Chapter 6

Local Government: Participator and Pusher

If we say that the policies of the Central State toward Chinese overseas\(^1\) have been formulated under its foreign policy framework, then the local governments at various levels are liberated from having to worry about this concern. Driven by local interest in terms of the policy toward its emigrants overseas, the local governments tend to invite the interest and support of overseas people of local origin. Furthermore, we can say that before the late 1970s, the intentions of local authorities were necessarily constrained by ideology and by the regulations of the Central State. Since the 1970s, the desire to promote "transnational re-incorporation" of migrants into the local state-centered projects has been fully expressed and various plans have been deliberately worked out and no effort has been spared in realizing those plans.

What is called local government in China applies to three levels, namely the province, the prefecture and the county. Since 1985, the Chinese central state has renamed the administrative divisions, and these three levels have been changed into province, municipality and county. Before 1985, Yongchun for example, belonged to Jinjiang prefecture of Fujian province. Since then it belongs to Quanzhou municipality, as the Jinjiang prefecture became part of Quanzhou municipality. Each level of government consists of five comparatively independent but related systems. In Yongchun they are the following: A. the Party system entitled the Chinese Communist Party Yongchun Committee. The head is the Secretary of the County...
Party Committee. The Chinese Communist Party as the party in power is invested with the ultimate power. All-important affairs of the locality must be discussed and decided by the standing committee of the Party committee. B. The administrative system, which is called the Yongchun People’s Government, which consists of various sorts of functional departments: finance, industry, agriculture, commerce, education, health hygiene and others. Among them, the department which has to deal directly with overseas migrants is the office for nationals living abroad. The head of the government body is also a member of the standing committee of the Party committee. C. Yongchun People’s Congress, which in theory performs the role of a Western parliament. But indeed it has always been an ornament in Chinese politics and had not any actual power before the time of reform. Since the 1980s, however, the situation has improved. D. The system of C.P.P.C.C. The complete name of this body is the Yongchun Committee of the Chinese People’s Political Consultative Conference. This is a distinctive Chinese institution consisting of leaders of various kinds of democratic parties and distinguished personages who are not affiliated with a party. In theory, they should supervise the leadership of Chinese communist party, but actually its work is honoured more in the breach than the observance. E. Yongchun Commission for Discipline Inspecton. This is a special institution established only in the late 1970s. Its major function is to supervise and inspect the way in which the Yongchun Party Committee and the Departments comprising the government body carry out the instructions and regulations issued by the Party Central Committee.

Before the reform and opening up of China, the central government kept a strict control over local governments. The latter had virtually no opportunity to act on their own initiative. However, since China has embraced the market economy, the central government has been obliged to transfer power to the lower levels, therefore local
governments have been allowed considerable more space for taking the initiative into their own hands.

1. The Local Resource

Why have the various levels of Fujian local governments actively taken initiatives to intervene in transnational practice, by trying every means at their command to provide various kinds of favourable conditions? The fact that the local economy has been tremendously improved since the 1980s as a consequence of the Fujian region making full use of Southeast Asian Chinese capital shows the reason very clearly.

China is a country with a vast territory. Being restricted by various natural conditions and human traditions, it is uneven in the terms of economic development in various sub-regions. In the period of the planned economy under Chairman Mao, the divergences between various regions and areas were to a certain extent invisible. When the reform started in the late 1970s it provided various regions with more space for taking initiative in their development into their own hands. The upshot has been a creation of sharp regional discrepancies which has caught the attention of state and academic circles.

Turning to the southeast coastal region: Guandong and Fujian are two provinces, where the governments have sought to mobilize every existing and potential social resource to give economic development an impetus. They have spontaneously turned their questing eyes towards Chinese overseas communities. In Fujian and Guandong it was commonly recognized that it was necessary to play their cards right with the overseas Chinese. This is because among the 30 million overseas Chinese scattered over the world, 95 % is composed of migrants and their descendants from these two
provinces. More importantly, the local histories have already proved that emigrants were a major driving force in promoting development. When Mainland China had just emerged from the shadow of the Cold War and unbarred its door to the outside, overseas Chinese were the groups who were welcomed first and were more easily accepted because they are regarded as sharing the same roots of history and culture. It was apparently with this in mind that Deng Xiaoping’s government set up the four experimental special economic zones in these two provinces. This experiment has met with considerable success. As far as attracting foreign capital is concerned, Guandong and Fujian have been listed in the first two positions among the thirty-one regions at the provincial level in the past two decades. Even a place like Shanghai, which possesses the best environment for foreign investment, has had to follow meekly behind.

The pouring in of foreign capital, mainly by Chinese of Southeast Asia, Hong Kong, Macao and Taiwan has provided the crucial financial resources required for boosting the local economy. To illustrate this most clearly, let us take Fujian as example.

From 1949 to 1978, Fujian continually limped along behind, the most backward and poorest province in the coastal region, and victim of its strategic location in relation to Taiwan in the Cold War. Statistics show that in the thirty years, the Central State allocated only very small sums for investing in infrastructure. The amount was so small in fact it occupied only 1.6% of the total amount in the country as a whole while the province is home to 2.7% of the population. The deficiency in capital seriously restricted development of the region. Therefore, after China opened its doors, raising capital for investment became number one top priority. Although the
situation has improved, because the funds allotted by the central state are still limited, the local government has had to seek for other financial resources.³

According to the statistics published by Fujian government, in the first year of the opening up in 1979, Fujian drew in US$ 42,340,000 worth of foreign investment. Then in 1985 the investment broke through the one hundred million barrier, reaching 1.77 hundred million, followed up by 2.89 hundred million (1988). The amount jumped to 14.16 hundred million in 1992. In 1993, it reached a high peak of 28.67 hundred million.⁴ After two decades, in 1998, the foreign capital imported reached 275 hundred million US$. Among this, Chinese capital from Southeast Asia, Hong Kong and Macao covered 93.6%. In terms of absolute amount, it is not big. But for Fujian region where capital had been scarce, it has been fundamental to getting off the ground. This was illustrated by Chen Mingyi, the current Secretary of the Party of Fujian Province at a workshop at which he stated that the foreign investment absorbed by Fujian in the past two decades amounted to about 40% of the total investment in fixed assets of the whole province in the corresponding period.⁵

The input of foreign investment has brought tremendous economic benefits to Fujian. Its annual value amounts to 35%-45% of the total manufacturing output of the province; in some years it reaches more than 50%. For instance, it was 56% in 1997. The taxes on the foreign investment submitted to the province government has been about 15%-25% of the industrial and commercial tax of the province. And the newly increased manufacturing output even contribute as much as 60-70% of the tax of the entire province and hence this sector has become the most important part of the new economic growth.⁶

In the Quanzhou area of south Fujian, one of the principal areas from which migrants left, the importance of overseas Chinese capital is even more conspicuous.
In 1997, there were 6078 foreign-invested enterprises and foreign capital reached 33.6 hundred million US$, which equalled 80% of the total investment in fixed assets of the region and this is far above the average level of Fujian province. 7

For south Fujian, besides overseas Chinese commercial investment, the donations made by overseas Chinese community also provide a significant financial resource, especially for those places which are weakly underpinned financially and lack financial resources. Take the Yongchun situation.

Table 5
Comparison Between Endowments (Southeast Asia, Hong Kong and Macao) and the Local Financial Income in ten thousands (RMB) yuan

<table>
<thead>
<tr>
<th>Year</th>
<th>Endowment (A)</th>
<th>Financial Income(B)</th>
<th>A:B</th>
</tr>
</thead>
<tbody>
<tr>
<td>1981-84</td>
<td>642</td>
<td>2658</td>
<td>0.24</td>
</tr>
<tr>
<td>1985</td>
<td>343.79</td>
<td>1327</td>
<td>0.26</td>
</tr>
<tr>
<td>1986</td>
<td>425.25</td>
<td>1173</td>
<td>0.36</td>
</tr>
<tr>
<td>1987</td>
<td>683.70</td>
<td>1492</td>
<td>0.46</td>
</tr>
<tr>
<td>1988</td>
<td>610.80</td>
<td>1063</td>
<td>0.57</td>
</tr>
<tr>
<td>1989</td>
<td>705.53</td>
<td>2386</td>
<td>0.30</td>
</tr>
<tr>
<td>1990</td>
<td>750.80</td>
<td>2774</td>
<td>0.27</td>
</tr>
<tr>
<td>1991</td>
<td>1017.70</td>
<td>3172</td>
<td>0.32</td>
</tr>
<tr>
<td>1992</td>
<td>1289.48</td>
<td>4175</td>
<td>0.31</td>
</tr>
<tr>
<td>1993</td>
<td>2588.45</td>
<td>4866</td>
<td>0.53</td>
</tr>
<tr>
<td>1994</td>
<td>4189.20</td>
<td>6562</td>
<td>0.64</td>
</tr>
<tr>
<td>1995</td>
<td>3080.45</td>
<td>9413</td>
<td>0.33</td>
</tr>
<tr>
<td>1996</td>
<td>3168.11</td>
<td>10375</td>
<td>0.31</td>
</tr>
<tr>
<td>1997</td>
<td>3067.68</td>
<td>12197</td>
<td>0.25</td>
</tr>
<tr>
<td>Total</td>
<td>22562.94</td>
<td>63633</td>
<td>0.35</td>
</tr>
</tbody>
</table>
The above table informs us that from 1981 to 1997, the donations from Yongchun overseas communities amounted to 225,630,000 yuan RMB, which is equal to one-third of the financial income of the county, 636,330,000 yuan RMB, in the corresponding period. In some years, for instance in 1988 and again in 1993, it came to half the annual financial income. It even reached two thirds of the financial income of 1994. Therefore, to a great extent, donation from overseas Chinese makes up for the deficiency of financial resources of the county.

As a matter of fact, the existing of Southeast Asian Chinese communities presents a multiple meaning for Fujian. Apart from making donations and investment, migrants have also contributed considerably to foreign exchange earnings for the province through tourism and labour exports. Statistics reveal that in the twenty years from 1979 to 1998, the annual average number of visiting overseas Chinese from Southeast Asia, Hong Kong and Taiwan to Fujian has been about 500-600 thousand. As a consequence, the province has acquired an annual income of about 3-4 hundred million yuan RMB. With regard to labor exporting, in the seventeen years till 1995, the contracts signed added up to 26.15 hundred million US$. Of the 140,000 labourers, 60% went to Singapore, Hong Kong and Macao under the aegis of overseas Chinese. Moreover, foreign invested enterprises have also energetically helped to promote foreign trade of this region. From 1979 to 1995, the value of Fujian export
trade increased from 3.8 hundred million yuan to 780 hundred million yuan, 200 times more than what it was in 1979. In 1995, the export value created by foreign investment was 44.8% of the total amount of provincial export value.

To sum up, a dam released by the process of the opening up of China in the past twenty years. Southeast Asian Chinese capital has proved to be a crucial driving force for economic development of Fujian. In 1978 while the country was still closed, its GDP was only 66.37 hundred million yuan RMB and, the GDP per capital was only 270.6 yuan. It ranked respectively twenty-second and the twenty-third among twenty-nine provinces, municipalities and autonomous regions directly under the Central Government. In the space of twenty years, in 1998, its GDP amounted to 3330 hundred million yuan and the GDP per capita reached 10,206 yuan, making Fujian the eleventh and the sixth among the thirty-one regions of the country. 10

Now let us focus on Yongchun to discover how the local authority mobilized the overseas migrant resources by the expedient of inventing an imagined community to strengthen putative regional identity. How has it developed its policy from spontaneity state to an elaborated style?

2. To Win Trust Back

The foundation on which the local government has approached the overseas communities is comprised of an amalgam of sentiment and identity built up on the basis of the individual and collective memory of migrants from the region. The first issue before anything else with which the local government had to deal was how to assuaged the hurt feelings emigrants which had been chafed by the ultra-"Left" policy pursued by Chinese government for three decades. The focus was placed on house property which involved many households of emigrants and their relatives. At the
beginning of the 1950s, a big proportion of families had been defined as “overseas Chinese landlord” or “industrialists and businessmen” in terms of class status. Under such a definition, the residential housing property of these two groups was confiscated by government for redistributing to poor peasants. Part of it had been returned in mid-1950s, even so many original owners had failed to have their real estate returned to them. The resentment of these families could only be expunged by correcting an unjust policy and returning the occupied houses. Were this to be done, the new image of the government would be delineated and a signal would be sent out to emigrants overseas that the government of China no longer considers overseas Chinese as an enemy.

The Yongchun government was fully aware that winning the emigrants’ trust back should claim precedence over all other exertions. It tried to go about solving this problem meticulously. In the early 1980s, the government returned 160,000 square meters of houses to original owners, a gesture involving 500 households. This produced a positive impact. The case of Lian Piyun is a typical one.

Lian, a well-known personage in Yongchun emigrant overseas communities, had inherited a number of residential properties in the county but had lost them in the 1950s. When those properties were returned to him, he said that he could see that, the Communist Party was sincere in its intentions toward overseas Chinese. His patriotism and his enthusiasm to help his hometown region be better off both were aroused and later he played a crucial role in terms of mobilizing overseas migrants to make contributions to the hometown.

Those Yongchun officials who have been involved in handling the overseas Chinese issue are convinced that being sincere towards emigrants and their families is the essential prerequisite to regain their trust. The change in policy should be patently expressed in the details of the government’s gesture, i.e., for every relevant issue it
should show that they protect the right and interest of emigrants. One event illustrates clearly the dawning of this recognition by the authorities.

When the county was carrying out its plan to reform the township in the early 1990s, many of the older houses needed to be demolished in order to enlarge the streets in the town centre. This was an area where many houses belonged to emigrants. To deal with this tricky situation, the local government formulated and carried forward a policy which says that the authority will give compensation when the old house is demolished. Officials even took the trouble to communicate repeatedly with overseas owners on the housing issue. The efforts proved fruitful as many of emigrants started making donations in 1990s.

Another case went like this. Zhou Shouren is a migrant living in Hong Kong. In 1965, his mother brought his father's ashes back to the home village and wanted to bury them there. She gave a banquet for the heads of the village but ignored some clansmen. The resentful clansmen destroyed the grave even before Zhou's mother had left the village. She felt hurt deeply. Before her departure, she put a stone on the road in front of the village and vowed that her family would never return to the home village again. The gesture demonstrated her deep disappointment in her hometown. Ironically, her son was later elected the chairman of Hong Kong Yongchun Association in the wake of a successful business career. Though it knew the task was tough, the local government still desired to soothe the injured feelings. Delegations visited Zhou several times showing exemplary politeness till Zhou was finally persuaded of their sincerity. Zhou later often returned to the hometown and set an example for the Hong Kong community of Yongchun migrants. He is one of the principal contributors to the re-building of the Overseas Chinese High School in the county, and moreover, he has eradicated all previous ill will and made a contribution to his parents' village by establishing a school there.

3. Looking For Targets

In the middle of the 1990s, the government recognized that a thorough investigation of migrant resources would be absolutely necessary before it could talk about
mobilizing them. Hence a general survey targeting migrant communities overseas and their links with hometown region was conducted.

The emphasis of the investigation was placed on two aspects. One was domestic survey. On the basis of a census of its twenty-three townships and on the classification of following groups: the returned overseas Chinese, the family dependants of overseas Chinese, of Hong Kong and Macao, of new emigrants, the respective numbers are clearly listed. This census showed that there are 4154 returned overseas Chinese and 99,165 overseas Chinese family dependants in the county, who amount to 18.85 % of the whole population of the county. 11

Another survey refers to the migrant communities. The following is a table listing of where the majority of migrants have been distributed.

Table 6
The overseas distribution of Yongchun migrants

<table>
<thead>
<tr>
<th>Sequence</th>
<th>Country</th>
<th>The total number of Yongchun origin</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Malaysia</td>
<td>580935</td>
</tr>
<tr>
<td>2</td>
<td>Indonesia</td>
<td>217866</td>
</tr>
<tr>
<td>3</td>
<td>Thailand</td>
<td>61121</td>
</tr>
<tr>
<td>4</td>
<td>Singapore</td>
<td>59512</td>
</tr>
<tr>
<td>5</td>
<td>Vietnam</td>
<td>37029</td>
</tr>
<tr>
<td>6</td>
<td>The Philippines</td>
<td>11162</td>
</tr>
<tr>
<td>7</td>
<td>The United States</td>
<td>5318</td>
</tr>
<tr>
<td>8</td>
<td>Burma</td>
<td>1711</td>
</tr>
<tr>
<td>9</td>
<td>Canada</td>
<td>1548</td>
</tr>
<tr>
<td>10</td>
<td>Australia</td>
<td>1407</td>
</tr>
</tbody>
</table>
The statistics reveal that the county has had 977119 emigrants and their descendants or 192% of the domestic population of the county. They are distributed over more than forty countries, mainly in Malaysia, Indonesia, Thailand and Singapore. Among there, the 580,993 live in Malaysia, and they amount to one-seventh of the total number of Malaysian Chinese.

The real purpose of the investigation was to find out "those who hold economic powers, political positions, social influence and academic status", as well as precise information about migrant associations. The table below shows this information with regard to key figures and organizations.

Table 7
The key figures and organizations of Yongchun migrants

<table>
<thead>
<tr>
<th>Country (region)</th>
<th>In political circles</th>
<th>In business circles</th>
<th>In academic circles</th>
<th>Associations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malaysia</td>
<td>72</td>
<td>60</td>
<td>191</td>
<td>125</td>
</tr>
<tr>
<td>Singapore</td>
<td>11</td>
<td>23</td>
<td>19</td>
<td>9</td>
</tr>
<tr>
<td>Philippines</td>
<td>3</td>
<td>18</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>Indonesia</td>
<td>12</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Vietnam</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Cambodia</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Japan</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thailand</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>4</td>
<td>30</td>
<td>3</td>
<td>19</td>
</tr>
<tr>
<td>Marco</td>
<td></td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>U. S. A</td>
<td>2</td>
<td>6</td>
<td>55</td>
<td>1</td>
</tr>
<tr>
<td>Canada</td>
<td>2</td>
<td>2</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>1</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td></td>
<td></td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>
This information is regarded by the local government as a very useful resource, because it is: "providing reliable information for the county to introduce capital, talented persons, and technology in order to speed up economic development of the locality."¹⁴

4. Going out

Sending delegations to visit various Chinese migrant communities has been a fundamental means used by a local government like that of Yongchun to stretch out its antennae to tap the potential for mobilizing capital. This strategy was set out in the late 1980s while the governments of those counties in the migrant hometown region sought to fuel local development and improve the poor public infrastructure. Generally speaking, those local authorities had already acquired information on successful businessmen by way of Chinese hometown associations or clan associations as well as from migrant individuals themselves through correspondence. Now they were eager to break the ice and mend the rupture caused by political and diplomatic problems and establish a face-to-face understanding. This going-out (Zouchuqu) strategy proved to be fruitful and it soon became a prevailing practice in Fujian, reaching its peak in the 1990s before the financial crisis struck Southeast Asia.

There are two official excuses for this kind of visits: attending the celebrations Chinese overseas associations hold or giving a briefing meeting for inviting entrepreneurs willing to invest in the home region. But behind the scene of bustle and

<table>
<thead>
<tr>
<th>England</th>
<th>1</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>3</td>
<td>15</td>
</tr>
<tr>
<td>New Zealand</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>95</td>
<td>156</td>
</tr>
</tbody>
</table>
excitement, more often than not, an elaborate plan is being set in motion step by step by the delegation. The visit carries an explicit goal targeting chosen figures with the aim of persuading them to participate in certain designated projects, either through a donation or through investment.

This gesture of reaching out is not a one-sided undertaking pursued by the Chinese side. It also meets a heartfelt desire in Chinese overseas communities. One noticeable phenomenon in Malaysian Chinese communities is that various associations based on kinship and regional ties have been flourishing since the ethnic Chinese economy had begun to grow in prosperity after the 1970s. These associations compete with each other to establish or promote status in the resident Chinese community. One can often see announcements in Chinese newspapers intimating anniversary celebrations of Chinese associations.

This sort of occasion is significant for an association, not only in the sense such can imbue its membership with a sense of unity, but more importantly it is an occasion to display the institution’s strength and status to the Chinese community. In order to make the scene grand and impressive, an association with a certain degree of financial power is likely to invite representatives of Chinese associations from all over, either from within the country of residence or from other Southeast Asian countries as well as from Hong Kong and Taiwan. To invite "parent officials" (a traditional form of address for one's local top officials) from the hometown area has also been regarded as an indispensable part of the celebration "banquet". As an authority-oriented mentality remains one of the ineradicable factors in Chinese overseas culture, the presence of top hometown officials is regarded as bringing honour to the association. Indeed the delegation’s speech at the ceremony and the presentation of a conventional horizontal inscribed board (Hengbian) often marks the
climax of the performance. Hence this has become a popular practice in Chinese communities in the Southeast Asian region and in Hong Kong in the last two decades. One thing explains explicitly the willingness of overseas Chinese associations to make the connection: in most cases, they pay all the expenses for the visit of delegations, like tickets, hotels, banquets, plus gifts.

Taking Yongchun again as an example, there are around thirty Yongchun hometown associations in Malaysia. An invitation is often issued to the hometown when a formal celebration on a considerable scale is going to be held, and it is more than likely it will get a positive response and subsequently receive a "celebration delegation" from the hometown.

The routine of visiting often goes like this. Apart from attending the ceremony, the delegation will pay an extensive visit to other Yongchun associations all over Malaysia. They visit the local Chinese leaders and circles of distinguished business personages. When the media of Yongchun County reports the news, they refer to the activity as "making friendly contacts with our county fellows".

During the seemingly relaxed visit, the explicit goal of persuading Chinese of Yongchun origin to make donations or investments in the hometown is revealed in the course of the whole process. The delegation will contact and send the well-designed "guide for investment in Yongchun" to targeted entrepreneurs.

I twice participated in this sort of visit. Hence I would like to present some more details to illustrate how the government approaches the overseas resource and promotes identity toward the home region. In June 1999, I attended a visit of a Yongchun delegation to Malaysia for three days. The trip started from Kuala Lumpur, then went all the way south: Seremban, Melaka, Tangkak, Muar, Batu Pahai and Johor Bahru where certain numbers of Yongchun people have resided for several generations and usually a Yongchun association has been established. Half a day was allowed at each place. On arrival at an association, the routine of visiting started with
a forum in which the leaders of the local Yongchun community expressed their welcome, then the main theme was broached: the head of the county introduced the situation of the hometown. On this kind of public occasion, officials do not talk about what their particular intention is. Instead, they just present a very general but promising picture of the hometown. Usually, a banquet provided by the local community would follow. Alongside drinking and eating, a sort of intense hometown fellow feeling would be brimming over. The peak of the happy reunion would often be marked with both sides exchanging gifts.

From my experience, the visit seemed to link the desires of both sides. For those ordinary Yongchun immigrants who themselves or whose parents came from rural background, meeting with "the parent officials", can still be seen as a kind of honour. They feel that they have gained respect when they interact with the hometown officials. The majority of the immigrants in provincial areas, after all, are small-or medium-scale businessmen or small plantation owners. They haven not seen much of the world; therefore seeing a delegation is still an impressive event. Secondly, the visit of the hometown delegation brings back a collective memory about the hometown, and simultaneously presents a very bright and promising picture about the future of the place, so immigrants' nostalgia could be assuaged to a certain extent. In addition, for practical reasons, to be able to communicate with hometown official is regarded as useful because should their relatives in hometown need to deal with the authorities, the migrants then can enter into a dialogue with relevant officials through the network established during the visit.

For the visiting officials, the general purpose is to cultivate a fellow feeling with overseas kinsmen so that a homogeneous imagined community, namely a transnational Yongchun community, can be created, which doubtlessly is a unlimited potential resource from which the government can mobilize its social capital. Another task, however, is maybe more tough for the delegation to tackle. That is, that they
bring certain particular programmes with them, since they have key figures in mind whom they target in their quest for financial support for municipal projects. The trip is thus considered a serious chance to contact and to sound out the targeted person in order to find out his intention and persuade him to make contribution to the distant hometown.

In Kuala Lumpur, I had a good chance to witness how the delegation approached a target. The same delegation mentioned above was invited by the Yongchun Association of Kuala Lumpur to attend its seventy-fifth anniversary. The key figure in the mind of the delegation this time was Lee, a local born, second-generation Yongchun immigrant, the current chairman of the association. Lee is a newly made tycoon, the chairman of IOI Group of Malaysia. He, however, had never made a spectacular donation to his hometown, as he indeed had no connection with his father’s native place and never had been there. As the chairman of Yongchun Association, he graciously showed his hospitality by arranging for the delegation to visit his business kingdom in Kuala Lumpur and entertaining them with a banquet.

When the process was going on, the delegation discussed the approach strategy intensively among its members, and also consulted other leaders of the Kuala Lumpur Yongchun Association like Jingxing Zheng, who identifies strongly with China, about how to approach Lee and convince him to make a donation to the hometown. Before the banquet began, while the delegation was waiting the arrival of the host, the members of the delegation looked quite nervous because they thought this occasion was a rare chance to raise the question. Later, during the dinner, the work was carried out step by step as it had been planned, first, the guests spoke highly of Lee’s business achievements. Then, they introduced the matter of the development of the hometown: the promising future and present shortcomings. In the harmonious atmosphere, the actual concrete request was raised by a young official who comes from the same village as Lee’s family. The way the request was put is rather interesting. The young official said: Uncle Lee, do you know that numbers of the people of our town origin are hesitant to make a donation although they are willing to do so, because they dare not to do so before you do. They do not want to offend you whom they regard as the number one from the town and whom they should follow.
Three months later, Lee participated in a big delegation consisting of chairmen of forty or so Yongchun associations and Hokkien associations from all over Malaysia as well as distinguished Hokkien businessmen. He had been invited by Quanzhou district to visit Fujian and his hometown. This was the first time he visited China. He started making his first endowment by building a standard highway from his home village to the county seat.

5. Promoting a Regional Identity

As early as the 1970s, in response to the trend of globalization, Southeast Asian Chinese began to establish various kinds of transnational associations (Song 1995). Since the 1980s, Chinese local governments have been actively involved in this, offering feasible plans for arranging assemblies at the site of the ancestral hometown. A series of international federations of hometown fellow associations have fruitfully flourished since the turn of 1990s. Almost every principal emigrants hometown region in Fujian has established a transnational institute, such as the World Federation of Fuqing Hometown Associations (1988), the World Federation of Fuzhou Ten Cities Fellows Associations (1990), the World Federation of Anxi Hometown Associations (1992), the World Federation of Jingjian Hometown Associations (1993), the World Federation of Tongang Hometown Associations (1995). The World Federation of Yongchun Associations was set in November 1993, launched and managed by the Yongchun government. The first conference was attended by forty associations of Yongchun origin all over Asia. On the occasion the current president of the Malaysian Federation of Yongchun Associations was elected the first president of the transnational organization, with five vice-presidents from Singapore, the Philippines, Malaysia, Hong Kong and Taiwan respectively. The most substantive fruits of the first meeting were that it set up a permanent liaison office in
Yongchun County, to be known as the "Yongchun County Overseas Exchange Association" and a rule that a bi-annual meeting will be held (Fang 1995: 289).

Since the federation was established in 1993, it has attracted more and more Yongchun hometown associations to join. Up to 1997, more than fifty associations affiliated themselves with it, including those from Indonesia and Vietnam (TYXX the 48th).

Setting up a transnational hometown federation provides the local government with a legitimate and efficient excuse to be involved in its migrants' transnational practice. In the context of this created homogeneous community, the powers-that-be can more easily make a broad connection with important personages and successful entrepreneurs among the migrants. Some substantive discussion about investments and donations are carried pursued at this kind of conference.

Here is a case. In December 1993, during the first meeting of the board of the world federation of Yongchun Associations held in Malaysia, the delegation sent by the Yongchun government held negotiations with Malaysia Baihu Investment Limited about installing a thermal power plant in Yongchun. And another proposal was pursued with the Malaysia Fujian Association Holding Sdn Bhd., suggesting the latter to invest in the county by setting the second waterworks and hydroelectric power station. These projects were based on the mutual intention built up one month earlier at the first conference of the World Federation of Yongchun Associations.15

When the fourth conference of the federation was held in Yongchun in November 2000, the local government expressly chose Yongchun Dilan Gymnasium contributed by Jingxing Zheng to commemorate his parents as the meeting site. At the same time, Jingxing Zheng's donations and investments were publicized in the local media. In the conference, the local state successfully held a series of trade talks. Apart from signing the contract for selling local products amounted to 1.31 hundred million yuan RMB, the government signed up eight investment projects with migrant entrepreneurs which amounted to 45,320 thousand yuan and at the same time it received a donation amount of 1680 thousand yuan (TYXX the 55th)
6. Inventing Local Culture

To foster transnational ties, a new local tradition has been created to help forge the cultural and social identity. The creation of "China Yongchun Mandarin Festival" is a novel but important cultural method in terms of promoting the appeal of the locality. The Mandarin orange is one of the major agricultural products of the county. In the 1950s, You Yanzhu, a returned Indonesian Chinese, successfully introduced fine varieties of it into the county, where it became popular. In the 1980s, the acreage of mandarin oranges covered about 4.40 thousand mu and its annual output amounted to 8.5 thousand tons which were mainly marketed in the big cities like Beijing, Shanghai and Tianjing.

In the first half of the 1990s the local government held the Mandarin Orange Festival four times. It launched the Festival with the economic goal of expanding the mandarin orange plantation and related processing industry, and making use of it culturally, projecting a distinctive local colour to attract the attention of migrants. Each time it was advertised as a grand occasion. The themes it set are as follows: meeting friends through oranges, cultivating friendship through the festival, emphasizing economy and trade, extending influence and promoting development. On these occasions, Yongchun migrants from Southeast Asian region have been the principal guests invited by the local authorities. Each time there are about 400-500 representatives attending the festival, organized by the Chinese organizations of each country of residence.

To build up momentum, each time the local powers-that-be have invariably asked the leaders of the Central State to write a few words of encouragement and appreciation.
It was the current Premier of the State Council, Lipeng, who wrote the words for the first festival to the effect that: "You devote a major effort to developing Yongchun economy and sell the mandarin orange far away all over the world".

No less importantly, the top officials at the provincial level are always invited to be present at the ceremony. The occasions provide splendid chances for officials, either at local level or at provincial level and overseas leaders of migrant associations and entrepreneurs to make contact. It has been on these occasions that many proposals for donations and investments have started off.

A series of propaganda programmes has been conducted by the local government in the festivals. There was for instance an exhibition for propagating the donations and investments of overseas migrants as well as inauguration ceremonies for the local projects to which migrants had contributed. While this bolsters the reputations of donors and investors as well as of their relatives, there is a certain degree of calculation that it will encourage other migrants' ideas of making a contribution to the county on the other hand. The following are two examples.

In 1993, when the Mandarin Orange Festival was held the first time, the government opened an exhibition entitled "The Deeds of Oversea Chinese" to demonstrate how migrants make huge efforts to achieve success, and how they make contributions to the hometown. More than 500 pictures accompanied by written texts were divided into six sections with titles such as: the profound concern of the central leaders and the honour of the hometown for overseas Chinese; building up enterprises and bringing benefit to one's hometown; discussing common interests and vigorously developing the Yongchun economy. The exhibition generated an intense atmosphere of promoting hometown oriented sentiments. (TYXX the 35th)

In the fourth festival held in 1995, the authority held a ceremony for twenty-six donation projects, to the value of 45,000 thousand yuan RMB, including the Teacher Training College contributed by Wenyao Zheng (TYXX the 42nd).
The Mandarin Orange Festival has literally proved to be fruitful, giving impetus to the prompting of donations and investments by migrants. In the Third Festival held in 1993, the local government signed contracts with overseas investors for nine projects including ceramics, decorations, beverages, natural stones, handicrafts made of bamboo and wood, tourist installations, clothing, hydraulic electro-generation and so forth to a total amount of 109,590,000 yuan. In addition, six memoranda of intent were signed for a thermal power plant, reforming and developing the highway system and others to the amount of 876,000,000 yuan. It was the first peak of foreign investment in the county. Apart from this, these migrants have also donated 8,000,000 yuan to the county. In the Fourth Festival held in 1995, there were twelve contracts signed for investment projects which reached 281,600,000 yuan. At the same time, the government received donations of 45,000,000 yuan (TYXX the 35th, the 42nd).

The Festival has also brought about a great advance in the production and marketing of mandarin oranges. According to the statistics, till 1996 the acreage under mandarin orange had been extended to 150 thousand mu, which is 3.5 times what it was ten years before. The annual output reached 150 thousand tons, twenty times what it was ten years ago. Among them 60 thousand tons were exported to the Southeast Asia region, which is thirty times the amount a decade ago. Consequently, Yongchun became the biggest producing and exporting base for mandarin oranges in China (YWZ, the 17th and the 18th).

7. Rewards and Preferential Treatment

To offer rewards to overseas Chinese for their donations is not a novel phenomenon. As early as the late Qing period, the late nineteenth century, the Qing government started to recognise the financial power Southeast Asian Chinese possessed. Therefore
it changed the policy towards overseas Chinese. The core of the new policy was to induce overseas Chinese to make donations or investments. Selling official positions as an aristocratic title was the most conspicuous feature of the policy. Looking at its history, this policy stemmed from earlier domestic policies called Juanna and Juanshu. Juanna means that the government sells official positions and titles to domestic donors according to the amount of money contributed. As far as Juanshu is concerned, the government awards a nominal title or rank according to the amount of the donation. Juanna and Juanshu were originally an extortionate Qing method to acquire revenue and these systems were practised on a scale after the 1850s, in order to mitigate the financial crisis in which China was embroiled. After the 1880s, Qing government extended this policy to overseas Chinese. In the places in which Chinese migrants had centralized themselves like Singapore, the Qing government even published information on this issue regularly and enumerated various prices in detail in the local newspapers (Wu 1993:97-98).

In traditional Chinese society, to obtain an official position or title was the best way to bring honour to one's ancestors. It was the goal of which most people dreamed or sought for in lifetime. It had an even stronger appeal to overseas Chinese. Most of overseas Chinese came from a humble background, and in their long struggle to make a living, they had suffered various kinds of humiliation and oppression. Donating money to purchase an official position, not only brought honour to one's ancestors, but also greatly heightened one's status in both the immigrant community and in the hometown community. Accordingly, although donating money to attain official position was really committing a fraud, it became a popular practice in overseas Chinese communities. In 1908, the Qing passed a complete set of regulations, which decreed that anyone one who invested a capital of 20,000 or so, would be rewarded
the first rank of viscount; the second rank of viscount for 18,000 or so; on the analogy of this, the lowest rank, the fifth, cost 100 capital investment.16

So we can say that in contemporary times, the policy of rewarding and the giving of preferential treatment to migrant communities pursued by local governments at various level is anchored in this historical logic. As time changes, however, the practice of selling official positions and titles is replaced by citations and rewarding with a medal or a plaque, though the latter method was also in use as early as in the initial years of the Republic of China in the 1910s (OHZ 1996: 338-341).

In two ways, the local government holds a more flexible attitude in terms of rewarding policy. One is that when encountering a particular novel question and experiencing difficulty in finding the explicit corresponding regulation of the central government to cover the eventuality, the local authority is likely to take the risk and try to solve the question without authorization. In particular in the 1980s when overseas Chinese had just started making return visits and donations to establish various kinds of public infrastructure projects, this kind of situation often happened. For instance, how to handle requirements for naming a donated enterprise after the donor is a typical one.

Wenyao Zheng’s case can be cited here again. In 1984, as the donor for the construction of the assembly hall for No 1. School in Yongchun, Wenyao Zheng asked that the hall be named after his father. Although this was unprecedented in Communist China, the local head bravely agreed to the requirement. After six years, in 1990, Fujian province government promulgated a decree entitled "Fujian Government Stipulations Regarding Overseas Chinese Donation for Public Welfare Undertakings" which declared that the donor is free to name the public undertaking for which he/she has donated the funds (XHZ 199: 442-449).
Another way of demonstrating that the local government is very much prepared to adopt a flexible attitude is the following case.

The government of Fujian province issued a schedule covering the various rankings of awards in 1990, which set up three categories. A gold medal for a donor who makes a contribution to the value of 10,000,000 yuan RMB or more; a silver medal for an amount ranging from 5,000,000 to 10,000,000 (TYXX 1998, the 48th). In response to the needs of Quanzhou district, a more elaborate regulation was worked out in 1997 and this is now in operation in the major hometown region in south Fujian, including Yongchun County. The standard for citation is as follows:

1. For a donation valued from 50,000 to the amount under 100,000 yuan RMB, recognition will be given by the receiving county government.

2. For a donation valued from 100,000 to the amount under 300,000 yuan RMB, a bronze medal, a horizontal, inscribed board and a certificate of honour will be conferred by Quanzhou district government.

3. For a donation valued from 300,000 to an amount under 500,000 yuan RMB, a silver medal, a horizontal, inscribed board and a certificate of honour will be awarded by Quanzhou district government. Also a recommendation will be made to provincial government.

4. For a donation valued 500,000 yuan and above, a gold medal, a horizontal, inscribed board and a certificate of honour will be awarded by the Quanzhou district government. And a recommendation will be made to Provincial government. For a donation to the value of more than one million, upon agreement by the donor, the Quanzhou government will fix a vertical board (Li Bei) in the main building donated and hold a ceremony.

For a donation valued above 10 million, apart from the same treatment as item 5, a recommendation will be made to the provincial government and a tablet will be erected by the provincial government.

5. For a donation reaching 20 million, 30 million and 50 million and 100 million, with the consent of the donor, the Quanzhou government will accordingly build garden buildings pavilions of various size in the newly set up called "Spring
Sunshine Garden" in the centre of Quanzhou city, using 1% of the donation amount, programmed, designed and constructed by government, as a permanent commemoration. The construction costs should be paid by the county or city government in which the receiving unit is located.

The above provisions reflect at least two factors. First, donations made by migrants overseas have emerged as a popular social phenomenon and the majority of the many donors offers a relatively small amount cutting their cloth to suit their purse. The Quanzhou government’s citation standard starts from a comparatively small sum. It tallies with what I have seen in the region where I conducted my fieldwork. One could not but feel impressed by the long list of names of donors on the main walls in halls of many buildings of various kinds of institutions to which overseas migrants have contributed. Following each name, there is often a small amount of endowment like hundreds or thousands yuan RMB.

The second factor is expressed in a more creative idea. The government desires to place the big donors in limelight on the local social stage (a memorial public garden in the centre of city), that means that the contributions and the names of donators will be broadly acknowledged and admired by the local population. This is an authorized action to set these outstanding contributions as models for the local community. Here one can observe an interesting transformation. Overseas Chinese have indubitably been the target in the local government’s purpose of strengthening regional identity. But the process is dialectical. In the course of forging regional identity, overseas Chinese now are becoming one integrated element of the identity.

As far as the Zheng lineage is concerned, the three principal actors presented in previous chapters and the lineage association itself had various awards conferred on them by the three levels of the local governments.
At the county level, in 1995 the Yongchun authority issued a document entitled "A decision regarding conferring of a citation on the overseas Yongchun fellows who have made a prominent contribution to Yongchun public welfare undertakings since 1978". The document declared that the government cites 224 individuals or organization for their prominent contribution. The candidates were divided into three categories, thirty-eight in the first grade under the name of "special award for the public spirited"; fifty-eight in the second grade who were awarded a gold medal while 138 were registered in the third grade for a silver medal. The prominent figures presented in the previous cases: Wenyao Zheng, Xingzhong Zheng, Jingxing Zheng and Piyun Lian are listed in the first category.

At Quanzhou district level, there were 251 candidates listed into four categories for the conferral of a citation in 1997. The first grade covers donations amounting to 10 million yuan or above. Wenyao Zheng is among four donors who are in the list. Jingxing Zheng (who donated 9.30 million), the Zheng lineage (1.80 million), Piyun Lian (2 million) and Xingzhong Zheng (1.70 million) are placed in the second grade amounting from 500,000 to 10 million. At the provincial level, Wenyao Zheng and Jingxing Zheng have received respectively the gold and silver medals as well as special awards for their donations.

With regard to preferential treatment for overseas Chinese investment, what the local government has done is to arrange more favourable conditions for investors. What can be observed is that the lower the level of authority is on the whole, the more conducive the conditions it is likely to offer for investors.

In Yongchun, the preferential treatment the government gives is primarily expressed in a favourable price for land, electricity and water offered to investors.

Taking land as an example, for those enterprises of which the investment amounts from 0.15 million to 1 million yuan RMB, from 1 million to 5 million and above 5
million, the costs they incur in buying land will be reduced respectively by 10%, 20% and 30% on the basis of original price fixed by the central state. In addition, administrative costs will be waived exempted for one year, two years and three years respectively. Moreover, the payment for the land is allowed to be divided into three annual installments.

Offering favourable treatment with regard to tax is another strategy to lure investors. A policy was issued entitled "Measures of Yongchun for Widening The Opening" in 1991. Eighteen items were enumerated. Among them, the following items showed that the local authority adopts a more flexible attitude than that of the Central Government. For instance, a stipulation says: A. all production from overseas invested enterprises is exempted from the local income tax; B. those investments which combine with overseas Chinese capital in the inland region of Yongchun county will be exempted from production tax, capital gains tax, land use fee and other taxes. It may be permitted that the village where enterprise is located is allowed to provide a more favourable price of the land for the use of enterprise. C. Counting from the year the enterprise starts to make profit, the income tax of the first and the second year will be waived. From the third to the fifth year, half the income tax will be exempted. After this period, those enterprises with an export value of more than 70% of output value of the year, can still enjoy exemption from half the income tax. Those who achieve the title of advanced enterprise can extend the half-exemption from income tax for three more years.

Indeed, when negotiations are carried out with proposed investors, the local authority is even willing to make some necessary concessions to satisfy the requirements of the investor. For example, it is willing to subsidize farmers for selling land for foreign investment.
Furthermore, in order to draw in the overseas Chinese capital, the local government has formulated a series of rewarding measures. Anyone who introduces overseas capital in amounts from 1 million to 5 million will be awarded 10,000 yuan RMB. Anyone who draws in capital reaching more than 5 million will be granted 20,000 (TYXX, 2000, the 54th issue, 20001 the 57th issue).

8. Conclusion

In the process of seeking for the modernization of the economy, the local governments in the Guandong and Fujian areas have fully mobilized the social resources of migrant communities and are actively promoting "transnational re-incorporation" of migrants into their state-centred projects. The enthusiastic and flexible attitude shown by the local governments indicates that in the trans-national practices of migrants, the local government represents a crucial and dynamic force. Through the lasting efforts the local powers-that-be have made in the past two decades, a distinctive modernization process has been got well and truly underway.

Among the various means the local government has used one finds the re-creation or strengthening of regional identity by correcting out-dated mistaken policy, by going out and making contact with migrant communities, cultivating and nurturing hometown fellow feelings and promoting the collective memory by inventing new, local colour culture. All these strategies aim to create a homogeneous imagined community, not only within the national territorial space, but more importantly, in a transnational space. This strategy of forging an identity of regionalism is meaningful as demonstrated below.
Yongchun government statistics up to 1997 show that migrants overseas have contributed 2.3 hundred million yuan RMB for building up social welfare undertakings like education, public health as well as improving capital constructions such as water works, electricity and roads in the hometown. At the same time, a thousand million yuan have been invested by migrants to establish 140 enterprises in Yongchun. 20

Furthermore if we take the Quanzhou area as a whole, among the other hometowns of Hokkien migrants, in terms of economic development, Yongchun County just has set its first step on the road. When we turn our eyes to the entire Quanzhou area, then we discover the number in this regard is spectacular. The total amount of donations from overseas for the local public good has reached 3,136,722,830 thousand US$. Of it, 99,650,440,000 had been contributed before 1978, from 1979 to 1997, there are 3,037,072,390,000 US$ contributed. As far as investments in industry and commerce are concerned, about 30 hundred million US$ have been drawn in from migrant communities. 21

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3 The statistics shows that since 1979, the financial allocation from the central state to Fujian has remained fairly static at about 5-6 hundred million. However, the central state allows Fujian and Guandong adopt so called “special policy and flexible measures.” See Fujian Province Government Office ed “Fujian Opening Twenty Years”, Xiamen: Fujian Publishing House, 1999: 81.
5 “Fujian Opening Twenty Years”, 1999, 4.
7 Ibid. and Shu Dongshui ed., Quanzhou Fazhang zhanlue yanjiu (Quanzhou
Development Strategy), Shanghai: Fudan University Polishing House, 1999:446.
8 Ibid.
10 "Fujian Opening Twenty Years", 1999, 4.
11 This date comes from "Yongchun county itemized table of census on overseas Chinese affair 1997" made by the general investigation office of overseas Chinese affair office of Yongchun government, 1997, August.
12 Ibid.
13 Ibid.
14 Ibid.
15 Ibid. the 34th:6.
16 See Qing government edited Da Qing Xing Ling, di shi lei. Shanghai (The new rules of Qing Government, class ten, chamber of commerce), printed by Agriculture and commerce department, Qing government, 1906.
17 "Spring sunshine" in Chinese culture is impregnated with a rich meaning. It express firstly that the favour bestowed will be fully appreciated and it will be deemed to be of the same importance as sunshine is to plants. Secondly, the receiver will be grateful to the benefactor and seek ways to return his kindness.
20 This statistic was given by the General Investigation Office of Overseas Chinese Affairs office of the Yongchun Government, 1997, August.
21 Statistics are offered by Quanzhou overseas Chinese affair office, 1997.