New Chinese Migrants in Indonesia: An Emerging Community that Faces New Challenges

Leo Suryadinata*

EXECUTIVE SUMMARY

- Xinyimin (lit: new migrants) signifies migrants from China who have been coming to Southeast Asia since the beginning of the 21st century. Some come as investors but the majority arrive as migrant workers, mainly working for China’s companies.

- According to official figures in Indonesia alone, there are about 24,800 such migrant workers, but many believe that the actual number is much larger.

- More than 1,000 mainland Chinese companies operate in Indonesia today; some are state-linked enterprises while others are owned by individuals. About 50% of these are located in Java while the rest can be found in the outer islands. They are mainly in the construction, mining and electronics sectors.

- Chinese students studying in Indonesia have also been a source of labour supply for these Chinese companies. The added advantage of these graduates lies in them being familiar with the local environment and in their ability to speak Indonesian.

- The relationship between xinyimin and Chinese Indonesians are generally not close, especially since the younger generation of Chinese Indonesians have lost an active command of Mandarin.

- There is therefore a new Chinese migrant community emerging in Indonesia that may come into conflict with Chinese Indonesians who consider these new migrants as competitors. Xinyimin may also become an issue for the indigenous population who see them as exploiters and foreigners.

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INTRODUCTION

The issue of New Chinese Migrants (xinyimin, 新移民) has been prolifically discussed globally since Deng Xiaoping introduced market-based economic reforms and greater engagement by China with the global community. Some scholars argue that this migration mainly went to Western developed countries rather than to Southeast Asia, with the exception of Singapore.\textsuperscript{1} Understandably, English-language scholarly work on xinyimin have tended to focus on this phenomenon in developed countries,\textsuperscript{2} and less attention on the topic has been paid to Southeast Asia, at least until recently.

According to the International Organization for Migration of the United Nations (UN), “[m]igrant is an umbrella term, not defined under international law, reflecting the common lay understanding of a person who moves away from his or her place of usual residence, whether within a country or across an international border, temporarily or permanently, and for a variety of reasons”.\textsuperscript{3}

Xinyimin, or New Chinese Migrants, are further defined as migrants from Mainland China (and to a much lesser extent from Taiwan) who stay in another country for more than one year, some with the intention to stay longer or permanently.\textsuperscript{4}

According to a rough estimate, there were 10.3 million xinyimin across the world in 2008, of which about 8 million came from Mainland China.\textsuperscript{5} Of those from China, only 20% went to Southeast Asia.\textsuperscript{6} It is difficult to get accurate figures on this since almost no country in Southeast Asia has released any relevant figures. According to Indonesia’s Labour Minister Hanif Dhakiri, there were 24,800 Chinese workers in Indonesia in 2017,\textsuperscript{7} the majority of whom were classified as skilled workers. However, many argue that the real number may be double that.

This paper will focus on the xinyimin in Indonesia, an undertaking that forms part of my larger project on Chinese migration in Southeast Asia. There have been copious descriptions of the diverse nature of Chinese migration into the region, but statistics have been less forthcoming both as a result of the sensitive nature of the subject and the uneven data collection of country-level surveys. However, from scattered information that is available, it is still possible for us to gain a rough picture of the xinyimin in Southeast Asia and to understand their activities (see Table 1). To a limited extent, their impact on the local socio-economic and political scene can also be assessed.
Table 1: Chinese new migrants in Southeast Asia (estimates, in thousands)

<table>
<thead>
<tr>
<th>Country</th>
<th>Up to 2007 (Zhuang Guotu)</th>
<th>Other Estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>200-250</td>
<td>300</td>
</tr>
<tr>
<td>The Philippines</td>
<td>150-200</td>
<td>50-70</td>
</tr>
<tr>
<td>Thailand</td>
<td>200-300</td>
<td>200</td>
</tr>
<tr>
<td>Malaysia</td>
<td>100-150</td>
<td>50</td>
</tr>
<tr>
<td>Indonesia</td>
<td>100-120</td>
<td>50</td>
</tr>
<tr>
<td>Vietnam</td>
<td>50-100</td>
<td>50-60</td>
</tr>
<tr>
<td>Laos</td>
<td>10 or More</td>
<td>20</td>
</tr>
<tr>
<td>Cambodia</td>
<td>10 or more</td>
<td>20</td>
</tr>
<tr>
<td>Myanmar</td>
<td>100?</td>
<td>50-60</td>
</tr>
</tbody>
</table>


**SITUATING XINYIMIN IN INDONESIA**

Indonesia has many restrictions on new migration. For instance, the ratio of foreign workers to local workers is 1 to 10. Only workers whose skills are not available in Indonesia can get a permit, and they have to leave the country as soon as their project is completed. The permit is usually only for 6 months. This is due to strong ethno-nationalism and protectionist policies in support of the economic well-being of “indigenous Indonesians”. Many “indigenous Indonesians” still live below the poverty line, and they hold strong suspicions and prejudices towards foreigners, especially the Chinese. Worse, opposition politicians often use identity politics to promote their interests, making Chinese new migrants targets for attacks.

In fact, ethnic prejudices prevail not only against new migrants, but also towards Chinese Indonesians who have been there for generations. The Basuki Tjahaja Purnama (alias Ahok) affair is a case in point. Even the former Commander-in-Chief of the Indonesian military, General Gatot Nurmantyo, promoted anti-Chinese sentiments while he was aiming for a high political position as his retirement job.

Regardless of the strict policy towards the Chinese migrants, xinyimin are found in many places in Indonesia. There have been tensions between these Chinese workers and the local population.

In 2015, for instance, a cement factory in Lebak, in Banten province, was said to have hired 799 Chinese migrant workers, mainly to do non-skilled work, and the local people, claiming that these workers had caused damage to the environment, demanded that their work permits be withdrawn. Joint project companies in Bali and Kalimantan were said to have hired many more Chinese migrant workers than permitted. The issue persisted for several months and was eventually debated in Parliament. The government investigated the matter and found that the numbers were within quota. More recently during the Covid-19 pandemic,
the presence of 49 Chinese workers at the Konawe district, Southeast Sulawesi province, led the local population to demonstrate and to urge the local government to expel these new arrivals. Soon after this episode, another 500 new Chinese workers were scheduled to enter Konawe. The plan was leaked before their arrival resulting in strong opposition from the local government. The entry of these workers was temporarily halted.

It is worth noting that illegal xinyimin are also present in major cities such as Jakarta, Surabaya, Medan, Bandung, Semarang and Yogyakarta. These are usually overstayed visitors in Indonesia. Some of them are petty traders selling Chinese porcelains and other products in malls and markets, some work in restaurants, factories and other outfits, and some are sex workers working under local syndicates. Due to their large numbers in major Indonesian cities, sex workers from China are now known as *Cungkuok*, a local Indonesian slang of “Zhongguo”—China. Despite the large number of illegal xinyimin, very few have been deported.

**CHINA CHAMBER OF COMMERCE IN INDONESIA AND XINYIMIN BUSINESSMEN**

Although Deng Xiaoping’s open-door policy started in the 1980s, new migrants came to Southeast Asia, especially to Indonesia, much later, possibly during the Hu Jintao presidency around 2005. With the launch of the Belt and Road Initiative (BRI) by Xi Jinping in 2013, the number of Chinese new migrants to Indonesia increased dramatically in tandem with the great numbers of state-linked and private Chinese companies arriving in the country. According to an estimate of a xinyimin observer, there are over 1,000 Chinese companies in Indonesia, 260 of which are members of the China Chamber of Commerce in Indonesia (CCCI).

The CCCI only accepts Mainland Chinese business companies as members, and almost all large state-linked companies established in Indonesia are members, as are private-owned companies, most of which are SMEs. The large companies often collaborate with local companies, while the SMEs are often independently run and have few interactions with local Chinese-Indonesian businessmen. Chinese-Indonesian business firms have formed their own chambers of commerce such as *Yinni Zhonghua Zong Shanghui* (印尼中华总商会) and *Huashang Zonghui* (华商总会), which only accept Chinese Indonesian companies as members.

The CCCI originated as the Chinese Business Association in Indonesia [*Zhongzi Qiye (Yindunixiya) Xiehui* 中资企业（印度尼西亚）协会], first established in May 2005. It changed its name in September 2010 to CCCI (印度尼西亚中国商会). In other words, the CCCI has 15 years of history, showing that xinyimin businessmen have been active in Indonesia for at least that long.

The former chairman of the Chamber, Zhang Min, who was in Indonesia between 2010-2016 and managed the China Bank in Jakarta, stated that Chinese firms are well established in businesses such as construction, the building of power plants, the smelting
industry, and electronics. Expertise in such sectors are much needed in Indonesia, while Indonesia’s rich natural resources are in demand by China.¹⁻¹⁹

The current composition of the council of the CCCI is clearly controlled by China’s major state-linked enterprises. The general chairman is Zhang Chaoyang (张朝阳) who is the director of China Bank’s Jakarta branch, the honorary chairman is Zhang Jinxing (from the Industrial and Commercial Bank of China, ICBC), the council chairman is Zhang Wei (from China Railways Corporation), the daily deputy chairman is Liu Cheng (from Global Machinery Company in Indonesia), and the secretary is Xie Baohua (from China Pacific Insurance). There are also 12 deputy chairmen representing firms from various industrial sectors operating in Indonesia.²⁰

A former general chairman of the CCCI, Gong Bencai (宫本才), from China’s State Oil Company, revealed at a seminar in Jakarta in November 2018 that 50% of the activities of the Chinese companies were on Java, and the rest in the Outer Islands (Outside Java Islands). With regard to their investment, 17% was in the construction industry, 15% in the mining industry and 13% in the electronics industry. He further stated that China’s companies had also moved into infrastructure, logistics, power plants and the food industry in order to fulfil Indonesian needs.²¹

Not only has the trade volume between China and Indonesia continued to increase, the inflow of direct investment has also been dramatic. China is now the largest trading partner of Indonesia, while as the source of direct investments into Indonesia, China jumped from no.10 in 2008 to no.3 in 2016.²² Nevertheless, the amount is still very small when compared to the FDI from Japan and the USA. Luhut Panjaitan, now the Coordinating Minister for Maritime Affairs and Investment, appealed to China in late 2018 to invest more in Indonesia, claiming that the investment environment has now been more conducive.²³

Indeed, China is very interested in doing business in Indonesia. Outside of Java, another centre is the Riau Archipelago Province known as Kepri. In September 2015, China’s Businessmen Association in Riau (Asosiasi Pengusaha Tiongkok di Kepri, APTK) was officially established. Its Chinese name is Yinni Liaonei Qundao Zhongzi Qiye Shanghui (印尼廖内群岛中资企业商会), the Chamber of Commerce of China’s Enterprises in the Riau Archipelago of Indonesia. The office is located in Batam.²⁴ It has 20 members, including PT. Bank ICBC Indonesia, PT Damai Indo Pertama Sukses, PT Cindo International Marine Trading, PT TJK Power, and PT China Communications Construction Industry Indonesia.²⁵ The chairman of APTK is Shen Xiaoqi (沈晓琪) who is the CEO of ICBC in Indonesia. He announced that the APTK would immediately join the CCCI and become its Riau Islands branch, and he looked forward to the guidance of the Chinese embassy and consulate-general.²⁶ In 2017, China’s investment in Kepri was still small. Both the investment of PRC and Hong Kong combined was only $US 232 million, placing it as the number 4 investor in Kepri. Separately, Hong Kong was no. 5, while PRC is no.12.²⁷ However, by 2019, PRC’s investment had reached $US 1.3 billion and it had emerged as the second largest investor in Kepri, behind Singapore ($US 2.7 billion), but ahead of Hong Kong ($US 600 million), Japan ($US 600 million), and United States ($US 500 million).²⁸
China’s state-linked and private businesses in Indonesia do recruit local Chinese Indonesians, though not in great numbers. These firms require staff who speak and understand Mandarin, and most young Chinese Indonesians are not fluent in that language.

NEW STUDENTS FROM CHINA

A significant number of Chinese have been studying in Indonesia in recent decades. In 2001 a Chinese Indonesian banker, Li Moming of the Pan-Indonesia Bank, established President University (Universitas Presiden) in the suburb of Jakarta. It offered 100 scholarships annually to Mainland Chinese students to enroll at that university. Also, since 2010, the Zhongguo Gangwan foundation (中国港湾) China Hongkong and Bay Areas Enterprise has offered 15-20 annual scholarships to the President University. According to a study on Chinese businesses in Indonesia, these graduates from President University, more than 1,000 of them, have served as the backbone for China’s businesses and companies in Indonesia. These graduates are well versed in both Mandarin and Indonesian.

There are also many Indonesians, both indigenous and of Chinese descent, who have studied in China. In 2015-2018, as many as 57,031 Indonesian students went to Mainland China’s universities for their education. Although no data is available on what they have been doing since their return to Indonesia, one may assume that some would have joined Chinese firms.

Chinese Indonesians who grew up during the New Order period are generally not well-versed in Chinese dialects of any kind. The still sizeable older generation, on the other hand, went to Chinese-medium schools and are often literate in Chinese, and are readers of Chinese-language newspapers. According to one estimate, Indonesia has about 30,000 Chinese-language newspaper readers, supporting at least seven or eight such newspapers, five of which are based in Jakarta.

Since the younger generation of Chinese Indonesians in general no longer have an active command of Mandarin, these newspapers often used Mainland Chinese studying in Indonesian universities as reporters, writers or editorial staff. Some continue to work after graduation, contributing to the survival of the Chinese press in post-Suharto Indonesia.

CONCLUSION: AN UNEASY RELATIONSHIP BETWEEN XINYIMIN AND CHINESE INDONESIANS

Most xinyimin have a limited command of the Indonesian language. Some interaction between them and older Chinese Indonesians who still speak Chinese does occur. This cannot be said about interactions between them and the younger generation of Chinese Indonesians who are Indonesian- or Western-educated. According to observers, the ties between xinyimin and Chinese Indonesians are not close, and the groups are divided by different life experiences and by the language barrier.
Even ties between xinyimin businessmen and Chinese-speaking Chinese Indonesians have not been cordial. Many xinyimin businessmen are seen to be arrogant and dismissive of the local Chinese, while Chinese Indonesian towkays often distrust xinyimin businessmen.\(^{36}\)

But from my observations, major xinyimin corporations do collaborate with local Chinese-speaking businessmen. The local contacts help the xinyimin to develop their businesses in Indonesia. This is especially the case in the Outer Islands where many Chinese Indonesians are still able to speak Mandarin.

The xinyimin continue to enter Indonesia. While Indonesia welcomes Chinese investments, a surplus-capital China also needs resources from Indonesia. Most new Chinese migrants are quite young and are often better educated than the old migrants. They are also more adventurous, and chances are, they will be more successful than their forefathers.

It is worth noting that the presence of the Chinese workers had invoked protests and demonstrations among the indigenous population, but the presence of Chinese businessmen did not elicit the same reactions. During the 2019 presidential elections, Prabowo Subianto attacked mainland Chinese investments and Chinese workers but this did not result in noticeable anti-China sentiments and anti-Chinese riots. This was probably because apart from the success of Joko Widodo’s security policy, these Chinese businessmen were not seen in public and did not have direct contact with the indigenous population. Prabowo himself later joined the Joko Widodo administration and became more sympathetic to Chinese investments. Nevertheless, tensions between new Chinese migrants and the indigenous population remain.

With the arrival of xinyimin, a new type of Huaqiao (overseas Chinese) community is in the making. Indonesia may experience a totok-and-peranakan situation again. These new Chinese migrants (totok) may come into conflict with the Chinese Indonesians (peranakan) who consider new migrants as competitors and a threat. There may also be tension—and conflict—between xinyimin and the indigenous population, who see them as foreign exploiters. In addition, Beijing’s Overseas Chinese policy may also affect the situation of the xinyimin in Indonesia should Sino-Indonesian relations turn sour.

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1 For instance, Zhuang Guotu (庄国土), 中国新移民与东南亚文化( China’s new migrants and the culture of Southeast Asia), CHC Bulletin (华裔馆通讯) Issue 9 (May 2007), p. 9... I also agree with his observation.

2 The study of the xinyimin began to emerge in the second decade of the 21\textsuperscript{st} century. Examples of such studies include Leo Suryadinata ed. Migration, Indigenization and Interaction: Chinese Overseas and Globalization. New Jersey and Singapore: World Scientific, 2011; Leo Suryadinata and Lee Guan Kin, eds. Chinese Migration in Comparative Perspective: Adaptation and Development: Singapore: Chinese Heritage Center, 2009; Liao Jianyu (廖建裕)、Liang Bingfu (梁秉赋) eds.《华人移民与全球化: 迁移、本土化与交流》(Chinese Migrants and


4 It should be noted that our academic usage of the term “migrants” (yimin 移民) to refer to new Chinese workers is often misunderstood, particularly in the Indonesian context. Migrants in Indonesia are often understood as foreign nationals who plan to settle down in other countries. However, Indonesia does not regard foreign workers as “migrant workers” per se because they entered Indonesia not as migrants but as foreign manpower (Tenaga Kerja Asing, TKA) without entitlement to settle down in Indonesia. In theory, they need to leave Indonesia when the project is completed. Even businessmen are not considered as migrants either. These are reasons why the Indonesian government claims that it does not have new Chinese migrants.


8 Ahok, a Chinese Indonesian Christian was defeated in the gubernatorial election in 2017 by his opponents, who made heavy use of identity politics. For a brief analysis, see Liao Jianyu (廖建裕): Yajiada shouzhang xuanju hou de Yinni zhengju (雅加达首长选举后的印尼政局) The political situation in Indonesia after the Jakarta gubernatorial election, Lianhe Zaobao (联合早报), 25 April 2017.

9 Leo Suryadinata, General Gatot and the Re-emergence of Pribumi-ism in Indonesia, ISEAS Perspective, 2007 issue no.49 (7 July 2017).


16 Ibid, pp. 218-219.


This university offers courses in engineering, computer science, and business. The medium of instruction are English and Indonesian. In 2019, it had 5,000 students, 500 of which were foreign students mainly from China, Vietnam, South Korea and Australia. See http://www.chinachamber.co/detail/1189.html (Accessed 1/2/2020).

Interview with one of the Chinese newspaper directors, Jakarta, 22 August 2015.


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