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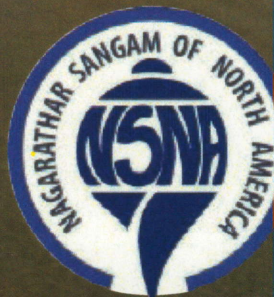
Spring 2018



The Kittangi Empowering Nagarathars to Succeed Overseas

Is the growth of
Big Data Analytics and Artificial Intelligence
going to take my job away?

Thai Pongal Nagarathar Way
NOT to get Hacked





Kittangi external view



Raised Platform on ground floor



Serving panthi and note bedding at the back



Legged Mesai petis and legless Kai Petis

PHYSICAL LAYOUT OF A KITTANGI

The Kittangi was built in a customary South-East Asian shophouse style with regional variations. This was basically a 2 or 3 storey building about 150 ft to 200 ft long with a narrow 15 ft to 30 ft shopfront. The ground floor would have a raised platform of about 1 foot with a width of about 7 feet. Furniture, like cupboards, safes, (pettagam), would be placed flush against the wall. The remaining 6 ft of the platform would serve as the business office during the day. At night, mats and cotton beds would be rolled out with the platform doubling as the bedroom! Above the cupboards photos of Goddess Lakshmi, Lord Pillayar, Lord Muruga and their ancestors would be mounted on the wall. The business name, or "Vilasam", would be written on a small placard or etched on the furniture eg. Rm. V. L. N. or Ar. Kr. S. The platform extended all the way back to the kitchen area. The length of the platform was divided into Petiyadi (foot of the box) spaces of about 3 ft to 6 ft each. This space was the basic rental "unit". Each space was wide enough to keep at least one Peti of about 1 ft. During the day time the Peti would be placed on the floor and Nagarathars will be seated between the Peti and the cupboards. Clients would visit and sit on the opposite side to do business. Bedding would be kept above the cupboards or in storage spaces and will be rolled out at night and which time the peti would be placed back above the cupboards.

Next to the platform, a 3 ft passageway lead to the kitchen. Footwear was not allowed inside the Kittangi and had to be removed at the doorway. Behind the office area was the dining area, with adequate space for a "Panthi" style eating arrangement. Besides the dining area was the kitchen which had a chimney and cooking essentials such as firewood stoves, chimney, Ammi, Attukal, etc. Behind the kitchen was the communal bathing and toilet area. The entire floor was an open communal area with only a wall separating the office area from the dining/kitchen area. Though there would be 10 to 15 + people on a floor, there was absolutely no private space whatsoever other than in the toilet! In bigger towns, where there were more Nagarathar firms, there would be a second business floor with a similar layout.

FURNITURE

The office furniture was custom made to be convenient for doing business while sitting on the floor. The basic working desk was called the Kai Peti. It was about 1.5 ft long and about 1 ft wide and 1 ft high. Inside the box were compartments to keep documents, pen, stationary, stamps, etc. These were made of light wood as they had to be carried daily. The traditional desks did not have legs. But models with legs 3 inches high known as Mesai Peti became prevalent later. Against the wall would be the main storage cupboard cum safe called the Marap Pettagam. The traditional Pettagam was made of teak and was about 3 ft wide, 5 ft high. The door would open from the top - somewhat like opening a laptop. It would be empty with only a large cavernous central chamber to keep documents and cash. The heavy Pettagam had no legs and would be placed on a wooden dias. At the bottom of this dias, there would be sliding drawers which could easily be slid open when sitting on the floor.

The Peti and the Pettagam were the basic mandatory necessities to conduct business. Other accessory

furnitures could be metal safes from Europe; wooden or steel cupboards; 6 inch high stools for clients to sit on; side cabinets; 3 feet long flat tables with short 3 inch legs for writing on large accounting ledgers and 1 foot high kerosene lanterns to use for writing accounts at night.

PRAYER ROOM



Pongal at the shrine

The top floor of all Kittangis had a prayer room / shrine. Generally, the deity that was worshipped was Lord Muruga, especially in his form at Palani where he is standing alone and dressed as a pauper. This was considered a good reflection of the Nagarathars' dire circumstances having left their families behind and coming to a foreign land and living a very simple lifestyle with a primary goal to send back maximum savings to Chettinad. In front of the shrine would be an open space to accommodate all the Nagarathars living in the Kittangi during festivals. There would also be sufficient space to go around the deity and do a Poraharam. There was no resident or visiting priest. This was strictly a private communal shrine.

During the Pongal festival, Pongal would be made in front of the shrine. During Navarathri, there will be daily reading of the Kamba Ramayanam by volunteer Nagarathar members of the Kittangi. Thaipusam, Pillayar Nonbu, Deepavali, Karthigai celebrations etc. would also be observed religiously.

SOCIAL LIFE

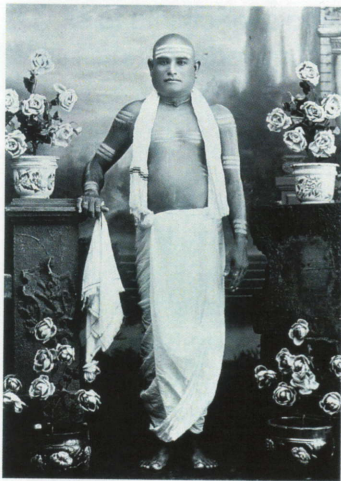
In the evenings, the Nagarathars would gather at the communal space in front of the shrine to play games like carom, palanguli, thayam etc. Card games and gambling were strictly prohibited. Alcohol was not allowed in the premises. There was a nightly curfew. The doors of the Kittangi closed at 9 pm and late comers would not be allowed to enter and were forced to spend the night outside and come in only on the next day.

From the 1950s onwards, a new generation of educated Nagarathars started moving overseas to take up permanent employment as emigrants rather than sojourners. Chettinad was no longer the only base for families, so women started to emigrate overseas with their husbands.

DAILY ROUTINE

Kittangi life was highly disciplined but simple. Residents would wake up before sunrise, between 5 am to 6 am. No one would be allowed to sleep after the sun had risen. In any case, it would be difficult to sleep in a public open space as people would be up and about. The basic education of a child required waking up early and if they did not, water would be poured on their face or they would be caned. There was simply no such thing as sleeping in - even on a Sunday! Morning rituals would be folding the mats, brushing teeth (using neem stick) and showering. After this, the deities would be garlanded, incense sticks lit and the prayers (sthuthis) were recited. Everyone had to learn a host of sthuthis by the age of 12.

This was followed by breakfast in the premises. After this the Peti would be brought down and placed on the floor. The Nagarathar would run through what loans are due for the day and plan where to go to collect the money, making his rounds early in the morning or waiting till after 3 pm when the mid-day heat settled. When not outside, the Nagarathar would be seated at his Peti waiting for clients or managing his accounts. Around 6 pm, just before sun down, the Peti would be moved to the top of the cupboards, thus "closing" the business for the day. They would then walk to the temple usually nearby and offer their evening prayers. After this, they may meet friends, or go to the park, visit a restaurant or even play some sport in the neighbourhood. Others may come back to the Kittangi and indoor games or just socialize and gossip with the other in-house or visiting Nagarathars. Dinner would be served between 7 pm to 8 pm and the doors will be closed at 9 pm, which meant a firm "lights out" and everyone had to go to bed.



Chettiar banker in 1920s

BANKING

Nagarathars started their financing businesses in South-East Asia before the formation and initiation of organized banking. Before the 1850s, even in major commercial centers like Singapore, Penang and Rangoon, Chettiar firms were the only source of capital. Even after the arrival of modern western banks, a large segment of the local population did not have access to these banks. Nagarathars primarily serviced these under-served market segments. From the 1920s Nagarathars went a step further and started forming their own modern banks like Indian Bank, Indian Overseas Bank and Bank of Madura. They kept their cash in safes in the Kittangi premises. Clients would come to the Kittangi to take out loans. For repayment, the Nagarathar made arrangements with the client to either collect the money in the Kittangi or meet the client outside on specified dates.

Nagarathars offered a whole slew of banking services like syndicated loans for large projects like tin mines, rubber estates; property loans, venture capital funds as equity stake holders, working capital loans, overseas funds transfer (hundi)-fixed deposit services and safe keeping of valuables. Their lending instruments were customized to client needs and not restrained by any "corporate policies". They were even known to make loans to fishermen for a few hours - lending money to buy fishing bait in the morning and collecting money in the evening immediately after the catch. It is a truism to say that, no local entrepreneur and eventual business tycoon in that period would have built their business in these countries without Nagarathar financing.

BUSINESS OWNERSHIP

The businesses could be owned in a variety of forms. The most common being the joint family firm where several brothers managed one business under their father or widowed mother. Partnerships were also common, often between Pankalis. The sole-proprietor model with only one owner was also another model. For wealthy owners, there was the full-fledged branch office model. There will be many Kadais spread out in many towns (and even countries) all under the same Vilasam. Each Kadai would be managed by an employed agent who had full profit and loss responsibility and the agent often was also a minority share-holder in the business. It was also common to have agents who were not Chettiars but from other communities in the Chettinad region namely Pillais, Mudaliars, Ambalams, etc.

KITTANGI: THE COMPETITIVE ADVANTAGE

The Kittangi was the primary instrument that provided key competitive advantages for Nagarathars allowing them to interact with clients and meet their immediate and emerging needs. No matter where the client was, with the vast network of Kittangis, Nagarathars could use any such facilities with low overhead costs and provide financial services to clients, advise them and monitor the progress of their business. Organized banks could not do this. Especially the Western banks as their overheads were high and their staff would not be able to adapt in remote areas with little infrastructure.

The Kittangi structure also supported the long-term presence as a united business community which was larger than the sum of its parts:

- Proximity to customers even in remote areas
- Super low overheads with full sharing of services
- Security even in remote areas
- Networking - they operated as a community
- Cultural integrity - united based on cultural values and proud to be Nagarathars
- No isolation - as they were with their relatives and community members
- This arrangement was also critical to keeping the integrity of the community over two centuries. Otherwise the community could have dissipated into inter-cultural marriages melting into the respective host communities.

TEMPLES

Once successful in business, Nagarathars would allocate a certain proportion of their profits, (Mahamai), to Lord Muruga and eventually build a Murugan temple. It is estimated that about 110 Murugan temples were built outside India between 1850 to 1950. Only a few were Sivan or Pillayar temples. This was partly due to the fact that Brahmin priests, who were required to manage Sivan temples would not cross the seas during the 1800s.

1850 to 1950

VALUES – THE SECRET OF THEIR SUCCESS

Underpinning the Nagarathar business model was a strong value system which the community embellished. These values were developed through a 12 year apprenticeship program starting at the age of about 11. The key personal values were:

- Piety - nothing was done without invoking God and a tithe was paid
- Simplicity - Living a simple life was a virtue
- Frugality - Savings was key to building up capital for future business
- Flexibility (Vittukuduthal) - they lived as a group and harmony was key
- Respect for elders - Elders maintained order in the Kittangi.
- Core values of life that Nagarathars expounded making them successful were:
- Honesty - that instilled confidence amongst their clients
- Trustworthiness - where each Nagarathar was dependable to their word
- Integrity - with high business ethics they did not undercut each other

For example, if an interest rate was set by a major firm in one town all the branches followed suite and honoured those rates no matter how remote they were from each other. In each town, Kittangi members would set their street interest rates and everyone else would fall in line. This unity and discipline was the key reason they were able to expand as fast as they did, despite the large distances, unreliable communication channels systems, different local languages and colonial jurisdictions. Virginia Thompson in her book French Indo China, 1937; p224 states "They have the advantage of lending money with a minimum of formalities and guarantees. They have almost no running expenses, a great solidarity among themselves and they apportion the interest rate to the material status of the debtor."

JOURNEY TO FOREIGN LANDS

In the 1800s, transportation was a challenge. The inland journey to the Indian ports was generally by bullock cart or horse carriage and it would take 3 to 5 days. The ports were Nagapattinam for South-East Asia and Dhanushkodi for Sri Lanka. The Sri Lanka sea crossing was short, less than a day, however the inland trek by bullock cart took about a week.

The journey to South-East Asia by sail boat (Paimarakappal) could take about 2 to 4 weeks traversing the dangerous open seas. Once they arrived in Rangoon or Penang or Singapore or Saigon the next portion of the journey would be either by river boats up the river or along the coast. This was followed by inland journeys by bullock cart or horse carriage that could take an additional 1 to 2 weeks.

The adventurous and challenging journey, switching between different modes of transport also required to adapting to varying lodging facilities enroute. Hotels were not as prevalent as now in those days. Where prevalent they catered more to the Westerners and was also expensive. To efficiently manage this challenge Nagarathars built Chatrams in transit points. These were again spartan facilities which only Nagarathars could use and provided all the basics like: Chettinad food, shrine, place to sleep, etc. About 20 - 30 Chatrams were built in South-East Asia and greatly facilitated the journey that could take 2 weeks to 6 weeks. This was further compounded by challenges of the seas and nature and made such journeys risky. For this reason, the tradition of "Sollikirathu" or a formal farewell ceremony was developed by Nagarathars just in case the people do not return from their journeys. In later years, steamships, railroads and motorcars reduced the challenges in transportation significantly.

SUMMARY

The Kittangi turned out to be a brilliant innovation of Nagarathars and demonstrated how our forefathers planned and developed strategies to expand their business and overcome challenges. The Kittangi served as the precursor to commercial branch banking and telegraphic transfer. For 200 years this model worked well and gave a good run for the money against major banks like HSBC and Standard Chartered Bank. These banks in fact mention in their corporate histories that Nagarathars were their main competitors and strategies they deployed to wrest business away from them. It should be noted that these institutions incorporated several successful Chettiar practices and financial instruments into their corporate practices.

Today, out of an estimated 400 kittangis worldwide only less than 20 are in a minimally functional condition. The traditional Nagarathar banking business model has been superseded by modern banks with the use of credit cards. However, in Malaysia there are still Kittangis where small scale money lending is still done - Penang, Alor Star, Telok Anson being some of them. In Kuala Lumpur and Singapore Kittangis are still in a good condition but are being used for alternate purposes. In Sri Lanka, Burma and smaller towns in Malaysia the Kittangis are in a derelict condition with few or no regular occupants. There is an effort being made in Singapore and Penang to preserve the Kittangis as heritage centres.

Like American pioneers who journeyed into the Wild West and converted prairies and deserts into vibrant economic centers, the Nagarathars journeyed into the wilderness of South-East Asia braving the tides of depression, hostility and uncertainty. They surfaced as pioneers in the banking profession revolutionizing jungles, plantations and mines into prosperous settlements and established a reputation as pious, honest, businessmen who were respected by one and all.

Sir Harcourt Butler, Governor of Burma wrote in 1927 in his book *Fiery Dragons: The Chettiers in Burma* "They represent a very important factor indeed in the life of this province...without the assistance of the Chettiar banking system Burma would never have achieved the wonderful advance of the last 25 to 30 years...The Burman today is a much wealthier man than he was 25 years ago; and for this state of affairs the Chettiar deserves his thanks."

"Hamlets became villages, villages became towns, towns became cities, thanks to Chettiar businesses", was yet another quotation on the dexterity of Nagarathars by a British planter in 1900s

Our forefathers seized the opportunities of the day with great courage, business acumen and most of all a strong value system to generate prosperity for our community and for the host countries. They were entrepreneurs to the core and a beacon of inspiration that has left us much to be proud of. Imbibe those values,



About the Author

Subbiah Lakshmanan is a Singapore-born Chettiar whose great grandfather started a Kadai in Singapore in 1892. He completed his MBA at UC Berkeley in 1987 and worked in the USA for 2 years. He resides in Singapore and has been a Financial Controller in various multi-national companies for the last 20+ years. He has 2 teenage children; his family originates from Kallal and he is from Vairavan Koil. Photo credits to Mr. Varadarajan and Mr. N Subbiah Chettiar of Singapore