

**Daniel Chirot and Anthony Reid, eds. *Essential Outsiders: Chinese and Jews in the Modern Transformation of Southeast Asia and Central Europe*. Seattle and London: University of Washington Press, 1997. 335 plus viii pages.**

**Twang Peck Yang. *The Chinese Business Élite in Indonesia and the Transition to Independence 1940-1950*. Kuala Lumpur: Oxford University Press, 1998. 372 plus xii pages.**

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In his introduction to the first book, *Essential Outsiders*, a collection of papers from a 1994 conference, Daniel Chirot wonders what might happen to inter-ethnic relations in Southeast Asia if its economies suddenly ceased growing so quickly. Three years later, at about the time the book appeared, Southeast Asia's economic crisis provided answers: in much of Southeast Asia not much happened, but Indonesia experienced repeated, deadly outbreaks of violence that soon involved not only the Chinese, but other ethnic groups as well. With that, the collection is by no means outdated, for by comparing two prominent commercial minorities, it deals broadly with changing roles, host society perceptions, and ethnic prejudices in two widely removed areas of the globe.

Chirot and co-editor Anthony Reid invited experts on the "Jews of the East," as Siam's King Vajiravudh once called them (as Reid notes, the comparison of Chinese minorities with Jewish communities goes back to early European visitors to Southeast Asia—and it was never flattering), together with specialists on the history of now-vanished Jewish communities in Eastern Europe, to examine possible relations between anti-Semitism and anti-Sinicism.

Chirot's introductory essay puts ethnic tensions in a broader framework, distinguishing between Leah Greenfeld's categories of "blood" and "citizen" nationalism. Where the nation is identified with a particular "blood" line, minorities remain outsiders. He and Reid accept that Indonesia and the Philippines, with their many ethnic groups, were "citizen" countries, but in Indonesia identification of citizenship with indigenous peoples clearly excluded the Chinese (and Eurasians). Chirot introduces a second distinction, however, that between individualism and communalism. Many contemporary Southeast Asian societies, including Malaysia and Indonesia, stress communal, not individual, rights and reject Western liberalism. Under conditions of rapid growth and modernization this translates the inevitable gains for some and losses for others into communal stresses; Chirot argues that an emphasis on individual, rather than communal, rights would allow formation of overlapping interests and defuse communal rivalries.

Anthony Reid offers a broad historical comparison of the settlement patterns of the two minorities and their common role as "brokers to the expanding state." Emancipation opened new opportunities for both in education, the professions, and national cultural life. Diaspora nationalism was a new current, and Marxism and left-wing politics, incongruously, given the minorities' importance to the capitalist economy, became attractive to many in both groups. Comparing Chinese and Jews is

problematic at best, he adds. Chinese are not necessarily pleased by the comparison, among other reasons because, especially in contemporary Islamic circles, anti-Semitism, drawn partly from the Near East conflict, appears to be on the rise.

Reid's and Chirot's essays are more sophisticated than this brief summary can indicate and form the most valuable part of the book. They do not overlook the internal diversity of the two minorities, something those who resent them often ignore. Indeed they observe that new groups—in the case of the Chinese, new immigrants—from within the minorities came to the fore when the political and economic environment changed. This is one reason for their long-term "success."

Hypotheses about the successful adaptation of the Jewish minority to modernization and about rising but not universal anti-Semitism in Eastern Europe (Hitler Germany's unparalleled viciousness is deliberately excluded) offer a framework for looking at the ethnic Chinese that is only partly adopted by other contributors. Takashi Shiraishi in "Anti-Sinicism in Java's New Order" does discuss early modernization, speaking not of the Suharto New Order, but of the new order of the first decades of this century. Dutch "ethical" thinkers wanted to dislodge the Chinese, who were in the process of losing their important function as tax farmers, and to encourage the formation of a new, native bourgeoisie. The new nationalist politics of the time emphasized racial distinctions and nurtured ethnic competition. The Chinese, for their part, were emboldened (made "arrogant") by the success of the Chinese Revolution of 1911. Clashes, some bloody, with the followers of Sarekat Islam soon followed. An entire *mestizo* colonial society, in which Chinese and natives had joined the same organizations, gave way to one characterized by racial consciousness and ethnic exclusiveness.

Other contributions (except that of Linda Lim and Peter Gosling, which has been partly overtaken by the recent economic crisis and the push for greater democratization) also deal with individual national experiences. Edgar Wickberg traces Chinese identity in the Philippines as it interacted with Spanish rule, American colonialism, and Philippine nationalism from the formation and then absorption of the *mestizo* Chinese to recent redefinitions of Chineseness. K. S. Jomo observes the ability of the Chinese businessmen to survive in small businesses on the margin of the economy, despite Malaysia's national policy of indigenism. He attributes this to a peculiarly Chinese strategy "based on a kind of resistance to state control," something they have practiced not only in Southeast Asia but, over centuries, in China as well.

In two essays, Thailand is the focus. Kasian Tejapira playfully exposes the contradictions of Chineseness in Thailand, noting examples that range from Siam's "official nationalism" (it was Benedict Anderson who first applied Seton-Watson's phrase to the Siamese kings) of long ago to a contemporary popular television series that helps define identities in Thailand today. Gary Hamilton and Tony Waters deny that ethnic Chinese as a "middleman minority" group owe success to shared cultural characteristics. They show that truly successful businessmen—a handful at best—use individual means to achieve wealth, taking advantage of changing institutional environments in quite different ways. Most ethnic Chinese, despite common cultural features, have not achieved great wealth. However, the "middleman minority" and other related analytical approaches are hardly invalidated by Hamilton and Waters's

observations. It remains to explain why the Chinese, on the average, enjoy higher incomes, derived primarily from trade and business, than indigenous majorities.

Little is said (except by Shiraishi) about derivative anti-Sinicism, especially as inspired by European sources. The comparison of the two minorities leaves much room for differences, for, as Wickberg points out, Chinese minorities, unlike Jews, are not defined by their religion. They may be Buddhists, Christians, or Muslims and still be Chinese, while baptized Jews cease to be Jewish, in tradition and in Israeli law, however much they may still be victims of anti-Semitism. Thus, while many of the advantages for Jewish businessmen listed by Victor Karady in his essay could easily be applied to Chinese minorities (sectoral concentration, mobility, solidarity networks, "remnants of pariah status," literacy and numeracy, and so on), another one does not fit. Karady names religious habits of Judaism (dietary rules, religious observances, fasting) as a form of self-discipline facilitating successful entrepreneurship. This parallel would seem to fit Islam more than popular Chinese religion, with its lack of dietary prescriptions and less structured, this-worldly emphasis. Even the much-touted "Confucianist ethic," now largely discredited as inspiration for Chinese entrepreneurial activity, is not really comparable.

Reid touches on the theme of changes within the minority through immigration, but little appears about the effect of this on host society perceptions. The arrival in the late nineteenth and early twentieth century of large numbers of immigrants visibly altered Chinese minorities. No longer a group undergoing local adaptation or assimilation, the Chinese now appeared permanently alien (once a Chinese, . . . ). The end of mass immigration has not ended this perception. Recently, substantial numbers of Chinese from outside Java have moved to Jakarta and other Javanese cities. These new, Chinese-speaking arrivals, more culturally Chinese than those of Java, appear as a disturbing, foreign influx.

Twang Peck Yang's work, *The Chinese Business Élite in Indonesia and the Transition to Independence 1940-1950*, deals with one new group arising to displace other members of the minority during the Japanese Occupation and Indonesian Revolution. As early as the 1920s, the Malay-language Chinese press of the Indies complained that *peranakan* Chinese (local-born, culturally adapted speakers of Indonesian languages) could not compete with the hardy *totoks* (Chinese-speaking, culturally "pure" Chinese) or *sinkeh* (from Mandarin Chinese *xinke*, new arrival). Twang shows how the old, largely *peranakan* Chinese business elite lost its position to *totok* upstarts during the 1940s. The new businessmen displaced those with links to the Dutch colonial administration, thanks to alliances they forged with the new rulers of the Archipelago, the Japanese and the Indonesians.

The book is the revised version of Twang's dissertation "Indonesian Chinese Business Communities in Transformation, 1940-50," submitted in 1987 to Australian National University. His introductory comment (p. 6) that "The economic role of *totok* businessmen has hardly been explored." is not as true now as it was in the 1980s, when studies of *peranakans* dominated the field. Recent years have seen a flood of writings about *totoks*, most of them, however, less qualified than Twang's work, which draws on Dutch and British archives, contemporary publications in Chinese, Dutch, Japanese, and Indonesian, and interviews with participant-businessmen. His achievement is all the more remarkable because the activities he describes could more

properly be described as “war profiteering,” although Twang scrupulously avoids the term.

The Japanese Occupation, beginning with unexpected and widespread violence by ethnic Indonesians against the Chinese lives and property, set the conditions for the rise of the new élite. The occupiers demanded heavy financial “contributions” from those deemed wealthy, interned many former leaders of the community, removed the last Chinese officers (community headmen, Kapitans and Majors, appointed by the Dutch), forced traders and producers into officially directed *kumiai* (mandatory associations for distribution of goods), offered new opportunities to ethnic Indonesian competitors, abolished the Private Lands (eliminating substantial Chinese agricultural landholdings that had been sold to private owners in the early nineteenth century, giving them quasi-feudal control of both territories and villagers), and, by forbidding the learning and speaking of Dutch—speaking Chinese was welcome—left the *peranakans*, especially those with Western education, with few advantages. Even the influential Oei Tiong Ham concern, although it was quite willing to cooperate with Japan, failed to salvage its prewar economic status.

During the Occupation, ethnic Chinese and other traders transported Javanese products, especially sugar, by sea to Singapore and Malaya. At the same time, within Java, overland peddlers crossed district boundaries to take advantage of price differences and shortages caused by Japan’s policy of regional autarky. These activities laid the foundation for extensive smuggling during the Indonesian Revolution, when the Dutch tried to impose a sea and land blockade on Republican territory, a territory that became less and less economically viable with each “Police Action.” This exchange supplied the fledgling Republic with money and arms from abroad and desperately needed goods from enemy-occupied areas.

The major interest of the study is in the cooperation between Chinese smugglers and Indonesian officials, either civilian or military, or—often enough—both. Twang argues that the foundations of such “Ali-Babaism” were laid during the Japanese period and expanded under the pressure of revolutionary war. The Republic sanctioned the trading of local products in exchange for hard cash or military supplies, using Chinese businessmen, despite the fact that it was eager to limit the domestic role of Chinese capital. Especially because military units were left to fend for themselves financially, officers willingly provided Javanese and Sumatran products to Chinese exporters who took care of transportation and sale in Singapore. South Sumatra, with its extensive smallholder rubber production, was a focus of such activity, while Palembang offered an ideal export harbor until it was taken by Dutch forces in January 1947. From the Singapore side, the British, eager to revive their colony’s devastated economy, only reluctantly cooperated with the Dutch against this traffic.

If 1946 was the heyday of smuggling, by 1947, especially after the first “police action” in that year, the Dutch were better able to control the waters. The Republic resorted to products with higher value for weight, including opium supplies left from the colonial opium monopoly. Needless to say, commercial ties forged during these years flourished through Old and New Order, as the military especially continued to finance its activities by smuggling, in cooperation with Chinese businessmen.

In Sumatra *totok* Hokkien (south Fujian) and Teochew (northern Guangdong) traders dominated smuggling, thanks to their ties with Singapore and Penang. In Java, however, the Hokchia and other northern Fujian groups, previously almost a pariah within the pariah minority, flourished with illicit trade. Mentioning the names of two Hokchia businessmen, Liem Sioe Liong and Mochtar Riady, shows how powerful these *homines novi* would become. The Hokchia's advantage over other ethnic Chinese groups lay in their prewar activities as small-scale itinerant traders and moneylenders (*tukang mindering*); often, they married local women.

Twang has produced an impressive array of data about seaborne and, to a lesser extent, land-based smuggling trade during the 1940s. However, he does not incorporate new information that has come to light since 1987. Peter Post has since shown that northern Fujian groups already maintained close relations to Japanese business in prewar times, as traders in bicycles and consumer goods and in the textile industry.<sup>1</sup> In view of the importance of Palembang, Mestika Zed's dissertation on brokering, politics, and revolution, in which A. K. Gani figures prominently, would also have been useful.<sup>2</sup> The map does not include some important smuggling havens: Karimun-Balai, Asahan, or, for that matter, Yogyakarta. There is a Chinese character list for personal names, but no glossary of other Chinese and Indonesian terms. "Oei Tiong Hauw" is usually written Oei Tjong Hauw, and Bill Frederick would certainly be surprised to find himself cited as Frederick H. William!

These are minor points in an impressive work, but a more serious problem remains. Twang insists that the *totok* Chinese traders were engaged, side by side with their Indonesian partners, in an "anti-colonial movement in the economic arena" (p. 9 and elsewhere). Admittedly, men like Wang Renshu in Sumatra and Tan Kah Kee in Singapore were convinced political anti-colonialists. But others, who moved their families to Singapore and to Dutch-occupied areas, returning to the Republic to trade, may have been less than whole-hearted supporters of the Republic. An area like West Borneo had a lively smuggling trade in 1946, provoked not by sympathy for the Republic but by the ruinous economic policy of the returning Dutch. At this distance, it is hard to know where anti-colonialism left off and the love of adventure, risk, and, above all, profit took over.

<sup>1</sup> See Peter Post, "On bicycles and textiles: Japan, South China and the Hokchia-Henghua entrepreneurs" in *South China: State, Culture and Social Change during the 20<sup>th</sup> Century*, ed. L. M. Douw and P. Post (Amsterdam, etc.: North-Holland, 1996), pp. 141-150.

<sup>2</sup> Mestika Zed, "Kepialangan, Politik dan Revolusi, Palembang, 1900-1950" (PhD dissertation, Free University, Amsterdam, 1991).

