

Asian Entrepreneurial Minorities

Conjoint Communities in the Making
of the World-Economy 1570–1940

Christine Dobbin



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Christine Dobbin

Nordic Institute of Asian Studies
Monograph Series, No. 71

First published 1996 by RoutledgeCurzon Ltd.

Published 2013 by Routledge
2 Park Square, Milton Park, Abingdon, Oxon OX14 4RN
711 Third Avenue, New York, NY, 10017, USA

Routledge is an imprint of the Taylor & Francis Group, an informa business

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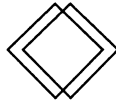
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British Library Catalogue in Publication Data
A CIP catalogue record for this book
is available from the British Library

ISBN 13: 978-0-700-70404-0 (hbk)

For Jack McManners

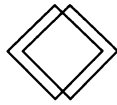
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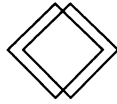
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Preface

This is a book about what I have called, in the context of the historical development of the world-economy, conjoint communities. Its protagonists are five Asian minority commercial communities which entered into economic collaboration with three European polities from as early as the sixteenth century and which played a vital entrepreneurial role in the evolution of the world-economy from that date through to its florescence in the late nineteenth and early twentieth centuries. Each community constituted what Abner Cohen has called a trading diaspora, defined as the commercial organization of 'a nation of socially interdependent, but spatially dispersed, communities'.¹ Cohen sees the members of such a diaspora as culturally distinct from both their society of origin and from the societies among which they lived. Marked by their possession of common values and principles, these evolved as the diaspora aged into an ideology – usually a 'universal' religion – mirroring the collective consciousness and permitting the organization of interdependent communities for commercial purposes.²

The origin of the book lies in my own previous work on both India and Indonesia. The suggestion that I try to view major themes in these two societies from a comparative perspective came from the Cambridge-Delhi-Leiden-Yogyakarta Project on the Comparative Study of India and Indonesia,

whose organizers invited me to speak at the final conference of the Project in Cambridge in September 1987. My theme was 'middleman minorities'. I am extremely grateful to the participants in that conference for their comments, and also for the comments I received afterwards on the published paper.³

To make more apparent my debts, I should like to thank Chris Bayly for inviting me to the Cambridge conference and for suggesting to me a theme on which I might possibly write. I should also like to thank Claude Markovits, who later pointed out a flaw in my scheme of things. My work could not have been pursued without the kind invitation of Cees Fasseur to join the research nucleus 'Agrarian and Economic Processes of Development in Southeast Asia in Historical Perspective' at the Netherlands Institute for Advanced Study in the Humanities and Social Sciences as a Fellow-in-Residence for the academic year 1988–89. Thanks are owed to the Director of the Institute, Dirk van de Kaa, and to the other members of my research nucleus, Peter Boomgaard, Robert Cribb, Frans Hüsken, Nico Kana and Willem Wolters, for their encouragement and for their readiness with both discussion and source material. Debts are owed too to other Fellows resident at the Institute during my time there, in particular the late Robert Cohen and Walter Heinz who discussed with me Sephardic Jewry, Werner Sombart and Georg Simmel.

During 1989 and again in 1993 I had the opportunity to test my ideas at several seminars. I should like to thank Jan Breman of the Centre for Asian Studies Amsterdam, Denys Lombard of the *École des Hautes Études en Sciences Sociales*, Dietmar Rothermund and Jürgen Lütt of Heidelberg and Bernhard Dahm of Passau for inviting me to speak and exposing my themes to critical scrutiny. I should also like to thank the late Jennifer Cushman, Mary Heidhues, Ann Kumar, Merle Ricklefs, Claudine Salmon, Heather Sutherland and André Wink for their encouragement, manifested in varying ways.

For library services – without which nothing can be achieved – I must thank Dinny Young of the Netherlands Institute for her pursuit of books even beyond the borders of

the Netherlands and certainly beyond the call of duty. Gratitude is also owed to the librarians and staff of the Koninklijk Instituut voor Taal-, Land- en Volkenkunde in Leiden, of the India Office Library in London, of the National Library and of the Australian National University Library in Canberra.

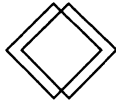
My daughter Julia Wright agreed to accompany me to the Netherlands for a year. I thank her for her companionship. Norma Chin deciphered my manuscript. I thank her for her professionalism. The person to whom this book is dedicated helped me at the outset of my historical studies and has continued to do so.

Portions of Chapter 7 were previously published in my article 'From Middleman Minorities to Industrial Entrepreneurs: The Chinese in Java and the Parsis in Western India 1619–1939', *Itinerario* 13, no. 1 (1989): pp. 109–132. These are reproduced with permission from the editors.

C.D.
Canberra

Notes

1. A. Cohen, 'Cultural strategies in the organization of trading diasporas', in C. Meillassoux (ed.), *The Development of Indigenous Trade and Markets in West Africa*, London, Oxford University Press, 1971, p. 267. Cohen defines a diaspora as 'an ethnic group in dispersal', *ibid.*, fn. 1
2. Cohen, 'Cultural strategies', *passim*; for further discussion see P.D. Curtin, *Cross-Cultural Trade in World History*, Cambridge, Cambridge University Press, 1984, *passim*.
3. C. Dobbin, 'From Middleman Minorities to Industrial Entrepreneurs: the Chinese in Java and the Parsis in Western India 1619–1939', *Itinerario* 13, no. 1 (1989), pp. 109–132.



Note on Spelling and Abbreviations

Chinese and South Indian names have been spelt in accordance with contemporary Spanish, Dutch and English sources. For Western India I have standardized spelling to conform with the spelling of my earlier writings. For ease of reading, all diacritical marks other than those in authors' names have been removed from the body of the text. Where a word of foreign origin is encountered frequently, pluralization with the English 's' has been used.

The following abbreviations have been used:

- BKI *Bijdragen tot de Taal-, Land- en Volkenkunde van Nederlandsch Indië*, uitgegeven door het Koninklijk Instituut voor Taal-, Land- en Volkenkunde.
- BR E.H. Blair and J.A. Robertson (eds), *The Philippine Islands 1493–1898*, 55 vols, Cleveland, Arthur Clark Co., 1903–07.
- Opkomst J.K.J. de Jonge *et al.* (eds), *De Opkomst van het Nederlandsch Gezag in Oost-Indië*, 13 vols, The Hague, Martinus Nijhoff, 1862–88.



The Problematic: Classical Formulations

The founders of the first permanent European mercantile settlements in Asia recognized from the beginning that collaborators were needed both to maintain these settlements and to assist in acquiring the desired commodities for export. Experience made it attractive to acquire the assistance of commercial groups who were ethnically different from the local population and who had a tradition of successful trade in the region of the new settlements.

A Spanish expedition to Manila in 1570 instantly comprehended the importance of gaining the commercial collaboration of the Chinese, whom the Spaniards found trading in the port from four junks, whilst a number were settled in the town. Manila and the Chinese, it was reported, carried on an extensive trade, which must be maintained for the benefit of Spain and the continuation of the Manila settlement. In 1574 Manila proclaimed:

The Chinese, in view of the kind treatment that they have always received and do receive at our hands, continue to increase their commerce each year, and supply us with many articles as sugar, wheat, and barley flour, nuts, raisins, pears and oranges; silks, choice porcelains and iron; and other small things which we lacked in this land before their arrival.¹

A little later, at their settlement of Batavia, the Dutch were of the same opinion as the Spaniards. Ending his mission four years after the founding of Batavia, Governor-General Jan Pieterszoon Coen noted on 20 June 1623 that: "There is no race

which serves us better than the Chinese, nor one which is so easily to be had'.² His immediate successors were of the same opinion and held it to be an important plank of policy that Chinese should be encouraged to join the Dutch in their settlements.³

The British in Western India were also taught by experience to look favourably upon racial distinctiveness when seeking commercial collaborators. On 21 November 1676 Governor Aungier of Bombay urged Surat to encourage as many Parsi weavers as possible to settle in his emerging town.⁴ It was recognized that Parsis were originally immigrants to India, and that they had kept themselves apart as a unique community, with a religious identity which could be appreciated by their European would-be partners.⁵ Considerably later, in the period of florescence of Britain's formal empire, a similar policy was followed. From the early days of the British endeavour in Burma efforts were made to attract both Indian labour and Indian service personnel, particularly from the Madras area.⁶ Somewhat later still, when European politics had given much of East Africa to Britain without the means to develop it, Sir Harry Johnston, Special Commissioner for Uganda, wrote in 1901:

On account of our Indian Empire we are compelled to reserve to British control a large portion of East Africa. Indian trade, enterprise and emigration require suitable outlets. East Africa is, and should be, from every point of view, the America of the Hindu [native of Hindustan].⁷

British imperial control of Burma and East Africa was comparatively brief. Other empires, in other places, radiating out from those earliest settlements to which it had been so important to attract collaborators, survived longer. By 1949, however, retreat was final. But, looking at the next forty years by means of some snapshots, what is clear is the persistence of the economic importance of these outsider communities which had for so long existed in a conjoint role together with European power. In the Philippines, for example, in the early 1950s Chinese formed a little over one per cent of the population and yet they controlled the greater bulk of the retail and wholesale

trade, which was the principal economic activity outside of commercial agriculture at that time. By the 1980s they had emerged as a serious element on the big business scene. Further, Filipinos of Chinese mestizo background remained an additional important group economically, both in agriculture and industrial entrepreneurship.⁸ In Indonesia in the 1980s a Chinese population representing 3 per cent of the total was estimated to own, at the very least, 70–75 per cent of private domestic capital, while Chinese business groups, the so-called conglomerates, continued to dominate medium and large-scale corporate capital.⁹

In India the Parsis, together with several other traditional business communities, continued in the important economic role designed for them in the seventeenth century. A comprehensive study conducted by a government commission in 1965 found that the modern corporate private sector was dominated by 75 business houses which controlled almost half of the non-governmental, non-banking assets in the country. The top 37 houses were drawn predominantly from families who belonged to the major traditional trading communities of India. The dominant position was occupied by Marwari houses, which controlled Rs 7.5 billion in assets, followed by the Parsis with Rs 4.7 billion and Gujaratis with Rs 3.8 billion. By 1978, 40 per cent of the aggregate assets of the top twenty houses were controlled by two groups, the Parsi Tatas – the largest business group in India – and the Marwari Birlas.¹⁰ Yet in 1971 the total Parsi population for the whole of India was only 91,266.¹¹

The other two Indian communities which feature in this analysis are also microscopic. Britain's major conjoint community in Burma was that of the Nattukottai Chettiars of Tamilnad, whose financial acumen made possible the opening up of the Burma rice frontier. Returning, after the departure of the British, to Southern India as a population of only 80,000 in the 1950s, they came to control the major business combines of the south, the largest banks and, in particular, a considerable portion of the region's cotton textile industry.¹² In East Africa, one of the most important conjoint communities was that of

the Muslim Ismailis, who organized a network of retail outlets throughout the territory and also undertook early industrial enterprises. Many, together with their Bombay brethren, ultimately found an abode in Pakistan where they and a number of other very small Muslim trading communities, representing under 1 per cent of the population, controlled over half of the country's industrial assets by 1959.¹³

With this progression from 1570 to 1940 and beyond we have claimed the period and the subject of our central concerns. But no amount of historical exposition can take the place of well-judged formulations. The issues dealt with in this book are not a byway in the history of Asia. They are themes – the connection between ethnicity and commerce; the relationship between religion, capitalism and industrialization; the sources of entrepreneurial creativity; the place of conjoint communities of the periphery in the making of the world-economy – as old as the discipline of sociology itself, and particularly sociology in its German form.

Sociology, as is well known, started somewhat late in Germany because there the philosophical tradition was particularly firmly rooted. The philosophical tradition of German thought gave sociology in Germany a historical and theoretical bias so that it is not surprising to find that two of the greatest sociologists of all time, Max Weber and Georg Simmel, were scholars profoundly attuned to historical issues and at the same time important philosophical thinkers. It is vital to address the major sociological questions raised by our subject matter in order to recognize that what we are investigating here is not a curiosity in the history of Asia but rather the larger sociological question which aims to understand the changes brought about in society by embryonic industrial capitalism in which two partners, Asia and Europe, were involved.

Georg Simmel: Commerce and the Stranger

The five communities which form the subject of this book were minorities in the countries in which they carried out their commercial activities. The classical sociological consideration of this situation is to be found in 'The Stranger', published by

Georg Simmel in 1908. This concept Simmel intended to apply to a variety of social situations; the stranger, he considered, was a social type who appears in different societies at different times. As in much of his other work, his aim was to formulate propositions about the stranger which would be very general and which could be filled with varying historical content or applied to other aspects of social reality.

The stranger, as Simmel conceived him, differed from the wanderer who comes today and goes tomorrow. The stranger is a person who comes today and stays tomorrow. Into the group which he penetrates, he imparts qualities which do not and cannot stem from the group itself. The unity of nearness and remoteness involved in every human interaction means, in relation to the stranger, that 'he, who is also far, is actually near'.¹⁴ The stranger is an element of the group itself, and his position involves being both outside it and confronting it. This is his essential quality, his spirit.¹⁵

Simmel argued that the archetypal stranger was the trader who, due to economic circumstances, was largely restricted to intermediate trade. The classical example was the history of the European Jew, who everywhere occupied the formal position of the stranger, in contact with every individual at some time, but not organically connected with any single one. For our purposes it is important that Simmel hints at the notion that not merely an individual stranger but also a stranger group can be near and far at the same time. For this reason 'strangers are not really conceived as individuals, but as strangers of a particular type: the element of distance is no less general in regard to them than the element of nearness'.¹⁶ As an individual, however, another important characteristic of the stranger, in addition to his trading, is his 'objectivity', his not being committed to the peculiar tendencies of the host community. This objectivity comprises both 'distance and nearness, indifference and involvement';¹⁷ it does not imply non-participation, but a positive and specific kind of participation.

Objectivity may also be defined as freedom; the objective individual is bound by no commitments which could prejudice his perception, understanding, and evaluation of the given ... he

is freer, practically and theoretically; he surveys conditions with less prejudice; his criteria for them are more general and more objective ideals; he is not tied down in his action by habit, piety and precedent.¹⁸

Our intention throughout this chapter is to add a counterpoint to the major theme. In 1911 Werner Sombart published *The Jews and Modern Capitalism*, elaborating 'stranger theory' quite considerably in the course of addressing a range of issues. In particular his argument was that Jews, as strangers, made good traders because they were likely to be objective in the marketplace. The argument then proceeds that objectivity in the marketplace is desirable in the sense of being rational and that a stranger group is at the base of modern capitalism's principle of economic rationalism; it is, indeed, the pioneer of modern capitalism. As Sombart writes:

I really believe that the rationalization of life which the Jewish religion effects cannot be too highly estimated for its influence on economic activities. If it is at all to be accounted a factor in Jewish economic life, then certainly the rationalization of conduct is its best expression.¹⁹

Sombart then continues that the Jewish characteristic of rationalism is also the leading characteristic of capitalism.²⁰

Other stranger characteristics, Sombart writes further, assisted the Jews to succeed as modern capitalists. Of importance to us is the fact that they were dispersed over a wide area, living in a diaspora which played a key role in Jewish success because of family business ties.²¹ Jews were also psychological strangers, not bound by tradition, not held in check by other than personal considerations. The spirit is formed which becomes suited to that of the capitalist entrepreneur.²²

Max Weber: Capitalism and Its Spirit

It is apparent from its themes that Sombart wrote his book as part of the debate aroused by the appearance in 1904–05 of Max Weber's *The Protestant Ethic and the Spirit of Capitalism*. Sombart reinforced Weber's views on the active 'rationality' of

modern capitalism. The capitalist era, Weber wrote, betokens 'the rational utilization of capital in a permanent enterprise and the rational capitalistic organization of labour'.²³ Further, 'it is one of the fundamental characteristics of an individual capitalistic economy that it is rationalized on the basis of rigorous calculation, directed with foresight and caution toward the economic success which is sought'.²⁴

What was the unique spirit which had brought about this trend to rationality? The argument Weber constructed is well known. Just as Simmel was looking for the 'essence' of the individual who, among other things, trades objectively in the marketplace, so Weber was trying to document a particular spirit, a peculiar ethic, in its classical form. In so doing, he would document one source of rationalization in Western societies. He found what he was looking for in a particular form of the Protestant ethic, particularly the ethos of Calvinism. Weber made it clear that he did not consider Protestantism to be the direct cause of capitalism, nor was it a requirement of capitalism after its establishment. But the Protestant ethos did encourage a culture which emphasized individualism, achievement motivation, legitimation of entrepreneurial vocations, opposition to magic and superstition, rational conduct, asceticism and self-reliance. This ethic, then, had an 'affinity' with early capitalism.²⁵ Weber also dug somewhat deeper, into the psychology of the individual entrepreneur. He produced a psychological analysis of the effects of the Calvinistic doctrine of predestination or election on individual Puritan believers, postulating a 'salvation anxiety' which is allayed by a rational, methodological dedication to success in one's 'calling'. Evidence of success in the form of wealth or expansion of enterprise symbolizes that the believer may be on the right path to salvation and this reinforces his devotion to his 'calling' and the pursuit of success; this in turn reduces his 'salvation anxiety' still further.²⁶ The 'unprecedented inner loneliness of the single individual'²⁷ was assuaged.

What is important to us is the fact that Weber's *Protestant Ethic* was only part of a much larger work, the study of other major world religions for which he analysed the divergent modes of the rationalization of culture in order to trace the

significance of divergencies for socio-economic development.²⁸ The five communities we are dealing with here represent not only minority communities, but communities that generally espouse several of the world's greatest religious traditions. What Weber has had to say on the ethos of these traditions and their relationship to the development of the rationalization which, he felt, characterizes the development of modern capitalism has been influential and will be raised again in the body of the text. The essence of his argument is that the specific ethos which characterized the first European capitalist entrepreneurs was absent in other civilizations. This ethos, of course, was not the cause of capitalism, but it was one of the fundamental elements of the spirit of modern capitalism. Individualism and capitalism remained indissolubly linked in Weber's thought, so that he saw not only rationalization as lacking in other spiritual traditions but, further, observed what was present to be a sort of collective conformity and adjustment to social relations.²⁹

In his studies of these spiritual sources, Weber dismissed Judaism as a bearer of the capitalistic spirit and wrote a fragment, 'Judaism and Capitalism' in response to Sombart.³⁰ Weber argued that Judaism lacked the decisive hallmark of the inner-world type of asceticism, an integrated relationship to the world from the point of view of the individual's conviction of salvation which nurtures everything else.³¹ There was no conception of self-fulfilment in a calling,³² and Jews failed to engage in one element particularly characteristic of modern capitalism, the organization of industrial production in domestic industry and in the factory system. Jews, in fact, 'were relatively or altogether absent from the new and distinctive forms of modern capitalism, the rational organization of labor, especially production in an industrial enterprise of the factory type'.³³ Nor could anything else be anticipated, as the legally and factually precarious position of the Jews hardly permitted continuous and rationalized industrial enterprise with fixed capital, but only trade.³⁴

In his study of India, Weber located the alleged irrational spirit of Hinduism in the caste system and the theodicy of fate

(*karma*), rebirth and duty (*dharmā*) as well as in excessive ritualism and reliance on magic.³⁵ These he saw as obstacles to capitalistic development. But it must always be remembered that Weber's concern was for origins, not for the subsequent adoption of capitalism. Writing of the caste system, he notes that the core of the obstruction to capitalism was embedded in the 'spirit' of the whole system. It must be considered extremely unlikely 'that the modern organization of industrial capitalism would ever have *originated* on the basis of the caste system'.³⁶ Modern industrial capitalism, in particular the factory, was introduced by the British.³⁷ Even the Jains, a clearly mercantile community, lived a ritualistically isolated existence and remained confined to commercial capitalism, failing to create an industrial organization; nor did a rational economic ethic develop in Buddhism.³⁸ In general, all faiths constructed for themselves a 'magical garden'³⁹ whence the 'personality' so crucial to Western economic achievement could not emerge.⁴⁰

Confucianism, too, failed to generate a particular economic mentality and a moral dynamism in economic activity;⁴¹ its ethic stressed rational adjustment to the world as it is, and so was in no sense comparable to that characteristic of the spirit of European capitalism. The spirit of Confucianism was the spirit of familism, in which the individual was tied to family members or 'persons' instead of to functional tasks or 'enterprises'. It could be said to be of considerable economic consequence whether or not confidence, basic to business, can rest upon purely personal, familial or semi-familial relationships as was largely the case in China. The great achievement of the ethical and asceticist sects of Protestantism was to shatter the fetters of the extended family, basing business confidence upon the ethical qualities of the individual proven in his impersonal, vocational work.⁴²

Taoism, too, failed to develop towards rational capitalism. Certainly mercantile circles adhered to Taoism and cultivated their special god of wealth, the vocational god of merchants. But Taoism's centre of gravity was its promise of health, wealth and happy life in this world and the beyond, and naked magic

was rampant. Not only was there no path leading from Taoism to a rational method of life, but Taoist magic necessarily became one of the most serious obstacles to such a development.⁴³

Weber's ambitious set of comparative studies concluded that, at the relevant stages in the development of cultures, material conditions in India, China and Judaea compared favourably from the point of view of capitalistic and bureaucratic potentialities with those of European medieval and early modern times. But in each culture the economic ethic of the dominant religious tradition concerned was directly antagonistic to the development of modern rational bourgeois capitalism. In Protestantism, on the other hand, the economic ethic was directly favourable.⁴⁴

The counterpoint here is once again Sombart's *The Jews and Modern Capitalism*. Sombart, we have seen, argued that there was a transition from the objectivity of the stranger to the rationalization necessary for modern capitalism, which he attributed to certain facets of the Jewish religion. Sombart also identifies a Jewish ethic, running through Jewish moral theology, which regards the getting of money as a means to an end and lauds possessions as a means of doing what is pleasing in the sight of God. It is in fact a duty to obtain possessions as a way of doing God's will on earth, and indeed Talmudic doctors preached the getting of gain.⁴⁵ 'The more pious a Jew was and the more acquainted with his religious literature, the more he was spurred by the teachings of that literature to extend his economic activities.'⁴⁶ Moreover, the rationalization of Jewish economic activities did lead to industrial enterprises, despite Weber's denial. Sombart names a range of Jewish manufactures from the earliest capitalistic period in support of his argument that Jews were the 'pioneers of capitalism'.⁴⁷

Joseph Schumpeter: the Entrepreneur and Creativity

We have described our conjoint communities both as minorities and as entrepreneurial. Weber introduces in *The Protestant Ethic* the entrepreneur of a new type, 'men who had

grown up in the hard school of life, calculating and daring at the same time, above all temperate and reliable, shrewd and completely devoted to their business, with strictly bourgeois opinions and principles'.⁴⁸ Such an entrepreneur avoids ostentation and unnecessary expenditure and carries on a manner of life characterized by a 'certain ascetic tendency'.⁴⁹ But the founder of the sociology of entrepreneurship is Joseph Schumpeter, whose *The Theory of Economic Development* was originally published in German in 1912. Here, and in his numerous later works, Schumpeter stressed the leading role of the entrepreneur in economic development under capitalism.

What Schumpeter looked for were not ethical qualities, but a certain personality type. In 1912 Schumpeter sees the entrepreneur as less tradition-bound than any other type in society, because his characteristic taste was to break up old and create new tradition.⁵⁰ Schumpeter runs through the psychological motivations of the entrepreneur. He sees him as wanting to found a private kingdom, and even a dynasty. Then he has 'the will to conquer',⁵¹ the impulse to fight, to prove himself superior and to succeed purely for the sake of success.

Finally, there is the joy of creating, of getting things done, or simply of exercising one's energy and ingenuity. This is akin to a ubiquitous motif, but nowhere else does it stand out as an independent factor of behavior with anything like the clearness with which it obtrudes itself in our case. Our type seeks out difficulties, changes in order to change, delights in ventures.⁵²

Schumpeter saw the entrepreneur as carrying out new combinations in order to make a profit, the characteristic entrepreneurial function. He argued that, for economic life, everything outside the boundaries of routine involved a new element and so the psyche of the businessman was of considerable importance, with his effort to do something new, to conceive a new combination.⁵³ The entrepreneur possessed a rare characteristic, 'mental freedom',⁵⁴ whilst furthermore he was prepared to undertake 'deviating conduct'.⁵⁵

In his later writings Schumpeter constantly emphasized the creativity of the entrepreneur. Coterminous with the study of

entrepreneurship was the study of 'creative response'.⁵⁶ The entrepreneur did something that was outside the range of existing practice; he did new things or things that had already been done but in a new way. He was a person who can be characterized as 'getting a new thing done'.⁵⁷ Schumpeter's examples include enterprise that introduces 'new' commodities; enterprise that introduces technological innovation into the production of 'old' commodities; enterprise that introduces new commercial combinations such as the opening up of new markets for products or new sources of supply of materials; enterprise that consists in reorganizing an industry.⁵⁸ It is not simply the increase of the existing factors of production but the incessantly different use made of these factors that matters.⁵⁹

Schumpeter's argument, like Weber's, emphasizes the centrality of individualism and individual entrepreneurial activity to the whole economic process. Only the psychological motivation is different. The chief contribution to this debate by a professional psychologist was made by David McClelland in *The Achieving Society*, published in 1961. McClelland concluded that a particular psychological factor, the need for achievement, is responsible for economic growth.⁶⁰ McClelland's debt to both Weber and Schumpeter is obvious. To behave 'like an entrepreneur' or 'in an entrepreneurial way' implied possession of certain characteristics which included moderate risk-taking as a function of skill not chance; decisiveness; energetic or novel instrumental activity; individual responsibility and self-confidence.⁶¹ All these characteristics, McClelland found, were possessed by those with a high need for achievement, and where this was at a high level in a society, more rapid economic development would follow.⁶²

McClelland also addressed the question of whether certain minority groups which had obvious entrepreneurial success possessed an achievement motivation different from that of individuals. He argued that a reasonably high need for achievement was required by group members, but that this must also be accompanied by a certain class status and by an ideology – generally a religious ideology – which favoured the achievement motivation. The religious ideology he found most