arises from natural causes, for example, price fluctuations in rice which normally occur in relation to the harvest and planting seasons. The other factor is artificial, such as during the New Year and other festivals when the demand for certain goods suddenly increases and their prices rise. Seasonal variations are cyclic, and their intervals are generally constant, but their size and configuration over the 12 months are not necessarily the same every year.(12)

Conclusion: A Possible Scenario --- Crisis of 1997 and after

It is obvious that the rapid depreciation of a country’s currency in the foreign exchange together with an excess of import or outflow of gold usually bring on a financial “crisis” in the country. From the networks’ point of view, however, it is natural to shift the funds by selling and buying, taking advantage of the fluctuations in the exchange rates, regardless of the boundaries of national economies. From this vantage point, we can say that the background of the financial crisis of 1997 may be traced to 1983 when China devalued the renminbi by 30 per cent and strengthened its competitiveness in foreign trade with Southeast Asian countries. After that, de-regulations and an open market policy were introduced in Indonesia, Malaysia, and Thailand, which enabled overseas Chinese capital to be channeled into new investments in South China where an overseas Chinese network operated in a free market environment unburdened by political considerations of an earlier era.

Thus network functions both for development and crisis at the same time, differing only in the management of direction/means in the search for profit by maintaining social ties which extended Asia Pacific regions. The 1997 crisis in Southeast Asian countries, as a result, saw a new outflow of funds moving rather freely from Southeast Asian countries to South China. This marks a shift in the models of network from a ‘network with a center’ to ‘a network without a center’ and expanding the connectedness among migration and
remittance=investment network from South China region to all Asia Pacific regions.

Footnotes

1) The major foreign trading companies serving as agents for foreign steamship firms were:
   - David Sassoon, Sons & Co., (Agents, Apear Line of Steamers)
   - H. A. Ritchie (Superintendent, P. & O.S.N. Co.)
   - Jardine, Matheson & Co., (General Managers, Indo-China S.N. Co. Limited.)
   - Butterfield & Swire (Agents, Ocean S.S. Co., China Navigation Co., N.E.L.Orient Line,
     Taikoo Sugar Refinery)
   - Bradley & Co., (Agents, Shan Steamers)
   - Melchers & Co., (Agents, Nordd, Lloyd., East Asiatic Co.)
   [Hongkong General Chamber of Commerce, Annual Report, 1901, 97.]
   1977. [please provide: pages.]
4) Lin Jinzhi, *Jindai Huaqiao touzi guonei giyeshi yanjiu* [A history of modern Chinese
   investment in domestic enterprises] Fuzhou, 1983. 5) Xingma qiaohui yu minxinanye
   [Overseas Chinese remittances and private remittance agencies in Singapore and
   [please provide: place, publisher.]
5) China's modern postal system began in 1896 and operated through the customs network.
6) Hamashita Takeshi, *Choko boeki shisutemu to kindai Ajia* [The tributary trade system and
7) Bank of Taiwan, *Nanyo ni okeru kakyo, fu kawase kankei* [Overseas Chinese in the South
   Sea: The foreign exchange business], 1914.
8) Zheng Linkuan, *Fujian Huaqiao zhi huikuan* [Remittances by overseas Chinese from
   Fujian], chapter 5.
9) Many banks were established in Singapore in the early twentieth century: Guangyi Bank
   (Guangdong capital) 1903; Sihaitong Bank (Chaozhou capital) 1907; Huaqiao, Bank
   (Fujian capital) 1912.
10) Ibid., pp.276-278.
11) Ibid., pp.278-283

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Reference 3( on migration from Guangdong)
Table2 Numbers of Overseas Chinese in 1950’s

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<th>Overseas</th>
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