

Ethnic Business: Mainstream and Outsider Traditions of Tamil Entrepreneurship

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ABSTRACT

This paper challenges traditional as well as homogenous scales of appraising ethnic entrepreneurship that exists in concurrent ethnic entrepreneurship literature, with paying attention to diverge and dynamic characteristics of Tamil entrepreneurship. It emphasizes that the Tamil business may classify into several factions as far as mobilizing different peculiarities of each sub profile without narrowing down one group as “Tamil entrepreneurship”. Therefore the study has cast a new gaze upon comparing entrepreneurialism of ‘outsider’ entrepreneurs and mainstream business groups. For instance, the Chettiars and the Muslim Tamils, who are mainly Tamilnadu, Jaffna and Colombo based Tamils, represent the mainstream of the worldwide ethnic commercial network of Tamils. Their particular identity is likely to be on account of both primordial and situational aspects of ethnic entrepreneurship. On the other hand, the entrepreneurial mobility of the bottom level of the Up-country Tamils shows particular characteristics of the ‘outsiders’ of business. The initiation of the Upcountry Tamil business from micro level is greatly dependent on the unlimited dedication of an entrepreneur. The research has entirely based on literature on Tamil business communities worldwide undertaken into historical analysis scheme. Therefore, this paper will be important in terms of widening theoretical approaches of ethnic entrepreneurship by emphasizing the need of multiple approaches to comprehend each sub section of an ethnic group.

Key Words- Ethnic Entrepreneurship, Tamil Business, Mainstream and outsider traditions

1. INTRODUCTION

The common experience of writings on ethnic entrepreneurship is that being inserting certain ethnic or racial group into a common category that has been undertaken into different themes such as, ‘Chinese business’, ‘Jews’ networking pattern’, ‘social capital accumulation of East Indians’, ‘Korean family business’, ‘Japanese’ tradition of entrepreneurship’ etc. Most of these writers have emphasized primordial social ties, norms and values those which are prevailed in certain cultures [1, 2, 3, 4,]. Sometimes, there are some explanations about emerging of ethnic entrepreneurship in given situations like Chinese in Malaysia, Israelis in German, Chinese and Japanese in Canada and many others referring to themes of marginal, minority or immigrant entrepreneurship [5, 6, 7]. On the one hand, almost all these explanations seem to be deducting one ethnic enclave into a single and homogenous category which is articulated by peculiar cultural identity. On the other hand, the basics of these interpretations seem to be built in evaluating entrepreneurship of ‘underlined entrepreneurial groups’. Limitations of these approaches make impediments of scratching out the real figure of ethnic entrepreneurship.

The entrepreneurial identity of the ethnic Tamils cannot be reduced into a single category of “Tamil entrepreneurship”. The diversity of Tamil entrepreneurial traditions reflects different socio-cultural and geographical characteristics of each sub-group dispersed in different geographical locations. For instance, the embedded Tamil business enclaves of the *Nattukottai Chettiars*, the Muslim-Tamils initiated in South India, and the Sri Lankan Tamils from Jaffna or Colombo vary in terms of geographical, political and cultural background. However, the apparent common feature of these subdivisions represents great entrepreneurial traditions or the mainstream business tradition. They are legitimate

entrepreneurs with inherited cultures of mercantile activity, with a somewhat pre-established socio-economic structure. Historiographical interpretations and cultural sources will be used to make broad observations on the traditional entrepreneurial heritage of ethnic Tamilians. In particular, the global dissemination of Tamils, their business traditions, different cultural patterns and original positions in terms of sacerdotal, aristocratic, trade, and slavery or proletariat status will be discussed to explain the internal disparity among Tamil entrepreneurial groups. In addition, this paper may aid in positioning the Up-country Tamil entrepreneurs within the broader sense of Tamil ethnic entrepreneurship discourse.

Considering the ethnic perspective of entrepreneurship, both primordial such as caste, kinship and instrumental characteristics in terms of reaction to current socio-economic situations can be seen in the legacy of Tamil businesses worldwide. According to both Shils [8] and Geertz [9] there are common foci of primordial attachment, such as blood ties, race, language, religion, or custom. If we follow this perspective on ethnic identity, entrepreneurial behaviour of a given community could be derived from their ancestral heritage. For instance, Tamil entrepreneurial traditions and values are also manifested in Tamil cultural texts such as *Tirukkural*. However, in the contemporary period of globalization, Tamil entrepreneurship takes on a more instrumental characterises. Those who consider ethnicity and its other ingredients as a situational phenomenon that the social context determines have been vindicated. For those who subscribe to the situational approach, ethnicity is not a given and therefore it is something that needs to be explained using socio-structural variables. Therefore, both primordial and situational perspectives would be useful in terms of getting a general idea about Tamil entrepreneurship.

The distinctions and tendencies of each sub division of Tamil trade also seem to have stimulated from given situations. This circumstance is solely interconnected to the Tamil Diaspora and, it could be classified under two divisions; those who migrated in historical times and those who migrated in the modern period. The flourishing of economic and political power of Chola rulers from the 9th to 10th centuries AD led to the spread of Tamil trade and culture to the outside world over time. In contrast, the expansion of the modern Tamil-Diaspora began mostly from the 18th century covering to some degree in all continents respectively. Arokiaswamy [10] offers a three-fold theory to explain the transmission of Indian culture to South East Asia, via *Kshatriya* or Aristocrat theory, the

Brahmin or Sacerdote Theory and the *Vaisya* or Traders Theory. While appreciating the innovative approaches of historians, I would like to use the same framework to illustrate the historical expansion of global Tamil trade. In addition, I will suggest the need for one more aspect which is *Shudra* or Proletariat Theory to help explain the South Indian labour. In the 19th century, the establishment of British colonial plantations led to large migrations of South Indian plantation labour to colonial plantations in Africa, Fiji, Mauritius, the Caribbean and Sri Lanka.

There is ample historical evidence to consolidate *Vaisya* or Traders approach as a reliable source of widening the Dravidian Diaspora [11, 12, 13, 14,]. Tamils had maintained trade and kinship relations with Polynesia and other oceanic communities even in the prehistoric period. Archaeologists have discovered items such as canoes and coconuts which were exchanged between South Indian traders and Oceanic Islanders [13]. According to the Cambridge Ancient History, Italy had its greatest import from India which only ranked second to Spain in relation to trade (ibid). Greek and Roman traders frequently visited the southern coast of the Indian subcontinent during the first century B.C. and Tamil merchants are known to have exported items like spices, pearls, peacocks and most probably other products to the Mediterranean lands [14]. The Greek thinkers and writers like Herodotus and Homer identified Tamil traders as Ethiopians and referred to them as “Eastern Ethiopians” (Ibid). Military and trade relations between Chola Emperors and Sri Vijaya (based on modern Sumatra) in particular helped to build racial and cultural relations and establishment of Dravidian colonies in the Southeast Asian region. Two brothers Sena and Guttika (237-215 B.C.) who conquered and established their colonies in the Northern and North-Central provinces in Ceylon were also known as Tamil traders from South India [15].

The *Shudra* (the bottom line of the Hindu caste structure) or proletariat approach on Tamil Diaspora could be applied specially to the recruitment of Tamil labour for the colonial plantation enterprise in Asia, Africa and Latin America in the modern period. The vast exploitation of Tamil labour recruitment for plantation sectors of many parts of the world was started by the British from the 18th century. The global migration of Tamil labourers is directly related to the historical expansion of global capitalism. Although the colonial plantation economy was successful in introducing some structural changes within the pre-capitalist modes of production, it did not carry out complete capitalist transformation [16]. Therefore, the colonial plantation economy faced some challenges in

fulfilling its demand for labour. Therefore, British rulers turned to India as a source of cheap labour.

Nattukottai Chettiars: Mainstreamers of Tamil Business

The *Nattukottai Chettiars* are a good example of the legacy of Indian-Tamil business and supports the *Vaishya* or traders' approach to the historical expansion of Tamil diaspora [17, 18, 19, 20, 21]. The *Nattukottai Chettiars* emerged as rich traders from South India and spread worldwide as a result of the expansion of the colonial plantation economy. Moreover, the *Chettiars* could be the only caste that was involved in trade, pawn brokering and banking activities. The caste identity of *Chettiars*, in this ground, gained a constitutional form of symbolic power [22]. There are more than 100 sub castes of the 'chettiar' or 'chetti' origin just in the South Indian sub continent [19]. According to historical accounts of the *Nattukottai Chettiar*, their native settlements disseminated over 96 villages situated in the Devekottah revenue division of Ramnad district and the Pudukottah revenue division of Thiruchirappalai district in Tamilnadu [17]. It is believed that their ancestral home called Poompuhar situated on the East Coast of present-day Tamilnadu was submerged by water. The general meaning of the "*Nattukottai Chettiar*" is people who live in palatial houses in the countryside. When they maintained their elite lifestyle in the countryside these areas gradually transformed into attributes of cities. Therefore, the *Nattukottai Chettiars* like to refer to themselves as the "*Nagarathars*" which translates as city dwellers. According to the belief of majority, they are a community that emigrated from the historical commercial port-city Kaverippattinam. The population with the surname of 'chetti' or 'chettiar' belonging to or include several caste groups such as *Vaishya* and *Ksethriya* groups. For instance, *Thelugu Chettiar*, *Vania Chettiar*, *Elur Chettiar*, *Devanga Chettiar*, *Pattinavar Chettiar* and many other *Chetty* groups represent the different ranks in the Tamil caste hierarchy. Our particular concern is with the *Nattukottai Chettiar* among these 'chettiar castes' for the purpose of this discussion.

Western scholars paid attention to this community only in close to 19th century, but the documentation on their business activities goes beyond 17th century [19]. According to their own acknowledgment, the *Nattukottai Chettiars* are different from other *chetti* castes and they claim the unique heritable status that they are originated from the grand *Nakarattars* community. The *Nattukottai Chettiars* swelled their businesses at the beginning as

salt vendors of South India in the 17th Century. Some of them expanded their businesses as far as Southern Sri Lanka and traded in pearls, rice, textiles, and arrack, while others played a crucial role in establishing their businesses as wheat and rice traders in Northern India with the onset of colonial rule in the region. In the 19th century and the beginning of 20th century particularly with the opening of the Suez Canal, the *Nattukottai Chettiars* became the chief merchant bankers in South India. At that period their trading network had been disseminated over Ceylon, Malaya and Burma from the base of Madras (Ibid). Currently their business network covers many metropolises such as Singapore, Vietnam, Bangkok, Mauritius, London, Toronto and other regions worldwide.

The caste and kinship network is said to be the fundamental factor in explaining the success of the *Nattukottai Chettiars*. The organizational pattern of their business has certainly been dependent on these structural ties. For instance, the motivation for profit making among the *Chettiars* is not the individual as in Western Europe, but the joint family which is the minimal unit in business ventures [23]. Several nuclear units (*pulli*) which consist of both spouses and their unmarried children exist in each entrepreneurial joint family. At the micro levels of decision making, each *pulli* is autonomous and is encouraged as an efficient unit of action, but the final decision should be subjected to consultation with the head of the joint family. Sometimes crucial business as well as important communitarian decisions may go beyond the approval of the joint family unit, and referred to the *panchayat* (wise and respected elders) of the *chettiars* enclave.

Certainly, almost all *Chettiar* activities such as religious functions, housing arrangements, marriage and many other events of everyday life are essentially directed towards business purposes. For instance, the *Chettiars'* marriage is seemingly determined by economic functions rather than an autonomic action of two, male and female individuals [24]. Considered to be the obligatory cash or property payment from bride's family to the groom's family, the wealth transaction within two fractions in a wedding ceremony of the *Chettiars* community seems to be economically functional, or as the Weberian view may posit, it is a 'meaningful action'. Therefore, all these structural factors provide the important insight that the *Chettiar* community is causally significant in business action.

The history of the *Nattukottai Chettiar* activities in Sri Lanka sometimes goes beyond the Dutch conquest of

Sri Lanka from 1656-1796. However, the trade activities of the *Nattukottai Chettiar* had been controlled during the Dutch period owing to the monopoly of the Dutch in the commercial sector. After British established their colonial rule in the Island in 1796, the *Nattukottai Chettiars* had a glorious period in terms of flourishing their trade activities in the Island. They handled a greater part of trade between India and Ceylon at the mid of 19th century. Although wealthy British planters introduced a commercial plantation economy in Ceylon, they did not succeed in introducing a proper banking system until 1841 to maintain the trading mechanism [18]. In this sense, the *Nattukottai Chettiars* had been responsible for banking in Ceylon prior to the establishment of a proper banking system. They provided banking facilities for British planters even in South India. Therefore, the established image is of the *Chettiars* as “bankers” or “merchant bankers” during the period. Several other banks were also established under the colonial system in the region. For instance, the Oriental Banking Corporation, Mercantile Bank and Bank of Madras are important among them. The Bank of Madras was predominant among the *Nattukottai Chettiars*’ business ventures and they played a significant role in the enhancement of its functions in Indo-Ceylon trade activities.

The money exchange system between Colombo and Madras was entirely dependent on the *Hundi* transferring system, which was peculiar to *Chettiar* business circles at that time. It was widely used not only by the British but also by other local business dealers for their trans-sub-continental trading purposes. All trading activities were undertaken via the *Hundi* transferring system, and it was a kind of bill of exchange or written order which is similar to modern drawing of checks. In order to draw a *Hundi* a client had to open an account and maintain a corresponding relationship with the banker [20].

The *Chettiars* have also played a remarkable role in the Burmese commercial sector [25]. They were predominant in the retail trade, money lending, pawn brokering and agriculture in the countries of South and Southeast Asia. Available literature shows that the *Chettiars* arrived in Burma in 1826. They were accompanying Indian labourers (particularly from Madras), parallel to the Indian labour recruitment for railway construction under the British rule [26]. It seems that the *Chettiars* had been involved in the paddy trade from the early stages of their business in Burma. The opening of the Suez Canal in 1869, and the passing of the *Burma Land Act* in 1852 had been the crucial factors shaping *Chettiar* in the Burmese business sector [29]. While there were some

restrictions in the export rice and other commodities under the *Konbaung* Dynasty, the new *Land Act* removed the impediments of export oriented economy. The fertile Irawaddy Delta region under British supervision caused dramatic developments of the region and it was a resource of food-stuff, raw materials and British manufactured items [26, 27].

The plantation proprietorship was significant among the *Chettiar* businesses in Malaysia and most of Indian owned plantations were handled by them. During the *Chetti* Period they occupied about 70,820 hectares of rubber estates that was worth of US\$ 40 Million [28]. The *Chettiars* succeeded in capturing pawn brokering, money lending, retail and wholesale grocery business industries as well. A survey has revealed that many successful Chinese businessmen in Malaysia and Singapore have begun their businesses by drawing loans from the *Chettiars* [11]. The influence of the *Chettiar* factor cannot be underestimated when studying the impact of Tamil business on the modern commerce of Singapore. They covered all facets of Singaporean business. Although there is no concrete evidence of the exact date of arrival of the *Chettiars* in Singapore, some accounts maintain that they came to Pinang and Singapore in 1824 in sail boat [32]. According to another writer the *Chettiars* arrived in Singapore before 1838 [29]. Clothey [14] noted that Narayan Pillai *Chettiar* was a prominent merchant among the pioneers of Singapore who established his business as a building contractor. He also founded the oldest Hindu shrine *Mariamman* Temple at New Bridge Road of Singapore in 1823 (Ibid). According to a recent survey, at least 775 *Chettiar* families have been recorded in Singapore [29].

Muslim-Tamils: Legacy of Tamil and Arabian Business

The Muslim-Tamil identity has been considered as a specific socio-cultural uniqueness particularly in South and Southeast Asia [30, 31, 32]. The Muslim-Tamils are similar to the *Chettiars* in emerging from the mainstream entrepreneurial tradition. Both these groups acquired their entrepreneurial spirits from primordial traditions. Hindu caste system influenced the entrepreneurial tradition of the *Chettiars* since the *Chettiars* are a trade caste, while the Muslim Tamils’ entrepreneurial practices are a hybrid of Arabic and Hindu influences.

The origin of the Tamil-Muslim identity may be traced to the establishment of the Mughal authority in 1526 and its disastrous conquest of the Hindu Vijayanagar kingdom of South India in 1565 [11]. Prior to the British

arrival in South India, the Tamil Muslims established their settlements mostly in populous rice-cropping coastal areas south of modern day Chennai. According to historical evidence, Merchants from the Middle East introduced Islam to Southern India as early as the seventh and eight centuries when they settled in ports along the Gulf of Manaar and the Southern Coromandel Coast, from Kayalpatnam in Tirunaveli District to Pulicat, North of Chennai. Since they were not accompanied by females during overseas migration, they married and integrated into the local society. It seems that these skilful traders were used by Hindu rulers as intermediaries in international maritime trade [32]. This community grew gradually in size over the centuries assimilating local customs, dress, and language. Currently, these Islamic believers speak Tamil as their mother tongue. The Indian census reveals that there were at least two million Tamil-Muslims in the Southern Province of Tamilnadu alone [33]. As a specific ethnic group, the Tamil-Muslim community has built their identity as traders rather than farmers or members of other occupational groups. Currently the Muslim-Tamil diaspora has expanded into South Africa, North America and the Western Europe. They are identified as Manaks in Malaysia, Moors in Sri Lanka, *Chulias* in Myanmar (Burma), and Rathas in South Africa.

The emergence of Tamil-Muslims in Sri Lanka goes back several centuries. Arasarathnam [34] states that Tamil has been a prevalent language for Southeast Asian trade relations with Sri Lanka during the 12th-14th centuries. Moreover, Mahroof [35] argues that the history of Tamil-speaking Muslim in Sri Lanka goes beyond the 9th century and that the community originally emerged from South Indian Dravidians mixed with Arabian and Middle Eastern cultural and linguistic traditions. The majority of Sri Lankan Muslims are Tamil speakers; this excludes one per cent Malays from the 8 per cent Muslims from the total population of the Island [36]. Although, the Sri Lankan Tamil-Muslims are acknowledged as Muslims without any prefix, their biological and cultural characteristics show the ancestry of Dravidian origin. The South Indian Muslims formed into sub ethnic groups such as *Labbai* and *Marakkayar* mixed with South Indian *Thamilians*; the same condition seems to have happened in the Northern and Eastern areas in Sri Lanka [37].

The Majority among Tamil-Muslims in Sri Lanka are largely engaged in business-related activities. Mahroof classifies Sri Lankan Tamil-Muslim as (a) gem traders, (b) urban entrepreneurs and (c) village boutique-keepers in reference to the stratification of their business interests

[Ibid]. Gem traders generally inhabit certain areas that are prominent in gem mining areas such as, Colombo, Galle, Beruwala, Kalutara and Ratnapura. Gem business has a high degree of risk and strong communal feeling is needed among the fellow traders to mitigate the inherent risks. The urban entrepreneurs represent the middle class and are exposed to the other communities. They are scattered over almost all principal cities in the Island attached to miscellaneous businesses from construction and hardware industry, garment industry to grocery businesses. The village boutique-keepers are the largest group among Muslim traders. These groups live in the rural sector and remote town areas and are highly attached to the local communities. They maintain close reciprocal relations such as providing micro and small credit and engaging pawn brokering activities with rural clients. They also play a valuable role in the village sector as prominent raw material vendors such as paddy, rubber, coconuts, areca nuts, and spices etc., which are produced by rural farmers.

According to scholars, Tamil-speaking Muslims are the largest Muslim group speaking a South Indian language in Singapore [38]. They also claim the longest history of settlement in Singapore and the wider region of colonial Malaya. Tamil-Muslims in Singapore have been prominent among the South Asian ethnic groups in Singapore as patrons of mosques and the establishment of religious associations and documentation of Islamic related literature in Singapore (Ibid). McPherson [32] stated that the Portuguese Malacca in the 16th and 18th centuries used the terms "*Labbais*" and "*Marakkayar*" to classify Tamil-Muslims into a specific group. In the 19th century, both Hindus and Muslims in Singapore have been referred to the "*Chulia*" by English settlers [38]. The main reason for the presence of South Indian origin Muslim Tamils in the Malay Archipelago was trade. The author notes that in the Malay region in the 17th and 18th centuries Muslim Indians were not only the most numerically significant but also the most competent South Asian traders. Among the chief Indian products transported to the Malay region were textile, tin, elephants, and areca-nuts [39]. This trade seemed to have brought them into direct conflict with European trading companies, and later these conflicts had been resolved through cooperating with these Western rivals. Mostly contacts were resolved by informal agreements between European and Indian Muslim traders in relation to such mutual benefits of shipping capacity, security, and sharing expertise of links to Malay ports and courts. Moreover, in Malaya the Tamil-Muslims were numerically larger as well as competitively in high positions in the 17th and 18th centuries (Ibid).

Sri Lankan Tamils: In-between mainstream and outsider Business

Sri Lankan Tamil businesses mainly appear in the Northern and Eastern provinces and Colombo urban area in Sri Lanka. However, Sri Lankan Tamil entrepreneurs have engaged into commercial sector attaching themselves to all kinds of business activities that majority Sinhalese do. They also have established their ventures in many suburbs and localities island-wide.

Though the Sri Lankan Tamils mostly choose the way of upward mobility through education by means of administrative and professional occupations, some seem to have had interest in landowning and business too. Several Sri Lankan Tamil families flourished by taking to the cultivation of tobacco and coconut in British times [40]. There were many coconut plants opened up or purchased by Sri Lankan Tamils from the Jaffna Peninsula, coastal areas of Batticaloa, Trincomalee, and in the Kurunegala, Puttalam and Colombo districts. There were 16 Sri Lankan Tamils out of 166 among the principal Ceylonese plantation owners in 1917 (Ibid). Some families seem to have prospered by providing intermediary facilities for European mercantile establishment in Colombo and other areas as shroffs and brokers. Often these opportunities press them forward to open mercantile establishments of their own (Ibid).

The Sri Lankan Tamil business abroad seems to be quite different from the entrepreneurial approaches of the *Chettiars* and the Tamil-Muslims. Considering their socio-economic background, the Sri Lankan Tamil business illustrates the overlapping of the mainstream and the outsider attributes of the context. Though they are not primordially highlighted as traders, they have successfully integrated themselves into the business sector as a response to global trends, and migrated to overseas locations.

There is a reputed Tamil merchant community attached to various business activities in the United Kingdom. Reportedly they have been gradually establishing their ethnic network bringing together Tamil-businesses scattered across Britain. *Tamilnet.com* [41] reports that there are about five thousand Tamil-owned businesses in Britain alone and their combined turnover exceeds over 1 billion pounds and they have provided 150,000 employment opportunities for people respectively. The Tamil Chamber of Commerce (TCC) is an example of the rise of Tamil business networking facilities in Britain as the key gathering of the TCC, representing 120 Tamil business holders assembled at January 2011 in London

for the purpose of providing human and material capital for young Tamil entrepreneurs in Britain (Ibid).

Sri Lankan Tamil migration to Malaysia took place not only for business purposes but also for civil service requirements and for other labour intensive industries established under British rule in Malaya beginning in the 1870s. Initially they went from Sri Lanka to Malaysia as public servants under the British Administration but later streams of immigrants came on their own accord [42]. With the introduction of rubber estates from the beginning of the 20th century, the Sri Lankan Tamils succeeded in entering the plantation sector as clerks and conductors as well (ibid). The approach to business of Sri Lankan Tamils' in Malaysia was not much different from that used in other countries where Tamil migrants went. Most of them started small and micro-scale businesses working caste-based occupations as goldsmiths, barbers, dhobis, shopkeepers, transporters (bullock carts) etc. Most of them became successful in operating their businesses and later achieved the highest positions in Malaysian entrepreneurship.

Up-country Tamil Business of Sri Lanka: Outsiders of entrepreneurship

The entrepreneurial mobility of the bottom level of the Up-country Tamils shows particular characteristics of the 'outsiders' of business. It is neither equal to the hardcore Tamil business community, i.e. the *Chettiars*, nor similar to the *Kanganies*' or *Kanakkupullais*' entrepreneurial moving which was determined by the opportunity structure. Basically the initiation of a business from micro level is greatly dependent on the unlimited dedication of an entrepreneur. For instance, a good number of "Tamil businesses" in Sri Lanka were born out of humble beginnings such as collecting old newspapers, used bottles, and scrapped metals from the surrounding Sinhalese villages. Sometimes these types of businesses are known to be less profitable and labour consuming, with low-income generation. Besides, such businesses were disliked by the traditional Sinhalese who saw them as "third class businesses". However the initial micro level capital that was accumulated from such low level businesses was reinvested successfully into a better business at the second stage. The biographies of many Tamil businessmen are elaborated with such a history of hard work.

Currently a considerable number of up-country Tamils have succeeded in transforming their traditional positions within the plantation system by engaging in trade activities. During recent decades they have become economically

successful in the towns of the Central Province, and later disseminated their commercial activities to Colombo becoming dominant in the retail trade. At the early stage of 1980s, they had successfully controlled almost 60 percent of shops in the Central Market in Pettah, Colombo [43]. Although methodological issues exist about surveying on the ethnic composition of the business sector, it does not obstruct one from envisioning their higher contribution in the business activities in Colombo, the commercial capital of Sri Lanka.

At the beginning, the Tamil traders and merchants in the central highland towns recruited young boys from the estates as helpers and salesmen in their shops or boutiques. These unskilled young boys are important for traders as they were seen as a pool of cheap and reliable labour. The initial stage is extremely hard to the new comers, because of strict regulations set by their masters. Often these boys have to work from 6.00 am to 8.00 pm and are eligible for leave only on Sundays. They work for a very low salary in the beginning which is gradually increased as they gather experience. After ten to twelve years circulating in the same routine they can start a separate trade with their friends or relatives on a partnership basis. They usually prefer to start a synergistic business because of the high rate of house rent and the lack of sufficient capital. Hollup (Ibid) has scrutinized their 'economic ways' of solving some challenges in the initial stages. For instance, while working in Tamil-owned shops, the young salesmen and helpers are provided accommodation in the upstairs or store-rooms and meals by the owner who engages one of them as a cook (ibid). This capability for hard work, flexible and risk taking personality is possibly derived from the cultural heritage of the community. For instance, around two hundred years they were accustomed to the restraining work of the tea industry, the community has accumulated precious and sensible knowledge through the working exercise [44].

The Up-country Tamil labourers were also displaced from their traditional occupations due to various changes implemented in the plantation economy and particularly in its administrative system. Thereafter the structural changes of the plantation sector commenced with the Land Reform Act in 1972 and 1975. These two reforms led to the nationalization of plantations. This "structural readjustment policy" of the government and profit marginalization policy under the "superior management" of the private agencies had the same result; i.e. the reduction of sufficient job opportunities for plantation workers. As a consequence of these long-term circumstances, plantation workers were pushed towards

optional livelihood strategies including self-employment [45]. The fundamentals affecting these outcomes have been explored by Cassion (though he only refers to immigrants); as a tool used by 'marginals' who choose to work in ethnic labour markets in order to reduce the cost of adjustment to the accidentally emerged social condition [50]. This can obviously give rise to patterns of marginal entrepreneurship that exclude enclaves pursuing self-employment in-order to avoid economic discrimination. Most probably the majority may have found their livelihood strategies as *coolies* attached to the informal sector in the urban and surrounding rural areas. Further there is a high possibility to drag this bottom line into illegal trading activities such as brewing illicit liquor and dealing in drugs in the estate sector. The dealing of illegal liquor has been identified as a highly circulated organizational action in the plantation sector.

2. CONCLUSION

These findings about different sub divisions of Tamil business offer an alternative interpretation of the broad sense of ethnic entrepreneurship. In particular, it challenges the commonly held notion to oversimplify the entire ethnic identity of a given social group into a single story. Therefore, the concepts of mainstream and outsider aspects of entrepreneurial action seem to be a meaningful scale to measure different levels of ethnic entrepreneurship. Particularly new approaches and in-depth empirical knowledge are important to understand the social reality in any given community. The upgrading knowledge through scrutinizing the micro level of each sub division would be more valid and applicable rather than constructing of meta-narratives of ethnic entrepreneurship.

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