Singapore Chinese Society in Transition

Business, Politics, & Socio-Economic Change, 1945–1965

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in this book are those of the respective authors and do not necessarily represent the views of this project's funding agency, the National University of Singapore, and the Singapore History Museum.

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Notes on Spelling: whenever possible, we use the original local (Singapore) Romanization for Chinese terms and names; if they could not be traced, *pinyin* is used for the English transliteration. Please see Glossary for a complete cross-reference of the Chinese terms/names used in this book.

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INTRODUCTION

Charting the Multi-faceted Transformations of Postwar Singapore

Singapore society underwent profound and multi-faceted changes during the first two decades after the end of World War II. Those years witnessed a new beginning of the transformation from a British colony built upon an entrepot economy into an independent nation-state whose economy has been rapidly diversified and modernized. Accompanying this process of socio-economic change was a fundamental shift in the people's political orientations, from a sojourning mentality with primary loyalty to their respective ancestral lands to a citizenry that took Singapore as the permanent home.

Accounting for more than 75% of the total population, the ethnic Chinese constituted the core of the Singapore society. A significant segment of the local economy was controlled by the Chinese business community,[1] which was closely intertwined with various types of Chinese voluntary associations and schools sponsored by them. In addition, with the gradual instigation of electoral politics and mass participation in the local political process, the ethnic Chinese not only became an important player, but also were courted by political groupings with differing persuasions and racial backgrounds. Their role was reinforced after the middle and late 1950s, which witnessed the first popular election in the island's history, the granting of citizenship to the majority of the Chinese population, the formation of self-ruling government, and the subsequent contestations on the issue of merging with Malaysia.

It is therefore not an overstatement to say that what happened during these two crucial decades laid the foundation for modern Singapore and that the ethnic Chinese were the most important force in this process of turbulent socio-political transformation. While there have been some valuable studies on various dimensions of historical and political evolution of the Singapore society during these years,[2] there has been no systematic

and comprehensive treatment of the transformation of the Chinese community and its interplay with the larger processes of socio-political change. The existing literature touching upon these issues can be divided into two broad categories, one dealing with the sociological and geographical aspects of the postwar Chinese community, and the other focusing on the specific issues of identity transformation of the ethnic Chinese in the new setting. The former category is represented by the works of Cheng Lim-Keak, Jiann Hsieh, and Thomas Tan Tsu-Wee.[3] They are mainly concerned with the socio-economic structure of the Chinese community after 1945, especially since Singapore's independence in 1965, from the perspectives of human geography, anthropology and sociology, respectively. While these works lay an important foundation for an understanding of social change during the pre-independence years, they do not examine the issues of Chinese politics, its historical transformation, and the broad socio-economic ramifications between 1945 and 1965. The other category, represented by works of Chui Kwei Chiang and Fujio Hara,[4] focuses on the Singapore Chinese's changing political ties with various political factions of China in the second half of the 1940s and their identity conversion during the 1950s. While providing meticulous documentation in exploring these questions, the authors are less concerned with the intertwining process of social, economic and political changes and their impact upon the Chinese community as well as the latter's role in the making of modern Singapore.

This book seeks to investigate the dynamics, processes, mechanisms, and consequences of socio-economic changes in Singapore Chinese society from 1945 to 1965. Because the Chinese business community constituted one of the most significant dimensions of this change and consistently provided the leadership and resources for the overall socio-economic transformation, the focus of this book is on the shifting patterns of interactions between Chinese business, politics, and social transformation. More specifically, we will examine the following sets of questions:

1) What were the nature and characteristics of the internal structure of the Chinese community during the period under study? In comparison with the pre-World War II era, were there any major alterations of economic and political power in terms of the structure of *bang* (a dialect-cum-locality grouping)? Did any new patterns of socio-political alignment emerge that would affect the existing balance of power?

2) What were the relationships between the Chinese community and the (post)colonial state? Did Chinese business attempt to influence the political

process at both the national and communal levels? If so, what were the mechanisms and consequences of their involvement?

3) How did the Chinese community react to the turbulent socio-political changes of the 1950s? What were the reasons behind the dynamic emergence (and decline) of Chinese labor and student politics? What were their broader implications for an understanding of modern history of Singapore?

4) How did traditional Chinese trade and social organizations, such as the Singapore Chinese Chamber of Commerce and other voluntary associations, respond and adapt to the rapidly changing socio-political environments? What were their strategies in coping with the new circumstances?

5) In terms of business philosophy and corporate management, how did Chinese business transform in the new socio-economic environment and what were the characteristics of the internal structure of their corporations? Was the traditional style of Chinese business familism on the wane in the process of rapid economic change?

6) Viewed from an Asian regional perspective, what was the role of the Singapore Chinese community in the overall configurations of (Chinese) social and business networks in East and Southeast Asia? How did Chinese business and social organizations establish and maintain connections with their compatriot counterparts in other Asian countries?

7) Finally, in a more implicit manner, what are the theoretical implications of our specific cases studies for a better understanding of the state-business relationship, industrial relations, Chinese family business, and the nature of overseas Chinese social and business networks?

It should be evident that "the Chinese Community" constitutes the core of our study. As such, it is necessary to briefly delineate the term and its connotations. As will be established in the subsequent chapters, Singapore Chinese society was a heterogeneous and changing construct. At the broadest level, it was composed of "pure" or "typical" ethnic Chinese and the "mixed blood" of Chinese resultant from inter-marriages with the Malays (the so-called "Straits-born or Baba Chinese" or "Peranakan"). While there have been some studies on the role and transformation of the latter,[5] this book is concerned with the former category, who accounted for the great majority of the Chinese population throughout the years under examination. More specifically, a "typical" Chinese in our study refers to a person born of the Chinese parents, who might be of the first or second generation of immigrants, originating from (Southern) China or other parts of Southeast Asia. He/she grew up in a traditional pattern of Chinese

socialization: speaking one or more Chinese dialects, or sometimes, Mandarin; being brought up in a family environment that placed highly the values of hardworking, thrifty, and respect for the elder; attending vernacular Chinese schools usually sponsored by the business community; making a living by being an element of the Chinese economic activities, often working together with the fellow Chinese who in general spoke the same dialect and/or belonged to the same native-place; reading (if literate) one of the local Chinese newspapers; participating in one or more Chinese voluntary associations; having a strong interest in Chinese culture and education; enjoying the traditional style of Chinese entertainment such as operas or street plays; practicing one or more forms of Chinese folk religions; paying great attention to what happened in their ancestral hometowns and China (prior to the mid-1950s). The defining characteristic of an ethnic Chinese within this broader spectrum of the Singapore Chinese society was, in short, a strong self-identification with Chinese culture and consciousness of being a part of the ethnic Chinese community whose activities often extended beyond the boundaries of Singapore.

We should not, however, essentialize this typical pattern of ethnic Chinese and Chineseness and assume it as changeless. As Wang Gungwu has pointed out perceptively, "Being Chinese in China is in itself a complex problem. But being Chinese outside China has several additional complicating features... For most Chinese abroad, it is the non-Chinese environment that impinges on their lives most directly."[6] Although the Chinese accounted for the majority of the Singapore population, the non-Chinese environment—including the complex composition of Chinese sub-ethnicity (those from different dialect and locality backgrounds); the reestablishment of British colonial rule and the subsequent anti-colonial struggle; the transition to postcolonial politics; the emergence of indigenous nationalism in Southeast Asia in general and in Malaya (Malaysia) in particular; as well as the rise of the People's Republic of China and the onset of the Cold War confrontation—had some significant impact upon the choices (or the lack of them) and coping strategies of the ethnic Chinese population in postwar Singapore. The unfolding of these choices and strategies, furthermore, fundamentally shaped the course of historical transformation in modern Singapore. It is therefore essential to explore the interplay between the external frameworks and internal transitions of the Chinese in Singapore.

It is this junction of the interactions and, especially, the internal evolution of the Chinese community that constitutes the foci of our study,

which looks at the multi-faceted factors that had close bearings upon the Chinese community in 1945–1965 Singapore. More specifically, this study pays close attention to its historical foundation, imbedded social structure, political activism, education and cultural values, worldviews, and business strategies and places them within the changing milieus of the critical transformation in Singapore.

In order to present a perspective that is at the same time empathic to the Chinese community and sensitive to its external environment, we have employed a wide range of source materials that are representative of the changing strategies of various groups in the Chinese community. In addition to the official publications and memoirs in English, this book relies heavily on Chinese-language materials by and about the Chinese in Singapore. They include minutes of meetings of voluntary associations representing various dialects, trades, and native places; oral history interviews with key participants in the political, social and economic spheres; special publications of Chinese unions, social organizations and schools; records of Chinese family businesses; and newspapers. It is our belief that the perspectives and concerns reflected in this diverse range of primary sources capture the changing essence of the Chinese society. Mingled with the existing studies that utilize mainly English-language data and perspectives, such a focus, we hope, would help forge a better understanding of the Chinese community in a rapidly transforming Singapore.

This book is organized thematically against a backdrop of the historical events. Our foci on the interplay between Chinese business and various socio-political forces prevent us from examining some relevant issues that are also important to the comprehension of the Chinese community in Singapore, such as family structure and marriage, religious life, popular cultures, and the role of various political parties including the Malayan Communist Party, all of which have been well documented elsewhere.[7] Also, it is impossible to give equal amount of treatment to each and every year of these two decades. Special attention is directed to the 1950s, not only because the first half of the 1960s has been relatively well studied, but also, more importantly, this was a critical transitional decade, which witnessed the fundamental transformation of the Chinese community in Singapore. In other words, the 1950s witnessed both continuities and changes as opposed to the preceding and succeeding decades.

This book's eight chapters are concerned with the different, yet interconnected, dimensions of transformation of Chinese society in postwar Singapore. A historical survey of pre-1941 Singapore, Chapter 1 examines

the changing patterns of *bang* after the founding of Singapore in 1819. It traces the origins, evolution, and characteristics of this dominant pattern of Chinese internal social structure. This chapter also discusses the changing political alignments among various Chinese *bang* and their intimate connections with China. While this *bang* pattern was significantly affected by the Japanese Occupation between 1942 and 1945,[8] its essential structural components remained largely intact, enabling the swift revival of the Chinese community immediately after the war.

Chapter 2 analyzes the internal structure of Chinese society between 1945 and 1965, with a focus on its changes and continuities. In addition to unveiling the changing dynamics of Chinese demography, this chapter considers the roles of various Chinese associations, especially the influential Singapore Chinese Chamber of Commerce (SCCC) within the Chinese society at large. Furthermore, it examines the economic foundation of the Chinese *bang* structure by delineating the complex patterns of social-business linkages.

Chapter 3 is concerned with the role of Chinese business in local politics and the interactions between Chinese schools and voluntary associations (*huiguan*). Facing a new political environment in the early 1950s, when greater power was transferred to the local population, leading to the emergence of modern party and labor politics, the Chinese business community began taking a pro-active stance by becoming directly involved in the local elections and the promotion of a Singapore-oriented identity. It constituted the backbone of Chinese communal politics. In the meantime, the re-establishment and/or formation of schools associated with the *huiguan* and their merchant patrons reinforced the role of education in forging and maintaining a Chinese cultural identity at a time of rapid political transformation. The graduates of these schools, furthermore, formed an important social foundation of Chinese communal politics of the 1950s.

To be sure, Chinese education did not exist in a vacuum within a pure Chinese environment; its evolution and social role was greatly affected by the government policies. Unlike the prewar era, when the British authorities took a largely non-interventionist attitude, the colonial government in the first half of the 1950s formulated and implemented a "Malayanization" policy to transform the vernacular schools and make English the *lingua franca* of Singapore. Chapter 4 discusses the factors behind these policy changes and the corresponding reactions of the Chinese community to these new initiatives. It points out that the combination of both factors—policy

changes and Chinese response—constituted a fundamental backdrop to the social and political changes in the 1950s. The subsequent two chapters are devoted to a detailed analysis of the unfolding of these changes as manifested in the student and labor movements.

Chapter 5 is concerned with a sensitive topic that is essential to understanding the interactions between the Chinese community and the larger process of socio-political change in modern Singapore, namely, the student movement of the 1950s. The rise and fall of the student movements were influenced by internal and external settings and circumstances, which included the emphasis placed by the Chinese people on their education, language and culture; the challenges brought about by colonial government's education policies unfavorable to Chinese education; the emergence of anti-colonial activities; and the global spread of Communism. These students were passionate about preserving Chinese education. As a consequence, they became the most active players in the Singapore society. However, the situation was also aggravated by instigation from various political forces, including the Malayan Communist Party (MCP), who intended to use the situation to their advantage.

Chapter 6 examines the changing relationship among the laborers, capitalists and the government and offers a postmodern interpretation of the labor movement. The authors contend that while the MCP played no small part in organizing and instigating the strikes, the intention to forge collective power to fight for better living conditions was another important reason behind the industrial actions, within which the ethnic Chinese were the key participants.

An important dimension of the socio-political transformation was the role of Chinese entrepreneurs in the development of the local (and regional) economy. To a significant extent, the leadership role of businessmen (there were virtually no female Chinese merchants during the period under study) in Chinese social, educational and political organizations was a product of both the structure of the Chinese community and the characteristics of social transformation in the postwar era. For one thing, as Wang Gungwu has demonstrated convincingly, unlike in traditional China where *Shi* (scholar-officials) were on the top of the social and political hierarchy, *Shang* (merchants) were either at the bottom (in the ideal type) or below the *Shi* (in reality), the Chinese who came to colonial Southeast Asia were in search of wealth, and "commerce and shop-keeping were the only sources of wealth open to them.... Thus, there were broadly speaking only two divisions in overseas Chinese society—merchants and those who aspired to be

merchants."[9] It was therefore quite natural that merchants assumed the leading role in the community affairs. This role was reinforced at the time when the Chinese community was facing internal and external challenges from such factors as the interventionist policy of the colonial authorities and the fragmentation of the Chinese community as well as the hostile attitudes of the indigenous nationalists and the Straits-born Chinese toward the Chinese on the citizenship and language issues. With financial and organizational resources as well as symbolic capital, Chinese entrepreneurs maintained their leadership position within the Chinese communal affairs though it was no longer uncontested as it had been in the prewar era.

With such a realization of the importance of the linkages between business and socio-political transformation, Chapter 7 examines Chinese business philosophy and corporate management within the broad framework of economic transformation. After a brief overview of Singapore's economic development during the two decades under study, this chapter provides detailed case analyses of Lee Kong Chian and Tan Lark Sye, arguably the two most prominent entrepreneurs-cum-community leaders in postwar Singapore. By focusing on their personal history, the evolution of their business enterprises, and their management style, this chapter highlights the changing nature and different destines of Chinese business familism. The case study on Lee Kong Chian demonstrates the dynamics of Chinese family enterprise as it modernizes its corporate management and operations. The combination of Western-style management and Confucian cultural values made the Lee enterprises a vibrant family venture, which has survived and expanded until the present under the flagship business of the Overseas-Chinese Banking Corporation (OCBC). On the other hand, Tan Lark Sye held tightly to his authority and was reluctant to share power with his successor-designate (his nephew, Tan Eng Joo, the chairman of the Democratic Party sponsored by the SCCC in the contestation for the 1955 elections). Unlike Lee Kong Chian, Tan Lark Sye did not delegate executive functions, which demoralized his successor and senior management. The internal conflicts of his extended family further eroded the power and wealth of the Tan business.

The last chapter of this book takes our study beyond the border of Singapore and looks at the transformation of the Chinese society in Singapore from a regional perspective. The nature of the Singapore Chinese economy (entrepôt trade) and the characteristics of Chinese community made the island the nexus of Chinese social and business networks in Southeast and East Asia. This argument is substantiated by a detailed