CHAPTER VI

ENCOUNTERING CHANGES: THE COMMUNITY IN TRANSITION
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INTRODUCTION

The Chettiars achieved major success through their traditional banking practices. Their use of indigenous methods at the professional front and their tenacious hold over customs and tradition in their personal lives did not impede their venture into other fields. Rather, they used their reserve of experience for entry into industries. Some of the informants mentioned that it was their moneylending that unveiled the profits as well as risks involved in various other businesses.

Baker too opines that the Nattukottai Chettiars were probably drawn into banking 'through their involvement in financing the Kaveri rice trade, which took them to Ceylon, where they started up in local finance, and then extended similar business to Malaya and, in particular, Burma.'

This first part of the chapter looks at the diversification of the Nattukottai Chettiars into South Indian industries from roughly the end of the 19th Century and beginning of the 20th century. The second part engages in an analysis of four factors that has weakened the cohesiveness of the group.

The Chettiars, being shrewd businessmen had explored the possibilities of venturing into other businesses at the height of their moneylending business. There have been individual cases of Chettiars moving into fields that were linked to moneylending business like the

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famous cloth trader T.N. Natchiappa Chettiar and the grain trader Arikkan Palaniappa Chettiar. Informants also mentioned of Chettiars who were successful agriculturists.² Contrary to the widespread belief that the Chettiars were never involved in agriculture, some informants spoke of their grandfathers as agriculturists. The biography of T.N.Natchiappa Chettiar also mentions that in the 18th and early 19th Century, cotton trade and agriculture were the main businesses of this community.³ This is not to suggest that the Chettiars were agriculturists. They have taken up businesses which seemed profitable depending upon particular situations. However it is their banking business that gave a collective identity to the community.

The first Burma Nattukottai Nagarattar Sangam meeting appealed to its members to venture into other profitable business operations in the wake of increasing competition for moneylending business from other sources like Marwaris and the Western Banks.⁴

In the second meeting of the Burma Nattukottai Nagarattar Sangam held at Pasumanthon, T:S.N. Palaniappa Chettiar, in his presidential address praises some of the members who are into businesses other than moneylending. He notes, ‘some members are involved in the export of the main produce of Burma—rice and other grains, some have established rice mills and some others are landholders. Members involved in the same business should organise themselves as committees within the Sangam and keep in constant touch with each other. They should thus safeguard themselves from other competitive groups, keep abreast of various

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² Interview with Dr. Chockalingam September–October, 2004, Karaikudi. His grandfather was one of the successful agriculturists within the rain-fed part of the Chettinad region. He had received awards from British representatives for hybrid varieties of fruits.


⁴ Kumaran, 30 December 1925.
legislations passed in the country and agitate if legislations are against their business interests. Our sangam will protect and promote the interests of members involved in businesses other than moneylending. Another pamphlet titled 'the progress of Dana Vanigar' mentions that the Chettiars should capture all other businesses in addition to moneylending.

The Chettiar involvement in other business depended on various factors like the financial and political situation of the country. In the following pages their involvement in other businesses during the early part of the 20th century is looked into.

The common refrain that the indigenous business communities were slow to move into industries due to their traditional outlook is refuted by Raman Mahadevan who points out that they combined their traditional occupation 'with ownership of land and industrial enterprises.' He says that this peculiar phenomenon must be viewed in the light of the following:

'(i) the tremendous control of the Europeans over the various industries, the foreign trade and the moneymarket, and consequent difficulty for Chettiars to invest, to any great extent, their surplus capital (generated through years of lucrative moneylending and trade in overseas countries), in industry; and (ii) the positive discouragement, through the colonial state policy, of inflow of Chettiar capital into India. Remittances into British India were liable to be taxed as business profit.'

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5 Text of the presidential address delivered by T.S.N. Palaniappa Chettiar at the 2nd Conference of Burma, Nattukottai Nagarattar Sangam, Kumaran, 6 January 1926.
Bagchi notes that even after the 1930s industry had developed only to a limited extent. It was only the consumer goods industries that the indigenous capitalists could hold some control over. The staple industries were still firmly controlled by foreign capitalists.9

A brief look at the economy of Tamil Nadu at the start of the 20th century would explicate the scope of indigenous participation in the industries in general and Chettiar participation in particular.

Madras was not a major participant in international trade in the opening years of the 20th Century though she was ‘exporting raw materials and importing manufactures’ from her dominant trading partner—Imperial Britain.10 Baker opines that by the First World War, Madras acquired a complex role in international trade. During this period Britain’s share of Madras trade declined but that of North America, Continental Europe and Asia gradually increased. In fact her trade with Southeast Asia was on an all-time high and surprisingly ‘it was entirely in local (rather than European) hands.’11 Baker points out to the two distinct networks of overseas trade that Madras was involved in. “In the first, with the industrial countries of Europe and North America, she was still in a largely ‘colonial’ role exporting raw materials and importing manufactures, but increasingly loosely tied to the mother country. In the other, with Southeast Asia, she was almost in the ‘imperial’ role; Madras exported large amounts of capital, skills and manufactured goods to Southeast Asia, and brought back food, raw materials and remittance.”12

This expansion of foreign trade, according to Baker, meant a greater influence over the local economy by external factors. The severe price

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10 Baker, op. cit. p. 98. The entire discussion is based on Baker’s monograph on Tamilnad economy.
11 Ibid, p. 106.
12 Baker, op. cit. p. 106.
fluctuations in Madras before, during and after the Wars were the creation of ‘unstable conditions in the industrial economies’ and ‘wartime financial strategies of British imperial rulers.’

“The fluctuations”, Baker states, “were novel in their rapidity and intensity. Prices doubled in five or six years around the first world war, fell by a third in five or six years of the depression, and multiplied two and a half times in five or six years of the second world war.”

The three main export crops of Madras were groundnut, cotton and rice and the prices of all three weakened from 1925 onwards.

At the end of the Second World War, in addition to falling prices, the countryside was also faced with the problem of lesser flow of credit. Though trade and prices recovered, credit did not rise on the same scale. All the capital was in a sense locked up in the urban areas. The Nattukottai Chettiar Chettiar Chettiar Chettiar Chettiar reduced their activities to a great extent. They were moving out of rural finance completely since the Imperial Bank too stopped all credit facilities to them by 1929.

Baker avers that ‘the depression saw a spurt in urbanisation’ and that the ‘one investment that still seemed secure was urban land.’ Capital was also diverted towards joint stock companies and the establishment of sugar mills, steel plants, paper mills and cinema companies.

CHETTIAR INVESTMENTS: TEXTILE INDUSTRY

Interestingly, the Chettiar Chettiar Chettiar Chettiar Chettiar began their industrial investment with the textile industry. There was stiff competition from the ‘India-based industries under European control, such as those of Binny & Co., A. & F.'
Despite the difficulty in procuring raw materials and machinery, and the necessity of having a considerable amount of capital to be able to survive in a highly competitive market, the Chettiars steeped into the textile industry as early as 1888 with the setting up of The Malabar Spinning and Weaving Mill Co. Ltd. at Calicut. It was the AL.AR family of Devakottai and the Desamangalam Namboodripad family of Travancore who contributed to the capital of this mill. In 1902, AL.AR Somasundaram Chettiar became the managing agent of the company. After a difficult period, the mill recovered and paid a dividend of 50 per cent to its shareholders by 1920.

The Kaleeswarar Mill in Coimbatore was founded by Rao Bahadur P.Somasundaram Chettiar in partnership with the AL.AR family in 1910. The paid-up capital of about Rs. 6,50,000 for this mill came from ‘merchants, bankers and Vakils.’

Mahadevan points out that Rao Bahadur Somasundaram Chettiar also “controlled Calicut Tile Co., at Feroke in Malabar, a ginning factory and a bank at Ariyalur, in the Tiruchy district, a paddy-husking mill at Arni, in North Arcot district and another ginning factory at Pollachi, in the Coimbatore district.”

Defunct mills were also taken over by Chettiars who pumped in capital and made them functional. In 1908, they acquired Koilpatti Mill which was initially started in 1892 by some Mohammadans with a paid-up capital of Rs. 5,00,000. The Nattukottai Chettiars bought the mill at a court sale for about Rs. 7 lakhs. It was renamed Kamakshi Mills for a short while.

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17 Mahadevan, op. cit. p. 134.
21 Ibid.

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after which it was called Chidamabaram Vinayagar Mill with a paid-up capital of Rs. 7,00,000.22

Mahadevan notes that no new textile mills were established in Madras Presidency between 1911 and 1920. The entrepreneurs had to wait for the World War to come to an end so that machinery and other accessories could be imported from Great Britain and the war time prohibitions and controls were lifted.23 Baker remarks that the Nattukottai Chettiars had prospered 'in the war and its aftermath from the illegal trade in rice to Ceylon and from the boom in rubber prices in Malaya and Burma.'24

Karumuthu Theagaraja Chettiar established the Sri Minakshi Mill in 1921 with a paid-up capital of Rs. 14,07,700. The Mahalakshmi mill was founded by a group of Madurai-based S.S.N Lakshmanan Chettiar in 1925 and the ailing Choolai mill was taken over by a Ramnad Chettiar family.25

One of the most important problems for industries in the South was the absence of easy sources of power. Harveys used hydel power of the Tambraparni river for its Papanasam mill but as Baker notes 'there was no other river which could provide such a service without expensive engineering works.'26 Stanes depended on firewood from the Palaghat hills but that was a depleting resource. Binns and the Choolai mill imported coal from North India by rail.

The other problem that textile industries in the South had to face was the quality of cotton. The poor quality of cotton made it difficult to produce fine yarn. About 90% of the yarn produced by Madras Mills was

22 Mahadevan, op. cit. pp. 135-36.
below 20 counts.\textsuperscript{27} Thus they could not compete with the products of Lancashire and Bombay. Even within these three European companies, it was Binnys that ‘managed to sustain and expand the business of weaving, while all other mills concentrated on spinning yarn that could be supplied to handloom weavers or exported to the far-east.’\textsuperscript{28} Their experience in import-export business and their access to capital enabled their continued functioning.

Table 6.1 shows the comparative size of the European and Chettiar mills through the number of units that was in operation.

<table>
<thead>
<tr>
<th>Company</th>
<th>No. of Units</th>
<th>No. of Spindles</th>
<th>No. of looms</th>
</tr>
</thead>
<tbody>
<tr>
<td>The early European companies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Harveys</td>
<td>4</td>
<td>4,65,424</td>
<td></td>
</tr>
<tr>
<td>Stanes</td>
<td>1</td>
<td>46,434</td>
<td>280</td>
</tr>
<tr>
<td>Binnys</td>
<td>2</td>
<td>1,19,108</td>
<td>2,776</td>
</tr>
<tr>
<td>The early ‘bankers’ companies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Choolai</td>
<td>1</td>
<td>40,164</td>
<td>774</td>
</tr>
<tr>
<td>Karimuthu</td>
<td>3</td>
<td>63,540</td>
<td></td>
</tr>
<tr>
<td>Mahalakshmi</td>
<td>1</td>
<td>10,240</td>
<td></td>
</tr>
<tr>
<td>Kaleeswarar</td>
<td>2</td>
<td>63,200</td>
<td>644</td>
</tr>
<tr>
<td>Vasanta</td>
<td>1</td>
<td>28,104</td>
<td>270</td>
</tr>
</tbody>
</table>


Baker notes that investment trends from the 1930s reveal a ‘significant increase in speculative, institutional investment in urban rather than rural

\textsuperscript{27} Baker, op. cit. p. 341. The lower the count the thicker and coarser the yarn.
\textsuperscript{28} Ibid, p. 341.
People with varied interests came together to float companies. The Chettiars invested their money in different fields like, for instance, Srimati Sugar Mills Ltd, East Ramnad Electrical Supply Corporation, and National Movietone Company Ltd.  

**CHETTIAR INVESTMENTS: SUGAR INDUSTRY**

The Chettiars had invested some of their capital in the sugar industry as well. Two sick mills—the Lakshmi Sugar Mills at Alwartirunagari and the Pettai Refining Co. at Tachanaloor both in Tinnevelly district, were acquired by AL.AR and AR AR SM Chettiars. The Pettai Sugar Mill was renamed AR AR SM Sugar Mill with a paid-up capital of Rs.3,00,000. The mill functioned successfully until 1925 and the paid-up capital was raised to Rs. 4,50,000. An additional 2,50,000 was raised for the establishment of a distillery. Mahadevan calls this ‘a classic case of a Chettiar entrepreneur not merely entering industry but also being prepared to introduce innovations and to venture into new fields.’  

Other businesses that had Chettiar capital include a paper mill at Punalur in the second decade of the 20th Century by AR.AR.SM Somasundaram Chettiar. This mill was however not a commercial success.  

Mahadevan mentions that the Chettiars owned a number of rice mills in the Thanjavur district, some of the notable ones being the AR.AR.SM firm and the RM.AR.AR.RM firm at Kuttalam and that of MTTY firm in Kumbakonam.  

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29 Baker, op. cit. p. 311.
31 Mahadevan, op. cit. p. 137.
32 Ibid, p. 137.
33 Ibid.
CHETTIAR INVESTMENTS: BANKS

The Chettiars have also been part of joint stock banks that were created at the beginning of the 20th Century. 'The new joint-stock banks' opines Baker 'grew out of the wreckage of the bazaar money-market.'

A proposal to establish a local bank was floated by Dewan Bahadur R. Raghunatha Rao which was welcomed by the public through their letters to the press. Following the collapse of Arbuthnot's on 22 August 1906, the promoters of the Indian Bank immediately sent out a public notice in Tamil on 2 November 1906. This notice announced the proposal to float a company with a capital of 50 lakhs, divided into ten thousand shares of Rs. 500 each. The notice also mentioned that they intend to 'utilise their (the Nattukottai Chettiars') business capacity and their commercial shrewdness in managing the new concern.'

Seshadri notes that the Indian Bank owed a great deal to the leading representatives of the Nattukottai Chettiar community. This is due to the fact that the Chettiars contributed to nearly two-thirds of the capital subscribed to, in the first year of its establishment. The support of bankers for the establishment of a bank 'with whom it might normally have been expected to compete was unusual.' But the Chettiars had their own reasons to support the joint stock bank. Their businesses were conducted outside India and so the Chettiars found it profitable to borrow in India from the Indian Bank. This was feasible because the head offices of the Chettiar firms were in India and also the lending rates were cheaper in India. Though the Chettiars were already borrowing from the Imperial

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34 Baker, op. cit. p. 315.
36 Ibid, opening page—copy of the first circular notice to the public.
38 Mahadevan, op. cit. p. 138.
Bank and the exchange banks, they needed a stand-by, support from a wholly Indian-Owned institution and the Indian Bank fulfilled this role.  

Seshadri notes the criticism that surfaced in the 1930s regarding the image of the Bank as that of a refinancing agency lending its money primarily to Chettiars who acted as intermediaries. It was also alleged that the bank lent out only one-tenth of its advances to meet the requirements of trade while large sums were given as loans on personal credit to the Chettiars. Seshadri refutes these criticisms by maintaining that it was because of the Chettiar intermediaries that the bank survived every banking crisis and was able to maintain its high margin of profit.

Rajah Sir Annamalai Chettiar established the Chettinad Bank in the year 1929 with a paid-up capital of one crore. This was the second biggest of the joint stock banks in the Tamil region. Baker points out that in 1929, the Bank attracted deposits of 109 Lakhs.

NATTUKOTAI CHERTIARS: THE CHANGING CHARACTER

The Nattukottai Chettiars created a banking empire of their own by extending their business operations to various countries of Southeast Asia. The British were instrumental in the ascendancy of Chettiar moneylending operations. The onset of Depression in 1929-30 marked the beginning of a series of setbacks due to which they had to withdraw their operations in those countries. According to S.Muthiah, three things were responsible for the decline of the Chettiars' activities. "First, there was the failure of the leading private bankers in Madras, Arbuthnot & Co., in 1906. Several Chettiar families with investments in the firm lost heavily and had to reduce their business activities. Then came the Great Depression, which

39 Seshadri, op. cit. p. 169.
41 Ibid.
42 Baker, op. cit. p. 315.
affected both their borrowings and their earnings. Many more firms had to close down, several mansions that were being built remained unfinished, employers had to compete with employees for work. A consequence of this was greater competitiveness, in the process of which there were greater efforts to win the favours of the ruling powers and their local representatives, and a reduction of the bond among Chettiars on such matters as uniform interest rates. The third was the growing resentment against Chettiars in countries where they were doing business and which were by then becoming independent.

Most of them came back to Tamil Nadu disappointed because they could not convert a large portion of their landed property to cash which had come to them as a result of foreclosures. Even now attempts are being made to partially recover the losses. It was mentioned that the airport in Saigon (Vietnam) was built on the land belonging to a Chettiar. A delegation of the Chettiars who had conducted moneylending business in Saigon and had invested in immovable property had recently given a memorandum to the Indian ambassador there. They are still hoping that at least some compensation would be provided by the government.

When the Chettiars had returned back to their homeland, they had to look for other business opportunities. They continued with their moneylending operations in and around the Karaikudi region. As Muthiah says many of them were not venturesome. 'They stuck to low level employment or business they knew money lending and financing, small trading and textile mills—but for the majority their world had collapsed.' When India gained independence, the political and economic situation of the country underwent a change. With new financial laws that were stringent imposing numerous regulations on the informal finance of

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44 Interview with RM. Krishnan Chettiar, Trichy, December, 2002.
Chettiars, they ventured into different fields. An important factor that diverted the attention of Chettiars from their traditional business was the spread of education. English education came to be regarded as an important mechanism to negotiate with the public sphere. The spread of education and subsequent employment of the next generation modified the character of the community to a certain extent. The institutions that were headed by the Chettiars or those that belonged to Chettiars provided employment to fellow members in an attempt to help them rebuild their lives that was disrupted by the fall of Burma. Some such institutions were the Indian Bank, the Indian Overseas Bank and United India Insurance Company.  

The Murugappa Group was the only one to set up an industry and the A.M.M family helped fellow Chettiars to a great extent by providing them employment. A.M.M Arunachalam reminisces, “we played our role well in the fifties. First in Ajax. Then, when we started Cycles and Tubes, we employed over 400 Chettiar youths from Pallathur, Kanadukathan and Kottaiyur to which we had sent a recruitment manager. Later there was the Kothamangalam-Lakshmipuram crowd in Carborundum....”

Impact of Urbanisation

The Chettiars have been one of the most enterprising groups of the Tamil region for centuries. They have sought to widen the sphere of their operation by establishing trade links within the country to places as far off as Calcutta. They had shipped rice to Burma and Ceylon from Calcutta. Their contact with urban centres of trade and commerce is not new. They also travelled all over Southeast Asia during the colonial period to extend the scope of their business. This led to contact with new people and new

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46 Muthiah, op. cit. p. 311.
48 Na Valli, op. cit. p. 75.
cultures. But such exposure did not have an immediate impact on either their lifestyle or culture. During the colonial period when they went to Burma, Malaya and Ceylon, there was a conscious and deliberate attempt on the part of the community as a whole to safeguard their culture and maintain their ethnic boundary. The internal mechanisms of the caste group provided safeguards to preserve their ethnic boundary. They carried with them idols of Dandayuthapani (This was a form Lord Murugan had taken. Here he stands without his divine consorts Valli and Devyanai. He is shown with just a spear in hand and minimum clothes.) This idol symbolised all that the Chettiars wanted to portray in an alien land. They wanted to remind themselves that their family was waiting for them, that they had to refrain from any of the pleasures because business was the only motive for staying in foreign soil. The idol was plain and not adorned with ornaments in order to symbolise the notions of thrift and frugality. This was emphasised because capital that was accumulated had to be transferred to their homeland.

In addition to this ‘symbol’ that they carried along with them, another mechanism that restricted the contact of Chettiars with the local population was the residence. Most of the people stayed in the kittingi that was both business cum residence built by the community. They were located in the same area, which effectively meant that most interaction was within the community members. The social life of Chettiars was restricted. In order to institutionalise their restricted social life, the temple was promoted as the focus of all activity. Almost all the activities of Chettiars revolved around the temple in these countries. The monthly interest rate was fixed at the temple, meetings of the community were held there, rules were formulated, financial issues were discussed, policies of the government analysed. Intra-Chetty lending was another instrument that kept the community bound together.
By 1928, they realised the necessity for organised representation in these countries. So in almost all the important regions of their activity, Nagarattar associations were formed. These associations were formed with the purpose of collective bargaining. One instance of the beginnings of an association was when Rajah Sir Annamalai Chettiar had visited Saigon in the early months of 1930. At a tea party hosted in his honour by members of the community, he urged them to organise themselves in order to represent their grievances to the state machinery. (By this time Burma and Malaya had their associations.) Thus the Indo-China Nattukottai Chettiar Sangam was established at Saigon on 1 June 1930.49

All these served to keep the community socially, politically and financially together while at the same time enabling them to maintain a social distance. The Chettiars were thus able to maintain an ethnic separateness using their own mechanisms.

As with every migrant mercantile community, the Chettiars too resisted assimilation. There are some instances of Chettiar men marrying Burmese women or having concubines in other countries. But total assimilation into the society occurred rarely. This was due to the fact that members were strictly bound by the unwritten rules of the community because it was advantageous for them. Many Chettiars were linked to each other by kinship in addition to being linked to each other financially. This kept a check on the activities of one another.

The impact of urbanisation can be looked at from two vantage points—that of culture and ideology. At the cultural level, influence was restricted to the sphere of material culture. The impact of other cultures is manifest in the artefacts though the influence is most pronounced in the adaptation of various architectural styles. An analysis of the

49 Kumaran, 21 August, 1930.
advertisements that appeared in the local journals in Tamil published from the Chettinad region, also brings out the Western influence in terms of consumption. For instance, at the height of their trading activity, Nagarattars were astute consumers buying anything from foreign biscuits and toffees to Ford cars as well as private aircrafts. They had brought with them teakwood, lacquer items, and softwood articles of various sizes and shapes called 'pazhukkai' from Burma. These articles have been used as part of the saaman given to the bride at the time of her wedding. These items have been incorporated in the distinct material culture of Chettiars so much that any mention of these articles immediately reminds the people of Tamil Nadu of this community. Nowadays the antique shops in Karaikudi are flooded with these articles that have been sold off by its owners due to financial difficulties. After they had amassed wealth by their moneylending activities, the next step was to invest in homes in their native land. It was at this point that their exposure to foreign culture came in handy. They were exposed to the best of architectural patterns all in the countries they had visited. They realised that this magnificent architecture was new to the region where they belonged. It would give the desired visibility among their own people in their homeland. They began constructing huge mansions thereby translating their wealth into social status.

In their construction they mixed various styles depending upon what material they could procure and transport from the other countries. For instance, when Burma was producing abundant teak, they decided to use this raw material and so used teak extensively to decorate their homes. The Italian chandeliers, marble and tiles, Belgian glass, and Japanese tiles thus came to be used commonly. Though there was such great adaptability in terms of consumption, they did not let it affect their ideological position.

50 Sivanesan, Kumaran, (1930, 1931, 1932); Dhana Vysia Ooliyan 1923.
The Western way of life did not penetrate or affect their way of life. They held on tenaciously to their rituals, their religion and their customs. The conservative approach and strong belief in the customs followed gave them a distinct identity.

This was the case till about the 1970s according to informants. By then, the generation that amassed wealth so meticulously, had faded into oblivion. The next generation had been part of their father's operations for a while but government policies like the Nationalisation of Banks dissuaded them from staying on to the traditional occupation. In addition to this, most of them had realised the importance of education and a stable monthly income. So they had moved into banks and other employment in Chettiar-owned factories and companies. But according to informants, this generation did not realise the hard work and efforts that had gone into the creation of wealth. And added to this was the fact that they were exposed to various vices of the city – gambling, smoking and drinking. So they could not consolidate or multiply the existing wealth. On the contrary, they had lost it. There was no cohesiveness within the caste too, as they had started moving out of the geographical territory. Changes in the family structure had occurred too. The joint households fragmented into nuclear ones and were spread at different regions. They met only during festivals and other auspicious occasions back in their homeland, in their ancestral homes. This generation had lost touch of their own culture and identity, and was busy competing for better jobs and better opportunities.

The four important factors that brought about a major change in the community as a whole and changed its character (inferred on basis of interviews and an analysis of various articles that appeared in the local Tamil journals published from in and around Karaikudi from the 1930s through the 1990s) can be summarised as follows:
(i) Geographical mobility
(ii) Change from traditional business
(iii) Changes in family structure
(iv) Education

During the period from the 1800s through the 1940s the Chettiar community resided in the same geographical region. This was beneficial to them in more ways than one. Since their business entailed a lot of movement due to which they had to leave their families behind, the necessary security was provided by fellow caste members some of whom were kith and kin. It also enabled the easy flow of information because if one person came back from the business spot he could convey news to the families of many people without having to travel much. A support system was thus readily available because of proximity. But after independence, things started changing and the newer generation dispersed gradually to various other cities and towns for education and employment. This movement meant that the caste could not function as a tight knit unit. Their interests were different and they were no longer bound to each other for anything. Collective interests started waning and individual interests accelerated. The basic character of the community was severely affected.

Change of occupation was another major factor because it loosened community ties considerably. The earlier interest of the community to keep capital flowing within and amongst themselves suffered a severe blow as many of them looked for permanent employment in the newly-opened sectors. Money came to be regarded as a private achievement depending on the individual’s ability to earn, retain and multiply.

The family structure underwent major changes. The large household that supported all the married sons of the family now dissolved into smaller households in different regions. This meant not just geographical distance but also lack of social control that was so characteristic of the
community in the earlier period. (Informants also added that they prefer nuclear household nowadays in order to evade tax.) Numerous instances of sons clamouring for wealth and acrimonious allegations were observed. Informants mentioned of instances where court cases were initiated against father, and between brothers for appropriating wealth. This was not a common practice among the Chettiars because they resented approaching the court for any reason. All disputes were solved within the community by arbitration and negotiation. The main reason behind this was to avoid court fees, lawyer's fees and other related expenses. It was mentioned that usually when this kind of arbitration takes place, both parties sign agreeing to accept the decision and this was called Muchalikai. In fact one of the resolutions passed in the Second Conference of Burma Nattukottai Nagarattars states that all disputes be solved amongst caste members. 'Approaching the court only leads to waste of time and money.'

Family honour and pride were thus not maligned. But with the disintegration of the joint family, each son wanted his share of the property in the interests of his own family and so cohesiveness was gradually lost. Another change that was brought about by the disintegration of the joint family was in the socialisation of children. During the 19th century, the socialisation of children was related to the values relevant to the profession. Notions of thrift and frugality were imbibed at home while they received hands-on-training on accounting procedures and other finer points of the moneylending business from their fathers and accountants in their firms. The notion of 'merchant ideology' was deeply ingrained in the minds of children. The value and importance of money was taught right from the start of their lives. These values were imbibed into the young minds by means of various practical methods.

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51 Text of resolutions passed at the Second Conference of Burma Nattukottai Nagarattar Sangam, Kumaran, 6 January 1926.
Education was the harbinger of a new era for the Chettinad region. Chettiars have been pioneers in various fields. They were in the field of education too. Right from the start of the 20th century, they started establishing schools and colleges within and around the Chettinad region. This was the result of the ideological influence of the British. They realised the necessity for heralding a change as they could foresee the difference that education could bring about. Education opened up different horizons for Chettiars and equipped them to move into other fields. When change was imminent, the Chettiars adapted themselves well to suit the new environment as they always had.

The onslaught of modernisation and large scale homogenisation has only compounded the problems of the community. With most of the people moving out of the Chettinad region and establishing lives in other cities and even countries, the basic characteristics of the caste has undergone a tremendous change. It is no longer possible to maintain a distinct ethnic identity especially when urban lives and employment have merged them with the rest of the population.

Many of the young male and female Chettiars (aged 16–26 years) interviewed did not know much about their heritage. They go to English medium schools and their socialisation is no different from others. Though the ‘merchant ideology’ is instilled in them and they know the value and worth of money, there is no inherent desire to maintain their distinct identity. For instance, at the Pongal celebration in a Chettiar home, the youngest male heir who blows the conch and initiates the start of rituals refused to wear the traditional ‘Dhoti’ and wore Jeans instead. Many of the rituals have been modified to suit the modern way of life. The upper strata of society has been able to maintain their ancestral homes and some even

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live in them. It was said that a normal Chettiar mansion required a sum of three lakhs per annum toward the upkeep and maintenance. With the kind of salaries that people earn in cities it is not possible to spend so much on this. In many homes, one part is whitewashed and neat while the other parts are dilapidated. When asked about this, it was mentioned that the house has been partitioned and the respective owner maintained his portion/share alone.

In this changing scenario many of the upper class Chettiars revive and uphold customs that the community had been following for centuries. In an urban context (where most of the Chettiars now live) a rootedness and ‘belonging elsewhere’ is essentially portrayed. Thus, in the urban setting, the idea of a home far away in Chettinad and glorifying the past seem to give them a separate identity.

The upper class of Chettiars now exhibit their material culture and try to add some style of their distinct architecture even in their urban homes.

There is a growing awareness among Chettiars that they are letting go of a valuable treasure. So attempts are being made to revive some of the lost practices of the community. New forms of community organisation work towards such revivalism. One is the Kovilur Madam located about six kilometres from Karaikudi. This is a religious institution and is located within the temple complex of Kovilur. This institution deserves mention because of the activities that it is involved in. This institution aims to serve the community by reviving the Chettiar heritage. The madam attempts to act as a catalyst bringing the community together by performing a range of activities. These include:

(a) Financial aid  
(b) Counselling  
(c) Spreading Chettiar culture and heritage
This institution has classified financial assistance into three categories—for old people who are uncared for or abandoned by children, for professional education and for marriage. A monthly allowance of three hundred rupees is provided for old people who do not have children, or if their children are not in a position to support them. In case the children are financially sound but found to be neglecting the parents then attempts are made to arrive at a compromise by mediation. Assistance is not provided for all those who seek it. There is a proper procedure of filling up forms, a thorough scrutiny of forms, a field enquiry and then money is sanctioned. A perusal of the forms received every year (about 600 applications) brings to light the stratification within the community.

Financial assistance is also provided for the marriage of poor Chettiar girls. Even this is done after stages of verification and a written statement from both the bride and the groom’s side. The bride’s parents have to state in a letter that they are unable to conduct the marriage due to their desperate financial situation and should get it countersigned by the parents of the groom. It was mentioned that may people did not come forward to avail this assistance because they found it humiliating to let the groom’s side know of their poor economic condition.

Financial assistance for education takes the form of loans that are returnable after a stipulated period. This is given only for professional courses because other fields do not ensure jobs soon after completing education. This is also much sought after and hundreds of applications were received.

What is striking about the attempts is that they reflect the Chettiar meticulousness at every point. Like their accounting procedures of yesteryears, these efforts too bear a stamp of their perfection.

Breaking up of marriages is a new phenomenon in Chettiars. Of late, informants mentioned that divorce cases are on the rise causing much
concern within the community. "Most of the marriages are falling apart for very silly reasons and so we decided to counsel the couple to help them stay together," says a prominent member of the community. Counseling takes many forms here. It is not just the talking but they use indirect means of convincing like for instance the birth chart matching. This community had never followed the Sanskritic way of matching the birth charts of the bride and groom before marriage to assess compatibility. But the past few decades has seen an enormous rise in this process among the community members. It was mentioned that some families matched the birth charts (Jatakam in Tamil) long after marriage and sent the bride home since the charts were not found to be compatible. Since this Sanskritic procedure had found entry into the Chettiar way of life, the Chettiars have devised ways to tackle it using the same means. Nowadays when marriages are on the verge of break up, they arrange for astrologers to confirm the compatibility of charts in order to save the marriages from break up.

According to informants, inter-caste marriages would destroy the heritage and culture of the community and so they strive to keep the community together by promoting the idea of caste endogamy among youngsters.

Another effort at maintaining and transmitting the culture and heritage of the community is an attempt to publish readable books in English for the Chettiar children who reside outside the country. These range from those relating to the Tamil culture in general to the Chettiar culture in particular.

There is a lack of interdependence among members now because of varied professions and scattered existence. By creating awareness about the Chettiar culture and by pooling community resources for the upliftment of lesser privileged members, an attempt is made to bring the group together.
After independence, wealthy members of the community invested in industries as diverse as petrochemicals, sugar, fertilisers, textiles, manufacturing, and films.

The richest group among the Chettiars, the Murugappa Group entered manufacturing and spread into sugar and fertiliser. AV Meiyappa Chettiar’s AVM studio has promoted the Southern film industry for almost a century now.

The Economic Times conducted a poll in August 2003 and ranked the wealthiest among the Chettiars. Table 6.2 summarises the rankings.

Table 6.2: Wealthiest among the Chettiars

<table>
<thead>
<tr>
<th>Group</th>
<th>Companies</th>
<th>Net worth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Murugappa Group</td>
<td>Tube Investments, EID Parry, Carborundum Universal, Cholamandalam Finance, Coramandel Fertilisers, Parry Agro, and Parrys Confectionery</td>
<td>1500 crores plus</td>
</tr>
<tr>
<td>MAM Ramaswamy</td>
<td>Chettinad Cement 15 privately held companies engaged in manufacturing (Granite, Silica and Quartz), services (coal handling and engineering), Trading, IT, Wind farm and plantations.</td>
<td>1500 crores</td>
</tr>
<tr>
<td>MAC Group</td>
<td>SPIC, Sical, TN Petro, Tuticorin Alkali, Manali Petro, and Spel Semiconductors</td>
<td>750 crores</td>
</tr>
<tr>
<td>M C T Muthiah</td>
<td>No listed companies. Promoted United India Insurance—now LIC—in 1929, Indian Overseas Bank before Nationalisation in 1969</td>
<td>500 crores</td>
</tr>
<tr>
<td>T. Kannan</td>
<td>Thiagarajar Mills, Virudhunagar Textiles</td>
<td>200 crores</td>
</tr>
</tbody>
</table>

The table above represents a very small fraction of the total population of Chettiars and as Muthiah\textsuperscript{53} says, most of those listed belong to a group of three or four families. Nevertheless, it shows the adaptability of Chettiars to changing situations and their ability to convert opportunities to benefit them. It also highlights the ingrained business

\textsuperscript{53} Interview with S. Muthiah, on 15 February 2005 at Chennai.
acumen of Chettiars that is nurtured and sustained by their 'Weltanschauung'.

CONTRIBUTION TO THE REGION AND SOCIETY

Through their dominant economic position the Chettiars contributed to the renovation and maintenance of temples in and around the Chettinad region in addition to building and residing in huge homes. But apart from these, their contribution to the local society as well as to the development of the region has to be assessed for acquiring a complete picture.

Interviews with non-nagarattars living in the Chettinad region brought out conflicting opinions. While some of them brought out the positive contributions of Chettiars, many of them thought that the culture of Chettiars in terms of dowry affected them negatively. The practice of 'Saaman Parapparadu' was singled out by informants as the bane of Chettiar culture because it was adopted by the elite of other castes within the region. It percolated to all sections of the society so much so that it had become a problem. Almost all the informants accepted that the economically superior position of Chettiars gave them a dominant position in the local social hierarchy.

The Chettiars contributed to the region in terms of building roads, building tanks for storage of water and later the establishment of educational institutions. It has been noted by Chettiar writers that the Nagarattars were instrumental in laying roads in the Chettinad region from the start of the 20th Century.

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54 Interviews with 14 non-Nagarattars were conducted in the course of fieldwork in the Chettinad region. In addition to these interviews, everyday interactions with non-Nagarattars are also taken into consideration.

In the pre-independence period, marriages took place within a radius of ten kilometres or so for purposes of convenience in travel. When two villages had established relationship by giving and taking wives, prominent Chettiars undertook to lay roads connecting the two villages. It is said that the K.T. family constructed the road from Kilasivalpatti to Kuruvikondaanpatti. Similarly, Chettiars also laid roads connecting their village to the villages of their family deities. Absence of written records hinders further elaboration. However, it is evident that Chettiars did not depend upon the state to improve the infrastructure and did so with resources at their disposal.

Another form of charity relates to a very important need in the villages. Chettiars constructed common water storage tanks in about 53 of the 78 Chettinad villages. These tanks fulfilled the water needs of the villagers in an area that was dependent on rain. Even their palatial mansions had provisions for harvesting rain water.

Chettiars have thus utilised their own resources to meet their own needs as well as that of the region though, in return, they acquired much in terms of symbolic capital. The Chettinad villages were linked by roads and the main town Karaikudi was connected to Madurai by bus service in the early part of the 20th Century—a time when other villages in the interior regions of Tamil Nadu did not any have such facilities. The Chettiars thus brought with them some elements of modernity and progress to the region though it was to mainly facilitate their mobility and business.

57 Ibid, p. 3.
58 Till today some of the Chettiars follow this practice. In the third phase of my fieldwork, my entire water consumption was rain water—harvested and filtered many times with a fine muslin cloth and stored in huge plastic drums.
59 R. Mahadevan (1973) p. 138. The South India Commercial Corporation of which SR MA R Ramaswamy Chettiar was President and RM Nagappa Chettiar Secretary were running a bus service from Madurai to Karaikudi.