

CHAPTER III

THE SOCIAL AND ATTITUDINAL BACKGROUND

A discussion of the social and attitudinal background is necessary to understand the present position of Indian businessmen in Malaya. The social aspect will give the inherited characteristics the Indians possess from their homeland; the attitudinal background would give the special attitudes of Indians as a foreign business community domiciled in Malaya.

THE SOCIAL BACKGROUND

It is difficult to discuss the social background of Malayan Indians for a lot of institutions and practices in India have undergone considerable changes here. However, Thompson and Adloff claim that "with few exceptions, Indians have taken all their customs with them to Southeast Asia; they do not identify themselves with the local people, nor adopt their dress, nor intermarry with them. They live as foreigners far more rigidly than the Chinese."¹ But unless a large scale survey is carried out no definite opinion can be made on this topic. For example, the extent to which the institution of caste influences Indian business in Malaya cannot be clearly seen. As far as business is concerned the caste system hinders occupational mobility and denies talents to industrial and business leadership. Business ventures would have to be kept within the caste group. In Malaya such classes are still recognised in the case of people who perform services like dobies² and barbers. There is still some reluctance to admit a barber into an Indian home although entering a barber's saloon seems to be (fortunately) no social crime.

¹Thompson and Adloff, op. cit. p.64.

²Indian caste name for laundryman.

It must however be emphasised ^{that} the extent to which such practices exist depends on the educational background and the extent to which the persons concerned have assimilated change. On the other hand, it is a fair assumption that Indian businessmen when they first set foot in Malaya had several social attitudes concerning business. Some aspects of these attitudes are discussed below.

Attitude Towards Business Occupations

A notable feature of the Indian community is that very seldom does a labourer make an attempt to participate in business. The attitude seems to be more common ^{among} the Tamils, Telugus and to some extent, the Malayalies. Business is left for the 'business caste.' Among the Chinese there have been many cases of Chinese rising from the ranks of labourers to become successful businessmen.³ As Parkinson puts it in an exaggerated form, "___ only a coolie can become a millionaire."⁴ The reason why these Indians do not participate much in business in Malaya is most probably because of their lack of capital or the necessity of remitting money to India or the desire for hoarding. But when some Tamils are asked why they made no business ventures the reply sometimes is that business is only for the Chinese and the Tamil-Muslims who are experts in "cheating and making money." This is more of an excuse than a reason; but the fact that this attitude exists influences their ideas of business greatly. Dr. Tjoa Soei Hock describes a similar ^{attitude} of the Malays who are supposed to say "Look at the Chinese ___ they always cheat by means of scale. That is why they become rich. This kind of wealth is haram." Further, "to be a businessman one must be very cunning and shrewd and we admit that this is not our cup of tea."⁵ Such attitudes limit the number of businessmen in the community concerned.

There might also be something in what Mc Celland says of certain groups of people who are natural born entrepreneurs with high achievement motivation and love for

³Goh Joon Hai, "Some Aspects of the Chinese Business World in Malaya," Ekonomi, Vol. III, No. I, December, 1962. p. 88.

⁴Ibid.

⁵Tjoa Soei Hock, Institutional Background to Modern Economic and Social Development in Malaya, Liu & Liu Agency, Kuala Lumpur, 1963. p. 188.

business occupations of a risky nature.⁶ In Southeast Asia the Chinese and in India the Jains and the Farsees can be said to fall into this group. The lack of such inherent qualities can be said to be one of the causes for the Indians' apathetic attitude towards business. The point however is still debatable.

Attitude Towards Change

According to Vikas Mishra, Indian businessmen are generally not very enthusiastic towards change.⁷ The extent of change is determined by the educational and cultural background of the businessmen. Mishra, however, was speaking of businessmen in India. In Malaya too clinging to old methods seems to be a feature of some Indian businessmen. For example, Tamil businessmen still use the single-entry bookkeeping system. This system is certainly inferior to the double-entry system, yet there is a persistent reluctance to introduce changes. When the Required Records and Accounts Bill was proposed by the Government, in 1950, the Indian Chamber of Commerce strongly protested against it. Among the Chamber's protests was that the Asian communities in Malaya should not be asked to change their methods of accounting to facilitate the administration of tax; and also that businessmen should be allowed to "carry on their business exactly as they had done in the past."⁸ This attitude of reluctance to change the accounting methods also exists among the Chinese businessmen in Malaya. However the Chinese have assimilated change in other directions and have diversified their business interests. The Indians still cling to their traditional business lines and methods and have not kept abreast of change.

Caste, attitudes towards business and change are only some of the social attitudes of Indian businessmen. Lack of facts, however, do not permit the discussion of other social factors.

THE ATTITUDINAL BACKGROUND IN MALAYA

Here, an attempt would be made to discuss the past attitudes of Indian businessmen as a foreign business

⁶B. Higgins, Economic Development, W.W. Norton & Co. New York, 1959. p. 300.

⁷V. Mishra, Hindusim and Economic Growth, Oxford University Press, 1962. p. 122.

⁸The Malay Mail, 18th. April, 1950.

community in Malaya.

The three basic necessities of any foreign business community is unity among themselves, ability to cultivate the market, and ability to identify themselves with the interests of the country. The extent to which these factors have been realised in the past will determine the present position and business success of that community. Among Indian businessmen two factors existed which were detrimental to their business success. They were:

- (1) Attachment to India.
- (2) Disunity and Indifference.

Attachment to India

As Thompson and Adloff say, "___ of all the Asian aliens living in Malaya, the Indians were culturally, politically and economically the most attached to their mother country."⁹ Two pieces of evidence can be used to show the extent to which Indians were attached to India. They are:

- (1) The transiency of their residence.
- (2) Remittances to India.

Figure I shows the extent to which Indians were emigrating and immigrating to and from Malaya. It however does not give any indication of the attitudes of the Indians involved in this process; for this it would be better to examine what authorities on the subject have to say. Nanjundan in the 1950's has claimed that both Indian labour and businessmen had become assimilated in Malaya during the inter-war period and that the Indians had shown a "remarkable adaptability in adjusting himself to Malayan conditions."¹⁰ Thompson and Adloff writing at about the same time come to a different conclusion. According to them, "___ it was to better themselves that Indians came to Malaya, and the great majority remain there only so long as it is in their interest to do so. In 1951 the rubber boom brought thousands of Indians to the country, but a year later they departed in even greater numbers when the enforcement of the manpower regulations threatened them with military conscription."¹¹ It is difficult to

⁹Thompson and Adloff, op. cit. p. 97.

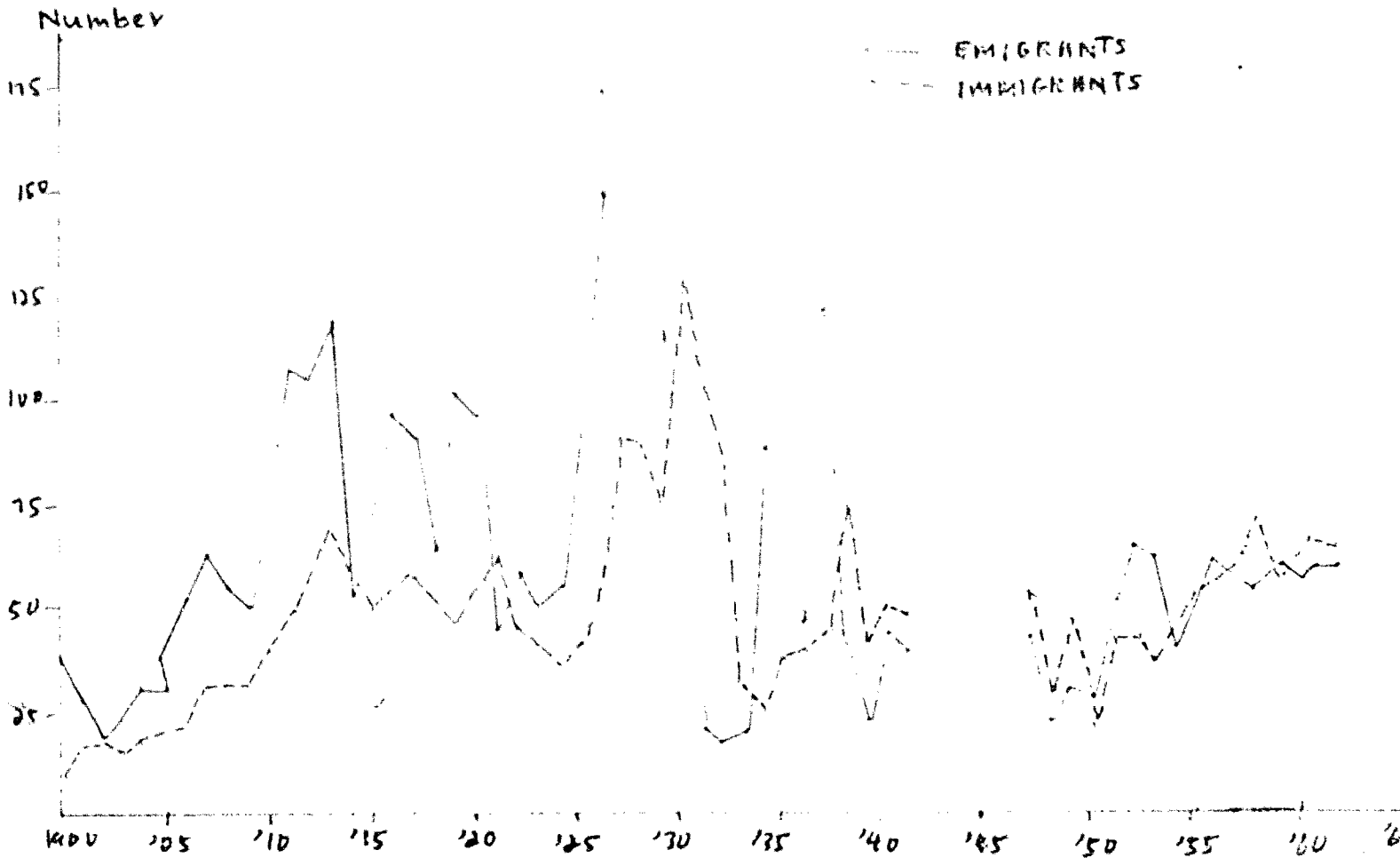
¹⁰Nanjundan, op. cit. p. 41.

¹¹Thompson and Adloff, op. cit. p. 109.

DIAGRAM I

GRAPH SHOWING IMMIGRATION AND EMIGRATION OF INDIANS

1900 - 1962



Source: Adapted from, Saw Swee Hock, "Trends and Differentials in International Migration in Malaya," Ekonomi, Vol. IV, No. 1, December, 1962. p. 107.

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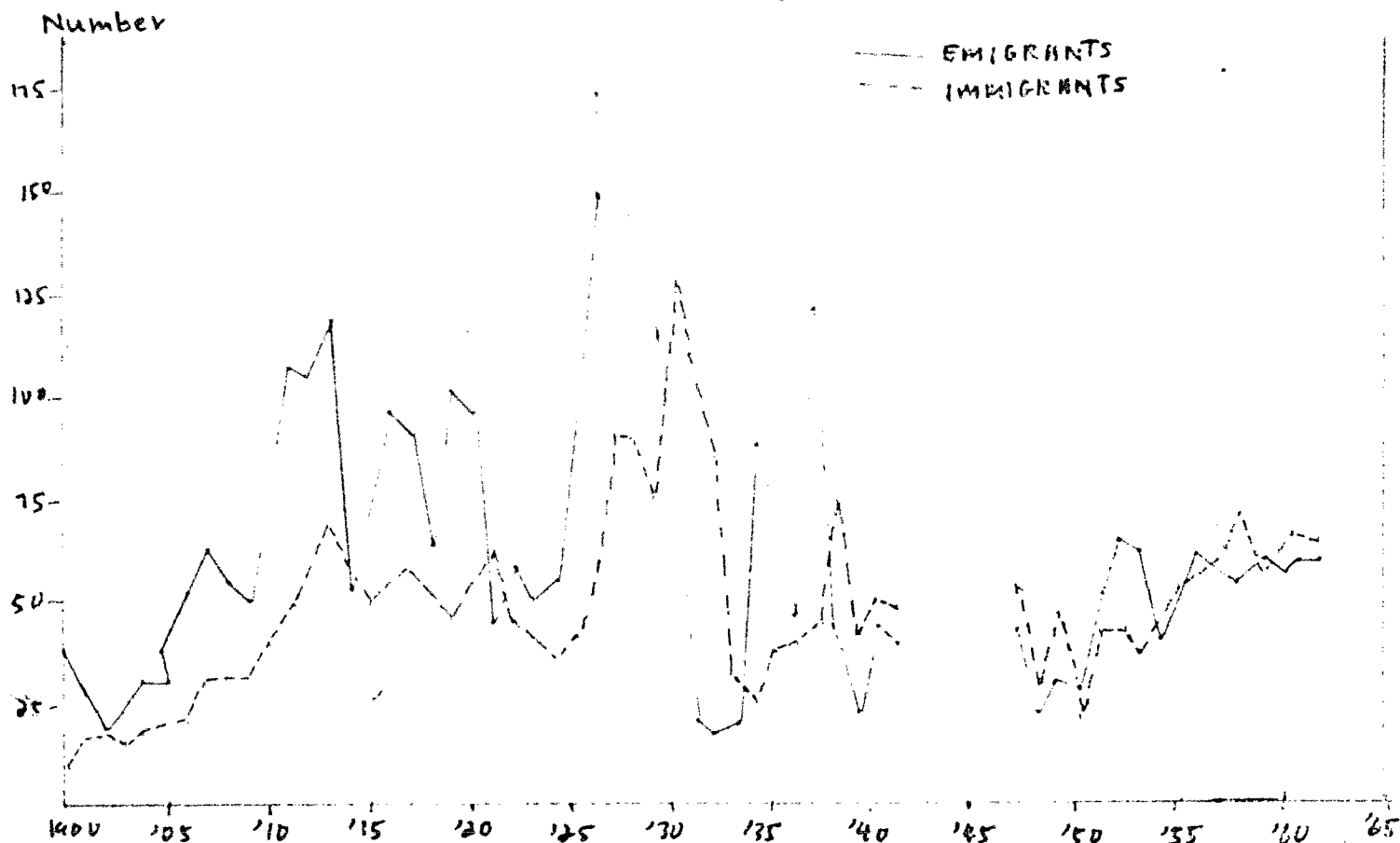
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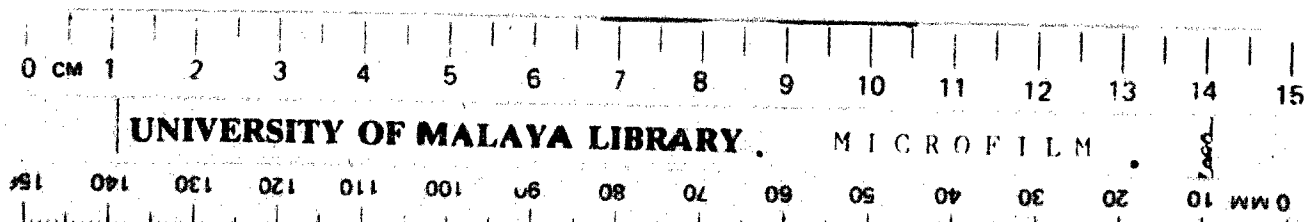
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determine whether this attitude resided more in Indian labour or in Indian businessmen. T.E. Smith had concluded that it was the second generation shopkeeping and professional classes rather than labour who became more settled in Malaya.¹² But these second generation Malayan born business and professional men still have sentimental links with India. As Ginsburg and Roberts estimate, in relation to their respective numbers, the proportion of Malayan born Indians visiting India has been almost twice the corresponding proportion of local-born Chinese visiting China and the proportion of Indians who had lived in the country for over twenty years revisiting India was greater than the corresponding proportion of Chinese.¹³ Silcock and Aziz go to the extent of saying that Indian merchants had been little more than agents of firms in India or local houses retaining very close ties with the homeland.¹⁴ Although these authorities differ it can be concluded that Indian businessmen in the past did have attachments to India and a somewhat divided loyalty. This definitely affected their business policies in Malaya; they avoided heavy investments and looked for less risky enterprises producing quick profits.

Remittances

The above attitude was further enhanced by the fact that money sent to India to support the joint-family system was a major incentive of the immigration of Indians to South-east Asia.¹⁵ Tables III and IV show the available figures of remittances to India and China. Although these tables are not exactly comparable they do show that on a per capita basis the Indian figures far exceed those of the Chinese. It is however difficult to divide the remittances to India between those sent by Indian labourers and those sent by businessmen. Resort must be taken to Gamba who contends that

¹²Smith, op. cit. p. 84.

¹³Ginsburg and Roberts, op. cit. pp. 358-359.

¹⁴T. H. Silcock and Ungku Aziz, "Nationalism in Malaya," in Asian Nationalism and the West, (ed. W. L. Holland), The Macmillan Company, New York, 1953. p. 276.

¹⁵Thompson and Adloff, op. cit. p. 68.

TABLE III

CHINESE FAMILY REMITTANCES, FEDERATION OF MALAYA

Year	Remittances (\$ ('000))	Population ('000)	Per Capita Remittance(\$)
1950	6,844	2002	1.71
1951	15,035	2027	7.41
1952	13,322	2029	6.56
1953	12,549	2120	5.91
1954	7,900	2171	3.51
1955	8,100	2229	3.63
1956	8,906	2297	3.89
1957	7,011	2333	3.00

Source: Adapted from G. Gamba, "Poverty and Some Socio-economic Aspects of Hoarding, Saving and Borrowing in Malaya," Malayan Economic Review, October 1958. p. 58.; and The Monthly Statistical Bulletin, March, 1963.

TABLE IV

POSTAL REMITTANCES TO INDIA, FEDERATION OF MALAYA

Year	Remittances (\$ ('000))	Population ('000)	Per Capita Remittances
1950	14,640	571	25.53
1951	23,046	531	43.38
1952	23,342	566	39.90
1953	21,510	585	36.76
1954	18,872	614	30.45
1955	19,904	647	30.76
1956	22,361	662	33.78
1957	21,949	681	32.24

Source: Ibid.

Note: Both tables are not exactly comparable.

"large amounts" of remittances sent were from business and financial interests.¹⁶ These remittances, while cutting down the investing capacity of Indian businessmen, also reduced the purchasing power of the Indian market in Malaya.

Political Neglect

The reasons for the attitudes discussed above cannot be easily determined. Importance must, however, be attached to the greater attraction that sovereign India holds for its nationals abroad, coupled with the close proximity of their so called mother country.¹⁷ There is also the important problem of political neglect in the past. As Usah Mahajani says "___ nor did their colonial masters make a concerted effort to foster common nationalism among the peoples including the late-comers for whose presence they were solely responsible."¹⁸ Examples of the above are not lacking. In 1939 the Indian population which formed 26% of the total population found its rights in the Federal Legislative Council and the state councils were not specifically recognised.¹⁹ In 1954 the Straits Times editorial regretted " that Indian representation is a problem which has largely escaped attention and that 52 elected members in the (Federal Legislative) Council with not an Indian among them would be a poor advertisement for Malayanisation."²⁰ An Indian viewpoint of this problem of neglect was put forward by a Tamil Newspaper, the Tamil Murasu, in 1953. It says:

" Whatever the political position of the Chinese maybe, their influence in the economic field closely rivals that of the British who rule the country. In contrast to the Chinese, the Indians of Malaya are considered to be of no consequence in any field. Although the Indians consider themselves experienced in politics and capable of leading other communities, there is not a single Indian in the Federal Cabinet. In the economic field the Indians are looked down as coolies, and the Indian Chettiars (money-lenders) are criticised, although they

¹⁶Charles Gamba, The Origins of Trade Unionism in Malaya, Eastern Universities Press Ltd.- Donald Moore, Singapore, 1962.p. 313.

¹⁷Mahajani, op. cit. p. XX

¹⁸Ibid. p. XIX

¹⁹Netto, op. cit. p. 60.

²⁰The Straits Times, 3rd June, 1954; quoted in Thompson and Adloff, op. cit. p. 107.

lend money at a fair and legal rate of interest. If the Indians go to India, they are 'dodgers' (of National Service); if they immigrate they are accused of being a burden to the country. Such is the predicament of the Indians of Malaya who by the sweat of their brow have made the country prosperous."²¹

Whether the above assertions are true or not the fact that the Indians felt neglected is very important. This enhanced their transiency and attachment to India. This again affected the volume of investments and types of business pursuits of Indian businessmen in Malaya.

Disunity and Indifference

If Indian businessmen were not treated well politically, this does not put any obstacles to unity among them. This too seems to have been lacking in the past. In 1947 there were three Chambers of Commerce for this small business community and an attempt to achieve unity among these bodies in that year failed.²² Again as G. Netto says, the individualistic nature of Indian businesses benefitted only the owners and while " a few individuals managed to amass vast fortunes, the businessmen as a whole failed to achieve that united and combined influence which the Europeans and the Chinese had achieved for themselves through their respective mutual co-operation and assistance."²³ The lack of unity has also led them to show indifference to their own community although it formed an important part of their market. This attitude has led even Kondapi, a fervent Indian nationalist, to say " The Indian trading and professional classes should assume a more sympathetic attitude to the working class. Cases are not in wanting where Indian big businesses have joined hands with European capitalists to trample upon the interests of their fortunate brethren."²⁴

²¹Victor Purcell, Malaya: Communist or Free, Stanford University Press, California, 1954.p.119.

²²Netto, op. cit. p. 54.

²³Ibid.

²⁴Thompson and Adloff, op. cit.p.64.

The above discussion brings out two factors which do not coincide. At one point it can be that Indians had short-run business objectives because of their unsecure political position in the country; but if this was the case, the common fear should have brought unity among them. There, however, is no evidence showing this tendency in the past.

CONCLUSION

Much time has been spent in the discussion of the historical, social and attitudinal factors affecting the Indian business community in Malaya. This is chiefly because it is among these that the reasons for the relative lack of Indian business success can be found. These reasons become more clear when they are treated in relation to the Chinese business community. The main reasons are:

(1) The smaller percentage. Throughout the historical background a very noticeable feature is the smaller percentage of the Indians in Malaya in relation to the Chinese. This, however, does not provide the full explanation. Even as early as 1931 it was noticed that around 3% of the Chinese were engaged in commerce while the Indian percentage was 2.5%. The reason for the smaller number of Indians wanting to participate in business is most probably explained by their attitude towards business as being limited to a separate 'cast'. It must however be noted that the Indian businessmen had a smaller market due to the smaller percentage in their community.

(2) Political and economic problems. Both communities suffered during the two world depressions and the Japanese Occupations. But the Chinese business community which had invested more heavily faced greater setbacks. Among the Indians, it was only the Chettiar businessmen, whose investments were relatively large suffered and this was only in the post-war period. The other Indian businessmen suffered the common setbacks of the reduction in purchasing power for their market. The Chinese economic problems were however compensated by greater opportunity to participate in political life while the Indians did not get much representation in the early days. Hence, Indians who attribute the relative lack of long-term investments among them due to lack of political power in their community can find some justification on political grounds; but they cannot find much justification on economic grounds.

(3) Attachment to mother countries. As Silcock and Aziz say, psychologically, Indian and Chinese communities found it difficult to transfer their allegiance to the country of their adoption.²⁵ However, as seen before, this problem was found more among the Indians than the Chinese. As the Social Survey of Singapore shows, Indians had closer ties with India than the Chinese and the Indians remitted more money to India than the Chinese to China in similar circumstances.²⁶ Hence, Indians were less assimilable than the Chinese and had lower investment capacity in Malaya.

(4) Reluctance to change. Although there is a common reluctance to change among both the Indian and Chinese businessmen, the Chinese dare to venture into more riskier fields of business while the Indians adhere to a few traditional and 'safe' lines of business which require little investment.

(5) Disunity and Indifference. These were the greatest obstacles to Indian business success. In the past there have been no signs of unity or attempts to 'cultivate' the market. The Chinese on the other hand have established several schools for themselves and even a University in Singapore; furthermore they they have several orphanages and benevolent societies and the rich Chinese businessmen have made liberal contributions to the well-being of their community.²⁷ In the process they had gained the respect and confidence of their market. The lack of this attitude among Indian businessmen is one of the main reasons for their relative lack of success.

The discussion above gives some of the possible reasons for the present position of Indian business in Malaya. The extent to which these factors are changing are very important; this will be discussed in the final chapter.

²⁵Silcock and Aziz, op. cit., p.343.

²⁶Smith, op. cit., p.84.

²⁷ Netto, op. cit. p.57.