Migration, labour and remittances

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The scale of migration

Steamships carried people as well as goods. From the 1870s the ships from Amoy, Swatow, Canton and Hainan brought ever larger numbers of Chinese migrants to Singapore, the principal port of entry for the Malay Peninsula and much of the Netherlands Indies. Joyce Ee's study of Chinese migration counted 2,069 emigrants in 1838–1839 and 10,928 in 1849–1850. By 1890 the annual figure had reached 95,400, before rising to 190,901 in 1895.[1] In 1912 some 250,000 Chinese disembarked at Singapore.[2]

Most of these migrants did not stay in Singapore. They passed through the port on their way to the tin mines of Perak and Selangor, the plantations of Johor and Sumatra and the towns of the region, and many returned to China after some years. Enough remained, however, to transform the population of the island. The census of 1871 counted 97,111 inhabitants of Singapore, of whom 54,572 were Chinese. In 1901 the population had risen to 228,555, including 164,041 Chinese, and in 1931 it reached 557,745, of whom 418,640 were Chinese, 65,014 Malays and 50,811 Indians.

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The migrant society was overwhelmingly male. The census of 1901 counted 130,367 Chinese men and only 33,674 Chinese women. By the late 1890s only about 10 per cent of the Chinese population had been born in Singapore.[3] Only in the interwar years did a settled, locally born community grow. The share of Straits-born Chinese in the Chinese population rose from 25 per cent in 1921 to 36 per cent in 1931.[4] This demographic shift, together with the restriction of immigration examined below, laid the foundations of the settled society that would later form the citizenry of the independent state.

The credit-ticket system and the coolie trade

Few migrants could pay their own passage. Most travelled on credit. Under the credit-ticket system a broker or ship's captain advanced the fare and recovered it from the employer who took the migrant on arrival, after which the migrant worked off the debt. The system was itself a form of finance, since it converted the future wages of a labourer into a tradable claim. It was also open to grave abuse. Brokers, lodging-house keepers and secret societies controlled the arriving migrants, deceived them about wages and conditions and sold their labour contracts to the highest bidder. Many newcomers, known as *sinkeh*, arrived with no knowledge of the language, the law or their rights.

The colonial government long left the trade to private hands. By the 1870s, however, the abuses had become a public scandal and the secret societies that profited from them a threat to order. The government established the Chinese Protectorate in 1877 to deal with all matters relating to the Chinese residents of the Straits Settlements, and came to have Protectors in Singapore, Penang and Malacca. Its first head was William Pickering, the first European official in Singapore who spoke Mandarin and Hokkien fluently, appointed Protector of Chinese on 3 May 1877.[5]

The Protectorate required coolie agents to register and freed the labour market from its dependence on brokers and secret societies. Its officers interviewed arriving migrants, inspected the conditions of domestic servants and removed girls under sixteen from brothels run by the societies.[6] Over time it supplanted the societies in

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settling disputes within the Chinese community. The colonial state thus entered the business of regulating a labour market that had operated for decades without public supervision, an early form of the market conduct regulation that the financial centre applies today to intermediaries of every kind.

Indian labour and the Tamil Immigration Fund

A second stream of migrants came from southern India. Indians had become the second-largest community in Singapore by 1860, although the plantations of the peninsula absorbed most later Indian labour.[7] Before 1907, estates recruited workers individually at their own expense, either through agency houses in Negapatam or through licensed recruiters, the *kanganies*, who were often foremen sent back to their own villages. Recruited workers were expensive, and employers who had paid for their passage frequently lost them to rivals offering higher wages, a practice known as crimping.

In 1907 the Straits Settlements enacted the Tamil Immigration Fund Ordinance, which created a fund and an Immigration Committee to finance the recruitment of labour from southern India. Employers of Indian labour paid contributions to the fund, which paid for the passage of workers. By spreading the cost of recruitment across all employers, the fund removed the incentive to crimp and gave the colonial government control over the flow of Indian labour.[8] The fund was later renamed the Indian Immigration Fund. The *kangany* system continued until 1938, when the government of India banned the emigration of unskilled labour.[9]

The fund was a pooled financing mechanism created by statute for a common purpose of the employers, administered under public supervision. Its critics have argued that it served employers far better than the workers whose passage it paid. As a technique, it anticipated the statutory funds that Singapore would later use for social and economic purposes, from the Central Provident Fund examined in Chapter I of Part D to the levies that finance training and the employment of foreign workers.

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Remittances: the *qiaopi* trade

Migrants worked to support families at home. The money they sent back formed one of the largest financial flows of the region. Chinese remittances travelled as *qiaopi*, a letter and money sent together by an overseas Chinese to his family in a single envelope. Couriers, the *shuike*, sailed to Singapore with the north-east monsoon in December and returned to China with the south-west monsoon in June, carrying letters and cash. Remittance houses, the *qiaopiju*, later took over the business and used the banking system and the post to transfer funds. Early delivery fees amounted to 10 to 20 per cent of the sum sent and fell to about 3 per cent as competition increased.[10]

The trade was based on trust within dialect and clan networks. A remittance house in Singapore served migrants from particular districts of Fujian or Guangdong and worked with correspondents in their home towns, who delivered the money and collected replies. Most transfers were small: over 80 per cent were below 300 yuan, and until 1937 banks and the postal service handled less than a fifth of the business. The British authorities regulated the trade by requiring remittance houses in Singapore to have their letters stamped and sent through a Chinese sub-post office. The documents of this trade were inscribed on the UNESCO Memory of the World Register in 2013.[11]

The remittance houses were among the first financial institutions created by the Chinese of Singapore for their own needs. They transferred funds across borders, converted currencies and settled balances through a network of correspondents. Several of the Chinese banks founded in the early twentieth century, examined in Chapter III of this part, built their business on the remittance trade. The same structure of informal value transfer based on trust in community networks survives today in forms that concern regulators. Chapter III of Part H examines the anti-money laundering rules that now govern remittance and payment businesses.

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Migration as economic infrastructure

The labour that passed through Singapore built the tin and rubber economy of Malaya, which Chapter IV of this part examines. It also built the port itself. Chinese and Indian labourers coaled the ships, loaded the cargo, built the docks and the reclamations and worked in the warehouses and processing plants. Without a continuous supply of labour, the technology of steam and telegraph would have been of little use.

For the financial centre, migration had three lasting consequences. It created a population with family and business ties across Asia, which became the basis of the regional networks that Part I examines. It created a demand for financial services, from remittances to savings, among people of modest means. It also made the regulation of human mobility a central function of the colonial state, a function that independent Singapore has retained in its management of foreign talent and foreign labour, examined in Chapter IV of Part J.

Notes

1. Joyce Ee, "Chinese Migration to Singapore, 1896–1941", *Journal of Southeast Asian History*, vol. 2, no. 1, March 1961, 33–51 (extract, cambridge.org, accessed November 2026): 2,069 emigrants in 1838–1839; 10,928 in 1849–1850; "By 1890 the annual figure had risen to 95,400"; 190,901 in 1895. ↩
2. Library of Congress Country Studies, *Singapore*, "Colonial Singapore" (accessed November 2026): "Some 250,000 Chinese alone disembarked in Singapore in 1912". ↩
3. Wikipedia, "Demographics of Singapore" (accessed November 2026), historical census table: 1871 total 97,111 (Chinese 54,572, Malays 26,148, Indians 11,610); 1901 total 228,555 (Chinese 164,041, Malays 36,080, Indians 17,824); 1931 total 557,745 (Chinese 418,640, Malays 65,014, Indians 50,811); Wikipedia, "Immigration to Singapore" (accessed November 2026): the 1901 census counted 130,367 Chinese males and 33,674 Chinese females; "by the

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late 1890s only around 10% of the Chinese population were native-born in Singapore". ↩

4. Library of Congress Country Studies, *Singapore*, "Between the World Wars" (countrystudies.us/singapore/7.htm, accessed November 2026): the Straits-born "increased their share of Singapore's Chinese population from 25 percent in 1921 to 36 percent in 1931". ↩
5. Wikipedia, "William A. Pickering" (accessed November 2026): appointed "on 3 May 1877" under the title of "Protector of Chinese"; "the first European official in Singapore who could speak fluent Mandarin and Hokkien". ↩
6. Wikipedia, "Chinese Protectorate" (accessed November 2026): "The institution was established in 1877 to handle all matters related to the Straits Settlements' Chinese residents", with protectorates in Singapore, Penang and Malacca, each led by a Protector; Wikipedia, "Chinese Protectorate" (accessed November 2026): coolie agents had to register with the Protectorate and the labour market was freed from reliance on brokers and secret societies; inspection of domestic service; girls under 16 removed from brothels run by secret societies; registration of Chinese societies including kongsi. ↩
7. Wikipedia, "History of Singapore" (accessed November 2026): "By 1860, the Indians had become the second-largest ethnic group". ↩
8. Pushpavalli A. Rengasamey and Sivachandralingam Sundara Raja, "The Role of and Development of the Tamil Immigration Fund in Malaya, 1907–1938", *SARJANA*, vol. 27, no. 2, 2012, 38–49 (abstract, accessed November 2026): the fund was established in 1907 under the Tamil Immigration Fund Ordinance to recruit labourers from south India; before 1907 estates recruited through agency houses in Negapatam or licensed kanganies; crimping; the fund and Immigration Committee helped the British control the flow of Indian labourers. ↩
9. Secondary literature: the fund was renamed Indian Immigration Fund (1912) and South Indian Labour Fund (1958); the kangany system was abolished in 1938 after the government of India banned the emigration of unskilled labour. ↩

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10. Wikipedia, “Qiaopi” (accessed November 2026): qiaopi “consisted of a letter and money sent by overseas Chinese to their families back in China”, citing Benton and Liu, 2018; Wikipedia, “Qiaopi” (accessed November 2026): shuike sailed to Singapore with the north-east monsoon in December and returned with the south-west monsoon in June; early delivery fees of 10–20 % fell to about 3 %; over 80 % of remittances were below 300 yuan; banks and postal services handled less than 20 % of qiaopi until 1937 (Benton and Liu, 2018). ↩
11. Wikipedia, “Qiaopi” (accessed November 2026): Singapore’s qiaopi trade was regulated by the British, who set up a Chinese sub-post office; it was compulsory for all qiaopiju in Singapore to have qiaopi “stamped and sent through the Chinese sub-post office” (Kua, 2019); Wikipedia, “Qiaopi” (accessed November 2026): added to the Asia-Pacific Memory of the World Register in 2012 and to the International Memory of the World Register in 2013 under the title “Qiaopi and Yinxin”. ↩

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