

SEAG-Symposium, October 14-18, 2002, Vietnam

“The role of dialogue and networking:  
From a transitional to an industrialized country”

## Business Network of Chinese Immigrant in Kupang, West Timor — Indonesia

FRED M. DETHAN<sup>\*</sup>, FRANS GANA<sup>\*\*</sup>, DAVID B.W. PANDIE<sup>\*\*\*</sup>

<sup>\*</sup>*University of Nusa Cendana, Faculty of Political and Social Science*

<sup>\*\*</sup>*University of Nusa Cendana, Faculty of Political and Social Science*

<sup>\*\*\*</sup>*University of Nusa Cendana, Faculty of Political and Social Science*

### Abstract

The business of Chinese ethnics in many regions in Indonesia had shown great success. This evident was an interesting phenomenon to be studied. The success of the Chinese's businessman was indicated by its share were 70 % of Indonesian economics was dominated by 4 % Chinese immigrant businessmen (TANZER, 1994:139).

In general, the objective of this research was to determine the picture of business network of Chinese immigrant in Kupang Municipality. To be more specific, this research wanted to be determined and to analyse factors influencing the success of businessmen in Kupang Municipality.

The research problem was how business networks of Chinese immigrant were developed. This research was located in Kupang Municipality, East Nusa Tenggara — Indonesia.

The population in this research covers 2,594 Chinese entrepreneurs (Statistic Bureau Kupang, 1999). Samples were taken under disproportionate random sampling. There were 29 wholesaler and 71 % retailers that made up 100 samples. Primary data for this research was obtained from observation, interview and questionnaires. The data collection were analysed descriptively.

In managing their trading building business network with their business partners, Chinese entrepreneurs use and maintain faiths which were important their reputation. This faith had important implication in the decreasing of the economic- transaction-costs that threat business organization from time to time. The faith among business partners was put through contract mechanism that implicitly practiced by Chinese entrepreneurs in developing their business network in Kupang Municipality or in other regions Indonesia. In contrary, these who behaved dishonest were treated through implicit mechanism rather than explicit mechanism. The dishonest would have no information access, kicked out from the business network and then considered as non-exist. Therefore, business network of the Chinese entrepreneurs can be used as a model for establishing business partnership among entrepreneurs.