



CHARITIES AS CSR – A CASE STUDY ON THE NATTUKOTTAI CHETTIARS OF TAMILNADU

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Abstract

Nattukottai Chettiars, also called as Nagarathars, hails from the southern part of Tamilnadu. The place they inhabit is called as “Chettinadu”, meaning –the land of Chettys. Chettiars are southern equivalent to the “vaishyas” or “baniyas” of Northern India. The Nattukottai chettiars stand out for their adventurous spirit of entrepreneurship, as the history mentions them as Maritime traders. They acquired huge wealth and fame during 1800- 1940s by venturing into the Southeast Asian countries as money lenders and traders. Their indigenous banking system, combined with organizing and accounting skills that were compared with the European bankers, made their centuries full of money. Frugal, spiritual and simple chettiars found their way in the development areas of Burma, Malaysia, Singapore and Ceylon, out of which, Burma was their important headquarters for banking operations in the past century. The wealth gained by the industrial giants from this community is duly given back to the society in various forms. The purpose of this paper is to appraise the role of Nattukottai Chettiars in development of the state in the areas like Education, Health Care, Spirituality, Research etc. The altruistic activities of the major Chettiar Business Houses, like Murugappa Group, Raja Sir Group are studied in this paper. The paper tries to relate the Business Values of these groups with the community values, family values, cultural values and historical values. This paper is a qualitative study, using case study method.

INTRODUCTION

Nattukottai Chettiars are an interesting community with a rich heritage and traditions. They are also called as Nagarathars. Nattukottai means country castles in Tamil, a name that well suits the community, as they are noted for their marvelously designed palatial houses. Historical studies mention them as “maritime traders”¹ and “salt traders”². These adventurous entrepreneurs spread their wings during the colonial era to many of the Southeast Asian countries like Burma (now called as Myanmar), Malaya (now called as Malaysia), Singapore and Ceylon (now called as Sri Lanka). This paper tries to bring out their most appreciated quality “charity” as a quality of CSR. A note from Thurston’s³ says,

“The chettys are believed to be the most charitable class in southern India, and undoubtedly they spend the largest amount of money on charity”.

METHODOLOGY

This paper is a qualitative study, using case study analysis method. This paper aims to study and understand the altruistic characteristic of chettiars through their contributions to various needs of the society.

HISTORICAL OVERVIEW

Much noted for their sharp business acumen, frugality, spirituality and simplicity, they claimed high level of respect in the ancient Chola and Pandya period for their trading abilities and bringing wealth to the kingdom. Even though the myths and legendary stories of chettiars in ancient period is under debate for want of authenticity, the chettiars believe that they are descendants of the traders from Kaviripattinam (Poompuhar) of Chola kingdom, as the folk lore and a Tamil book called “Nattukottai Nagarathar Varalaru” says so. The Chettiars were flourishing traders of Chola Kingdom, at Kaviripattinam a port town which helped their trading to faraway places. Hearing on their achievements and credibility, the Pandya king invited them to his kingdom. Thus, this mobile community moved to this present location called “Chettinadu”, meaning the “land of Chettys”.

This story of Chettiars is often questioned for its truthfulness. But, the practice of inviting traders is seen through stone inscriptions⁴ of *GangaiKonda cholapuram*, a proud capital of *Cholas*, around 11th century. It is found that, *Paranthaga Cholan* had set up a market place, like a trade hub, for the benefit of the society and 500 tradesmen were stabilized in that market place. (in Tamil, it is called as *Nilai Thalam*). Further, tax free benefits were also given to enable their growth. In return, those tradesmen constructed schools and donated lands for schools. Festivals were conducted and sponsored by them in the place of their business. Moreover, the tradesmen built renovated temples and donated gold to king for building temples.

¹ S.Grantham, M. A. (15th June 1930).

² Rudner, D. W. (1994).

³ Thurston, E. (1909). (Thurston mentions this quote from Mr.Sundara Aiyar)

⁴ South Indian Inscriptions, Vol. XIX

The women of the merchant community donated oil to light the lamps in the temples. This gives an insight on the tradition of business men, from the day known to us and gives a grip that the legendary story of mobility of Chettiars may be true.

GEOGRAPHICAL LOCATION

Chettinadu refers to the village clusters that were inhabited by the chettiars. The number of villages and dimensions is debatable as there are various documents stating different statistics. However, the transition in their occupation from salt traders and maritime traders in historic period, to moneylenders and indigenous bankers in the medieval period, and then to industrialists and retail traders in present day have fanned them all over the world. Hence, the concentration of chettiars found in the chettinadu deteriorated day by day and it is very thin or nil in some of these villages. What still makes these places as chettiar villages are the annual temple ceremonies attended by the clan and family members, the temples still under the huge donations and maintenance of chettiars, the clan temples maintaining the population registry and marriage registry of chettiars and grand palatial bungalows without people living in it. The chettiar legacy has that previously under the Chola period there was 96 villages, but slowly it got reduced to 80 villages under 7 clusters namely Melapathur, Kilapathur, Mela Vattgai, Kila Vattagai, terku Vattagai, Pathinaru Vattagai, and Neendakarai Pirivu.

SPIRITUALITY AND CHARITY

According to the legendary tale, the Pandya king gave the Chettiars Siva temples as per their request to get settled in his kingdom. As the Community grown, the temples they took under as their clan temples increased to nine. These nine temples are still considered as the base of clans of chettiars, and these temples are all located in and around the Chettinad. Nattukottai Chettiar Community revolves around these nine Sivan temple divisions (*Kovil pirivu in tamil*). Being highly spiritual, they have followed the habit of keeping aside a part of their business profits to their deities as share. They have shown their altruistic nature in the development of temples and their maintenance by donating happily with utmost sincerity and “*Bhakthi*”. This is evident through the grandeur in architecture of the temples they have built and renovated, and the day to day maintenance. Hence, it can be understood that, it is their rich spiritual heritage that had made this community render contributions selflessly to the society.

Other than the major contributions to their clan temples and the village temples, they have rendered their financial contributions to almost all the major temples of Tamilnadu. The renovations made at the Chidambaram, Madurai and Tiruvannamalai Temples around the end of 19th century are mentioned as huge works with “very large sums”⁵ spent by the Chettiars.

FORTUNES AND MISFORTUNES

During 19th century, the extreme accumulation of wealth of this community was unimaginable. The Burma Provincial banking enquiry, 1929 estimated a total of Rs.1200 million⁶ of *Chettiar* money lending in all their operations in all the countries including the then Madras presidency. The wealth thus earned outside India, was channelized to the development of their native place, except for the unfortunate incident of flight of Chettiars from Burma, leaving behind the land and other assets acquired in Burma, during World War II. As any other history of communities, they too had their own share of ups and downs. Apart from being traders and money lenders, Chettiars are well known for their indigenous banking abilities, which are often compared with the European Merchants⁷. Bank of Chettinad, (now defunct), Indian Bank, Indian Overseas and Bank of Madura (merged with ICICI) are some of their initiatives. Apart from Banking Industry, they had diversified business ventures starting from Rubber estates in Malaysia to Tin mines in Burma, Engineering products to organic pesticides, Cloth mills to Cycles. Raja Sir Annamalai Chettiar, Karumuthu Thiagarajan Chettiar, Alagappa Chettiar, AM Murugappa Chettiar, AV Meiyappa Chettiar are some of the great Industrialists of this Community.

CHARITY AS A PART AND PRACTICE OF BUSINESS

During their expedition in Burma during colonial era, Nattukottai Chettiars used to conduct their business meetings at the temple⁸. Temples are not only treated as a spiritual place, but also a place for community development. They had even small rooms for business in the ground floor of the temple, called “*Kittangis*”. Their business days started with puja and ended with evening prayers. The first entry made in their accounting journal everyday would be the expenditure written off to their god⁹. Building Murugan temples in other countries they operate is also their unique practice. It is a gesture for communal unity and

⁵ Thurston, E. (1909).

⁶ Turnell, Sean (2005) p.10

⁷ Thurston, E. (1909).

⁸ S.Grantham, M. A. (15th June 1930).

⁹ Information based on the interview with an elderly chettiar, who worked in Burma for few years



to keep their faith intact. The temples they built in Malaysia and Singapore stands today as a congregation place for even Chinese communities, and people of all walks of life take part in the festivals conducted in these temples.

PRACTICE OF “MAGAMAI”

“Magamai” is a definite percentage of commercial profits earned by the Chettiars to be set aside for charity. Out of this, certain types are set aside only for the temples. It is a unique attribute of this community, that wherever they go to conduct business, from Saigon to Cochin China, they have built a temple out of their business earnings. The “Magamai” contributions helped the upkeep of these temples.

Every year according to the needs of the temple, they conjointly decide upon their contributions based on the size of the business. In Burma during 1850 - 1930s, generally one rate fixed for loans and another for acquired property in lieu of debt. For example, the Burma Provincial Banking Committee Report says, 14 annas per Rs.1000 on loans are kept aside and 9 annas per Rs. 1000 for property taken over debt, the value of the property being reckoned always as the principal money outstanding of the debt. It is further mentioned that, all gave their contribution honestly without fail, and a failure means boycott by others. As a close knit community, living as concentrated groups in villages back home, this boycott punishment is a real scare and hence, no Chettiar money lender evaded this contribution.

The second type of “magamai” was derived by a sort of cess upon certain kinds of business done. Every year during accounts closing the amount received from one shop to other and the amount paid to one shop from the other is calculated and the difference in every pair is taken as base to calculate “magamai” at the rate of quarter of an anna per Rs.100. The receiver of the total amount pays this to the shop that paid to them, and the shop which received this “magamai” use this for charity. Apart from this, gifts are paid from time to time based upon the needs of the society. Some examples mentioned in the report are

- Gift promised in May 1930 by the Rangoon Chettiars to the fund for relieving sufferers in the pegu earth quake
- Collections for the gift to Rangoon University
- Kanbe school endowment (A school built and run by the Nattukottai Nagarathar Association, for the Nagarathar boys in Kanbe, Burma. The residential school was specifically designed to help the chettiar boys learn Values, Spirituality, Maths and Physical Education)
- Apart from these group contributions, individually chettiars give freely for charitable purposes.

The contributions they have made in India during 20th Century, with the huge fortunes they earned in Southeast Asian Countries are also to be studied for a thorough understanding of their change in the course of charities. Temples of 19th century were social places for community meetings and sharing and maintaining social values. But, the turn of 20th century opened up other necessities of the society like educational institutions, especially for girls, Research institutes, Health care places, Rural development centers and digging up of tanks in the water scarce Chettinad. Hence, the sensible Chettiars, by that time winding up their business firms in other countries and settling back in the home town due to repatriation of British from Asian colonies, turned their interest of charity towards education. The big chettiar firms are pioneers in setting up schools and colleges in their home town. Even though it would be a herculean task to enumerate all the donations and charities made by the chettiars to the education field, the paper tries to bring in huge contributions, leaving small ones by the smaller firms and individuals, due to the limitations of time and cost.

CHETTIAR GROUPS

Raja Sir Annamalai Chettiar Groups

Education

We can say that Education is the thrust area for *Nagarathar* contributions, next to spirituality. Being basically banking community, they excelled in book keeping. Tamil music was highly patronized by Raja Sir Annamalai Chettiar. His son, Raja Sir Muthiah Chettiar was honoured with a title “*Tamil Isai kavalar*” – meaning protector of tamil music- for his flawless contributions towards the development of Tamil music.

Annamalai University

Raja Sir Annamalai Chettiar’s contribution towards Education development of society is tremendous. He is visionary and a strong believer of education’s role in free India. His first venture is “Sri Meenakshi College” in 1927. Later, the additions of Tamil college and a Sanskrit college adorned Chidambaram, a temple town in Tamilnadu. Further the additions of College of Music and Oriental Training College lead the path way for expansion. With these colleges as nucleus, Annamalai University was formed. The splendid development of the University today inspires us and makes us think about the first big step by Raja Sir and his Son Muthiah Chettiar.



Dr. Alagappa Chettiar

An adorable philanthropist, Alagappa Chettiar is another icon of Chettinadu. It takes a lot of courage to give as much money as Mr. Alagappa Chettiar was able to donate. He was a business tycoon, but the money earned came back to the development of rural Tamil Nadu. He gave even his palatial house, where he resided, to convert into a women's college in his place of birth.

Alagappa University

Alagappa University is his contribution to the Karaikudi, a small town of Chettinad. The other notable educational contributions¹⁰ from this noble person are

- Alagappa Chettiar College of Engineering & Technology (ACCET) at Karaikudi, Tamil Nadu. (Now an autonomous government institution)
- Alagappa Primary School, Karaikudi, Tamil Nadu
- Alagappa Montessori School, Karaikudi, Tamil Nadu
- Alagappa Model Higher Secondary School at his birth place, Karaikudi, Tamil Nadu
- A ladies' hostel at Vepery, Chennai
- Foundation of an engineering college at Annamalai University, Chidambaram, Tamil Nadu
- Foundation of a college of technology at Madras University, subsequently named Alagappa Chettiar College of Technology, Guindy, Chennai
- A donation to establish the South Indian Educational Society at New Delhi in 1948
- A donation to establish higher education in Malaysia
- A donation for publishing Tamil Kalangiyam
- A donation for geological research by the Travancore government
- A donation for indigenous medicine research by Ernakulam Maharaja College
- A donation to fund students from Cochin to study abroad
- Funding the morning food scheme for Cochin children
- The installation & development of Tamil Department of Travancore University.
- A donation to the Lady Doak College at Madurai

Apart from these contributions towards educational development, he also has donated for establishing a maternity hospital and childcare centre in Cochin. He donated for the development of the township infrastructure of Kottaiyur, Tamil Nadu, an Indigenous medicine Research by Ernakulam Maharaja College, a fund for Students of Cochin to study abroad, and a fund to establish South Indian chamber of commerce in Cochin.

Care beyond native lines

The compassion of Dr. Alagappa Chettiar is not only for the people of his place of birth, but from the above information we can understand that he cared about the societies where he ran his business, even a foreign country. The contributions he made in Kerala and Malaysia are fine examples for this.

Murugappa Group -AMM Murugappa Chettiar

AMM Murugappa Chettiar group of companies (Murugappa Group) are carrying their philanthropic activities for generations. The Murugappa group follows the community tradition of "*Mahimai*", spending a part of profit towards community and social development. One percentage of profit after Tax is forwarded to AMM Foundation, the initiative of the group's NGO activities. AMM foundation runs two higher secondary schools (government aided), one in Chennai and another in Chettinad. A polytechnic college serves for the suburban Chennai students.

In the Health care area, AMM Hospital, from 1924 is to be noted for the service it is rendering to the rural people in Pallathur, Chettinad. Apart from that, Sir Ivan Stedford Hospital, a Hospital with all modern equipments for surgery, is a boon to the suburban Chennai people, for whom Government Hospital with all the amenities is a little far away. Valliammai Hospital in Kanyakumari district, Tamil Nadu is another contribution from this group to the society. Murugappa Group focus its Corporate Social Responsibility also towards Research and development. Murugappa Chettiar Research Centre (MCRC) is another bench mark of Murugappa Group in the rural development sector, designing simple technologies for the use of local artisans.

¹⁰ www.alagappa.org, homepage of Dr. Alagappa Chettiar

DISCUSSION

The interesting and intriguing feature worth noting is that, Chettiars are criticized for their strict business practices in money lending, with higher interest rates on loans, which is the reason for their wealth accumulation in a short period. During 1930's they were even described as 'fiery dragons'¹¹ for acquiring land (for unpaid loans), from the Burmese peasants. But, on the other hand, in all the countries they have set foot for business¹² and back in home country, they were contributing selflessly to the society, mostly in the form of constructing and renovating temples. This clearly contradicts the characteristics of "not considering usury as sin" and keeping the chief aim as making money.¹³ This shows they practiced business strictly, sticking to the goal of earning profit and multiplying money as per their community tradition, but at the same time socially responsible too. Having been appreciated as well as accused of being frugal all throughout their history, the voluminous charities opens up the other side of this community, which needs to be judged better.

CONCLUSION

Sometimes, just a small look back into the background of our values system may inspire us to look forward. It is human tendency to forget the path we have traveled. Along the path, we deviate, enter new path, new values, new life style, and new business system and so on. Perception also grows and changes. It is our responsibility and duty to see to that, that all these changes are towards the improvement of humanity and to make the earth a better place to live. That's what all the personalities mentioned above did. Business is an occupation for survival, if fortunate to make more money, the self less nature should be turned on. From the activities of altruism mentioned above the following values are perceived as their community values.

1. Religiousness and spirituality is well balanced with modern life styles and treated as the basic string to keep the community intact.
2. The importance of education is well understood and thrust is given to that area
3. It is well understood that the altruist activities know no boundaries. As per the ancient tamil literature hymn "yaadhum oore yaavarum keelir" (meaning "all the places are same and equal) Chettiars philanthropy is wide spread beyond frontiers.
4. People are treated with empathy, which is understandable through their health care services.
5. Women folks of the community are well respected and they participate actively in the selfless activities of their fellow men. Mrs.Umayal Ramanathan, daughter of Alagappa Chettiar and the Women of Murugappa family are fine examples.

Apart from these, a common characteristic of the community to learn is the treatment of success and failure. They stand back together again after every major problem and disasters -from the dry land they come from to the disastrous flight from foreign countries. They earned a lot, and lost a lot many incidents of history, but still they stand and start business again with of course, charities as a part. When this was questioned in an interview session, a Chettiar, aged 87, said in tamil "*dharmam talai kakkum*", Meaning "charity will save the head", which seems to be true in their case.

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5. Turnell, Sean, "*Chettiars in Burma*", (Australia,2005) p.10

¹¹ Testimony of a Karen witness to the Burma Provincial Banking Enquiry, 1929.

¹² Thurston, E. (1909).

¹³ Thurston, E. (1909).