CHETTIAR CAPITAL AND THE EMERGENCE OF THE CHINESE BOURGEOIS IN BRITISH MALAYA

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ABSTRACT

The historiography of Malaysia that addresses the Chinese and Indians rarely examines the interaction between the two ethnicities. In fact, works by Western and local scholars drew attention to the fact that the Chettis operated outside ethnic parameters in Southeast Asia and particularly in Malaya. It has to be noted that the Chettis were credit providers and financiers for the Chinese bourgeois from the early 19th century until the Second World War. This article explains how the Chettis helped Chinese entrepreneurs in the economic development of British Malaya. Existing literature seems to depict the unbalanced view that the Chinese used their own capital and sought financial assistance from Chinese towkays and banks along with European commercial banks to develop their economic activities. The reality was that Chinese entrepreneurs also used the services of Chettis as personal financiers and credit providers in crucial periods such as during the depression of the 1920s and 1930s.

Keywords: Chettiar, capitalism/capital, Malaya, laissez-faire, Chinese bourgeois, business caste

INTRODUCTION

The Malayan colonial economy of the 19th and 20th centuries owed its development to the role played by the Indians, Chinese and Malays. All three ethnicities had significant roles in ensuring that the British reaped economic