

China-Watcher Notes No. 5

Chinese Migration to the Western World; India's Experience

The US and China, Horizon 2025

BRI in 2024

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The *China-Watcher Notes* is a new series introduced by the Institute of Chinese Studies, New Delhi, under the ambit of *ICS Analysis*. Each edition shall cover a set of topics of contemporary relevance pertaining to different aspects of China.

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Chinese Migration to the Western World; India's Experience

A new phenomenon in the past two years is undocumented Chinese migrants heading to the US, flowing out at an annual rate of around 200,000, joining the streams that flow into North America, via Mexico and Canada, many hazarding long journeys, mostly on foot, through Central America. A correspondent for *The Economist* wrote in the series 'Drum Tower'¹:

In 2019, while covering the anti-government protests in Hong Kong, I interviewed a young man from Shenzhen who had come to participate. He wore a mask and hat and held a sign that read: "I came from the mainland. Thank you, Hong Kongers! Don't give up, fight for freedom!". Soon after his release, the young man fled to South-East Asia. I wrote just one story about him, but he sent me messages from time to time. In 2021 he told me that he had arrived in Mexico and was about to cross the border into the United States, where he planned to seek asylum.

In 2021 the number that attempted the Latin America route was barely 680; by 2023 it grew to 37,000.² It is impossible for such large numbers to move out of China without the acquiescence of their official agencies, given China's tight network of multilayered domestic controls. That outward exodus takes place with China's implicit approval. The why of that shift in official policy calls for reflection.

The international press has taken note of this development; *The Economist* carried a 2-hour, four-part podcast on this in October 2024, besides several news reports.³ Other media reports have also covered this.

The Chinese also lead in the super-rich migrants that have moved to North America and Australia, less so to the UK or the rest of Europe. One news report noted: 'More than 70% of the 81,000 investor visas issued by the American government to dollar-millionaires between

2010 and 2019 were given to Chinese citizens'.⁴ Since 2012, 85% of the 'investor visas' issued by Australia have gone to the Chinese.⁵

In parallel, large numbers of Chinese continue to migrate into Africa and Latin America, setting up retail businesses and varied forms of entrepreneurship. On both continents, the numbers were estimated at around 1 million each; today the figures are surely larger. China has evidently decided that such growth in overseas communities is to China's long-term benefit.

On both fronts, in North America and the UK, and across Africa (but not in Latin America) a similar shift in undocumented migration by Indians is a parallel development. For instance, upwards of 25% of the new 'boat people' heading across from continental Europe to the UK are now Indians. An editorial in *The Times of India*, 6 May 2024, suggested a full-time Minister for Emigration, working closely with the Ministry of External Affairs. It carried forward ideas in a *Times of India* article of 5 May titled 'The Great Indian Outplacement'.⁶ Shouldn't we take a holistic view of this outward migration from India, to steer a process that is mostly secretive, violating travel regulations in different countries?

A few thoughts. It would certainly make sense to have an integrated vision of the immigration that is currently taking place, autonomously, self-driven. Around 18 million Indian 'new migrants' now reside abroad, followed by Chinese numbering around 11.5 million. A significant difference is that the Chinese include a substantial number of high net worth families, whereas in the cases of India, the proportion of this particular segment is still smaller, but growing.

In the countries that are peopled by migrants, including the US, Canada and Australia, significant numbers of Indians have moved in, both through the procedures in those countries and by way of people smuggling. Indians are also among those that have taken advantage of the different 'investment visa' schemes that different European countries have offered; these residential visas usually lead to local citizenship.

The Gulf region is, of course home to almost 8 million blue collar workers, who have now been joined by growing numbers of white collar workers, and those that are among the rich, entrepreneurs and their ilk. The regional origin of these migrants has the traditional high

percentage of people from Kerala and Punjab. Now Gujaratis and the traditional source regions have witnessed new groups of minor business families joining undocumented migration into North America, and the UK. Sizeable numbers of Indians feature among the thousands of ‘boat people’ each month that risk the hazardous UK Channel crossing in small boats. And in similar fashion, they risk the even harsher crossing of land frontiers, via Central America-Mexico, and via the Canadian border, all headed for the US.

At this point India does not have any national immigration policy, and the support network through the consular posts abroad is also weak. This begs for attention, with policy framed after comprehensive, open discussion.

The US and China, Horizon 2025

Like for much of the world, Donald Trump’s second presidency is an uncertain period for China. Given that Beijing is high on the incoming US President’s target list, cautious optimism, combined with preparation for adverse actions, sums up China’s posture at the end of 2024.

Specifically, the following elements are discernible:

- Hold to an outward calmness, even optimism. Do nothing that might be seen as provocative.
- Major domestic economic actions are on hold, including domestic rescue actions for the stock market, the housing construction sector, and even a relief package for the local government sector that has faced crisis owing to recent poor supervision of their borrowing and real estate ventures. That gives wider latitude for future action.
- Signal an attitude of reasonableness, and a willingness to engage in dialogue with the incoming administration, without showing unease or apprehension.

China’s economic policy shows caution in new concessional actions to help its economy climb out of its current recessionary trends. In part, this seems to be marked by caution to hold back some leeway for other actions it may need after Donald Trump assumes office on

20 January 2025, as and when he comes forth with harsh tariffs and other measures against China, as he has promised to do during his election campaign.

It should not be surprising if in parallel, some form of initial dialogue, or talks about future talks, has been initiated by China with the incoming administration. Pragmatism has long been a hallmark of Chinese foreign policy.

BRI in 2024

President Xi's major international initiative, the Belt & Road Initiative (BRI) launched in 2013 is not much in the news, but it remains China's largest – and most expensive, at over \$1 trillion of loans extended to over 80 countries. Manoj Kewalramani shared with the ICS Group his essay on the status of BRI, published in *The Indian Express* of 11 December 2024.⁷

He noted that at the 4th symposium on BRI held in Beijing, Xi spoke of focus on efforts to coordinate projects related to 'hard connectivity' in infrastructure, 'soft connectivity' in rules and standards, and 'people-to-people connectivity' with the people in the participating countries. That is a neat way of summing up the key objectives of BRI projects.

This article discussed China's new efforts at risk mitigation and increased focus on mineral projects, in lieu of major infrastructure investments which are both risky and yield low returns. This article indirectly highlighted the need for deeper and updated analysis of BRI activities. Some of the issues calling for attention are:

First, a closer look at developments in countries where BRI investments have been heavy. Pakistan is one example, where another title for these investments is 'China-Pakistan Economic Corridor'. In recent months we have not seen much news on these projects. Noteworthy is the fact that no one seems to speak of the flow of commercial traffic on this expensive road project, on the pipelines built at high cost to transport oil and gas. The net conclusion remains that this is greatly more expensive, compared with the shipping route and therefore not viable. It is hard to say if some of the shortcomings of projects in Pakistan, from a recipient perspective, are replicated elsewhere, but past mono-focus on China's gains has surely soured the mood among several recipient states.

Second, how will the crisis in debt repayment be handled? China is not known to have written off any loans; its domestic public would deeply resent this. Postponement of repayment has been a preferred method, but that has its own limits. There are no recent reports of China taking over assets in debtor countries, as it has done earlier in Sri Lanka and some East African states. Yes, China has joined a Paris-based lender group that works on this issue, but results are yet to emerge.

Third, in Africa, China is now focused on mineral projects, and this has strategic value, giving it assets that will only grow in importance in the future. This method is likely to be replicated in Latin America.

Fourth, as Nepal shows, there is a fair degree of prudence now among receiving countries, in project selection and in the financing arrangements. BRI is no longer seen as easy money.

Fifth, given that BRI is strong in Africa, we should also consider Africa's attitude towards Chinese aid, the more so when over 40 African countries are host to BRI projects. The 9th 'Forum on China-Africa Cooperation' met in Beijing on 4-6 September, but other than platitudes, there was no movement on real two-way benefits from expanding trade; Africa continues to export minerals and agricultural products to China. And the African Union has no real strategy to insist on greater two-way benefits.⁸

In sum, the BRI is a fit subject for closer, continuing analysis. One issue worth investigation is how China has handled transfer of technology and do-how to the recipient countries. It would surely be worthwhile for more of our China scholars to work on this, looking beyond Pakistan or South Asian affairs to the wider BRI canvas.

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The Economist. 2024. “Drum Tower”, 10 October.
- ² Ibid.
- ³ This podcast from October 2024, published by *The Economist*, focuses on interviews with Chinese migrants, during their long, hazardous travel through Central America and on reaching North American destinations. It is available on Spotify and other platforms. The podcast goes on to add: ‘... Some of those we spoke to genuinely feared persecution in China. Most, though, were economic migrants who had lost faith in the Chinese dream. Many were parents, walking into the jungle with children in tow. One told me that back home he had asked his 11-year-old son what he wanted to be when he grew up and the son answered, “I want to fight the Japanese devils”. China’s nationalist propaganda and ideological education were dangerous, he said. And if violence ever broke out in China, poor families like his would suffer the most’.

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⁸ Bhaso Ndzendze. 2024. “China Reaps Most Benefits of the Africa Relationship”, *Asia Times*, 3 September, <https://asiatimes.com/2024/09/china-reaps-most-benefits-of-the-africa-relationship/>.

About the Author

Kishan S. Rana has an MA in Economics from St. Stephens College, Delhi. Joining the Indian Foreign Service in 1960, he learnt Chinese at Hong Kong; served at the Indian Embassy in China (1963-65, 1970-72). After 1975, Ambassador/ High Commissioner to Algeria, Czechoslovakia, Kenya, Mauritius and Germany; served on PM Indira Gandhi's staff (1981-82). Professor Emeritus, Diplo Academy, Malta and Geneva; Emeritus Fellow, ICS, Delhi; Archives By-Fellow, Churchill College, Cambridge; Public Policy Scholar, Woodrow Wilson Centre, Washington DC. Guest faculty, Diplomatic Academy, Vienna (2011-18); Commonwealth Adviser, Namibia Foreign Ministry (2000-01). Authored and edited 14 books (two translated into Chinese); *Inside Diplomacy* (2000); *Asian Diplomacy* (2007); *Diplomacy of the 21st Century* (2011); *Churchill and India: Manipulation or Betrayal?* (2023); *Diplomacy at the Cutting Edge* (2016) (on the internet, free download).

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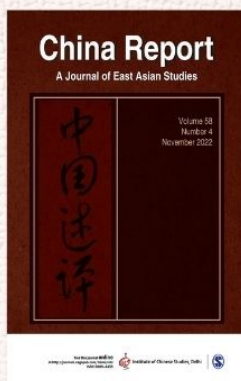


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