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5

From Gujarat to Zanzibar: the Ismaili Partnership in East Africa 1841–1939

The British experiment in opening up East Africa to economic development after 1886 would have been a difficult enterprise without the willing participation of certain communities from Western India. From the earliest decades the official view was that East Africa was 'the natural outlet for Indian emigration',[1] accepting at the same time that a certain area might be reserved for white settlement. Of the Indian Muslim communities which took up these new opportunities, one of the most prominent was that of the Ismailis from Kutch in Gujarat, commonly called the Khojas. It is intended to argue here that the Ismailis succeeded economically in East Africa not merely because they entered the region under British patronage, but because they had earlier adapted themselves in a variety of ways to success in a new and challenging venture.

The Ismailis possessed a unique and many-textured identity. Their homeland, Kutch, to the north-west of Gujarat and adjacent to Sind, was a treeless, barren and rocky region surrounded by water and waste land. The region was known for its frequent recurrence of scarcity and famine, while more than 50 per cent of its total area consisted of the uninhabitable Rann of Kutch. Outmigration was a way of life in Kutch, which also possessed a coastline bordering on the Indian Ocean, giving the area the double advantage of established trade routes both by land and by sea. The main port of Mandvi traded with the Persian Gulf, Zanzibar, the Malabar coast and Bombay, and from here the main trading castes, both Hindus and Muslims, established a tradition of leaving their homeland for outside gain.[2]

Kutch had long had a high percentage of Muslim conversions. In 1821 it was estimated that more than one-third of the population was Muslim.[3] The form of Islam brought to Kutch was highly suited to local beliefs, where there was a tradition of worshipping local saints and a belief in divinely reincarnated human teachers according to the spiritual needs of the time. Of the three main Muslim commercial groups which eventuated from these missionary activities, the Bohras, Memons and Ismailis, the Ismailis were by far the most complex. The Ismaili missionaries of the fourteenth and fifteenth centuries represented a Shia sect, the Shia Imami Ismailis, which believed in a divinely inspired and infallible *imam* (spiritual and temporal leader).[4] They gained their first success among the commercial caste of the Lohanas, followers of the Hindu god Vishnu. But this caste had itself already evolved from an Afghan trading group, probably non-Muslim, which used the great trade routes from Kabul and Kandahar to descend regularly on the Hindustan plains and return with cloth, sugar and aromatic roots.[5]

Conversion of the Lohanas probably first took place in Sind and the religious writings of the Ismailis were in the Sindhi language. The Lohanas, who must have already been highly syncretic in their religious beliefs, found Ismaili teachings extremely congenial. The concept of the *imam* and the doctrines surrounding him were readily accepted, as the Lohanas' Vaishnavism already incorporated the concept that divinity could be reincarnated in human teachers according to the needs of the time.[6] The Shia practice of *taqiya,* or permissible dissimulation of real belief in difficult situations, meant that Hindu beliefs and practices could be retained by converts. Periodical additions of new converts maintained the strength of Hindu ways and thought, while correspondence was maintained with the Ismailis' divinely inspired *imam* in Iran, who in the late sixteenth century wrote for his Indian followers a book entitled *The Maxims of Fortitude* which became part of the scriptures of the Ismailis.[7] In this way the Ismailis developed a dual identity which served them well in adapting to new commercial situations.

The Ismailis, however, also possessed a unifying religious institution by means of which they conducted their affairs as a community. From the beginning the missionaries established Ismaili religious lodges, the so-called *jamatkhana*,[8] where prayer and community administration were conducted. A mixture of Hindu and Muslim religious beliefs prevailed in the *jamatkhana*, but administrative techniques gradually evolved which gave the community its unique administrative solidarity. From the very earliest days Ismailis were exhorted to save their money in order to pay a tithe and also certain minor contributions to their revealed *imam* living in Iran. The tithe was paid every month, while there were also occasionally extraordinary levies on Ismailis' possessions. Although these funds were often spent on improvements for the Ismaili community in the place of collection, they were regarded as the personal property of the *imam* and were controlled by his agents. These agents also advised on the *jamatkhana*'s election of a *mukhi* (treasurer) and *kamaria* (accountant). The *jamatkhana* also served as a council hall, where members voted on issues placed before them and were theoretically equal and at liberty to speak on any issue. The *jamatkhana* provided for a highly institutionalized form of religious life which gave shape to the varying, imperfectly defined religious beliefs of the community.[9] Ismaili identity, therefore, mingled flexibility of religious views together with strict rules for the administrative maintenance of the community. When they came, Ismailis were ready to seize new opportunities.

The Zanzibar Preadaptation

Long before the Ismailis became one of the major Indian communities to assist the British in the penetration of East Africa, they had adapted themselves to the commercial life of the East African coast, particularly as it came to centre on

Zanzibar. Kutchi vessels brought a range of goods to the coast, including salt, opium and cotton cloth.[10] But Kutchi merchants were particularly involved in the rise of the Sultanate of Oman, based from the late eighteenth century on Muscat, to a position of commercial predominance in the Western Indian Ocean. As Oman became an expansionist commercial power, more Indians from Kutch settled in Muscat, assisting the Omani merchant class to exchange slaves and African ivory for Indian cloth, and transporting Indian and British manufactured goods to the Persian Gulf. By 1744 the Omanis had installed their own governor on Zanzibar and attempts were being made to secure the routes into the East African hinterland. These attempts became more urgent when the ivory trade received a great boost in the late eighteenth century from demand by the newly affluent in the industrializing West.[11]

By the turn of the nineteenth century Indian merchants from Kutch were well represented in Muscat. They included a considerable settlement of Ismailis. But they were also beginning to make Zanzibar their chief port of call as gradually the island developed into an entrepôt and came to control the flow of imported cloth and beads used in the interior trade.[12] As the Omani state expanded, so did Indian enterprise. More produce was imported into Zanzibar, including British iron. Gradually Ismailis settled on the island itself, generally as agents of commercial firms established in Kutch, Surat or Bombay. In 1841 the ruler of Muscat, Said bin Sultan, moved his capital to Zanzibar, bringing as a result many Indians from Kutch and Surat who had been commercially active in Muscat. Zanzibar developed in the nineteenth century as the centre of a large trading empire acting as a commercial intermediary between the interior of Africa and the newly industrializing West. With the huge trade expansion in the hinterland, the Omani state attempted to centralize the whole foreign trade of Africa from Eastern Zaire to the Indian Ocean on their entrepôt, sustained by the Sultan's monopoly over the coastal termini of trade routes from the interior.[13]

Indian mercantile success in Zanzibar was initially associated with the rising demand for ivory, which in turn

brought with it the need to exploit the resources of the interior. By 1819 the Indian settlement on the island was 214, some of whom were offshoots of the Indian mercantile class in Muscat. They were described as wealthy and as dominating trade. Their dominance over imports related to the demand for 'Surat cloths' from Kutch and Gujarat; in 1811 it was estimated that nearly 50 per cent of the imports at Zanzibar consisted of these cloths, which were known to be of good quality and durable and yet to cost only half as much as the Manchester product. Kutch, the home of the Ismailis, dominated the trade. Kutch imported twice as much ivory as the ports of Bombay and Surat and as late as 1839 she was still supplying three times as many cotton goods. This Zanzibar trade, linked with the East African coast, came to dominate the foreign trade of Kutch. In 1839 as many as twenty vessels from the main Kutchi port of Mandvi were involved.[14]

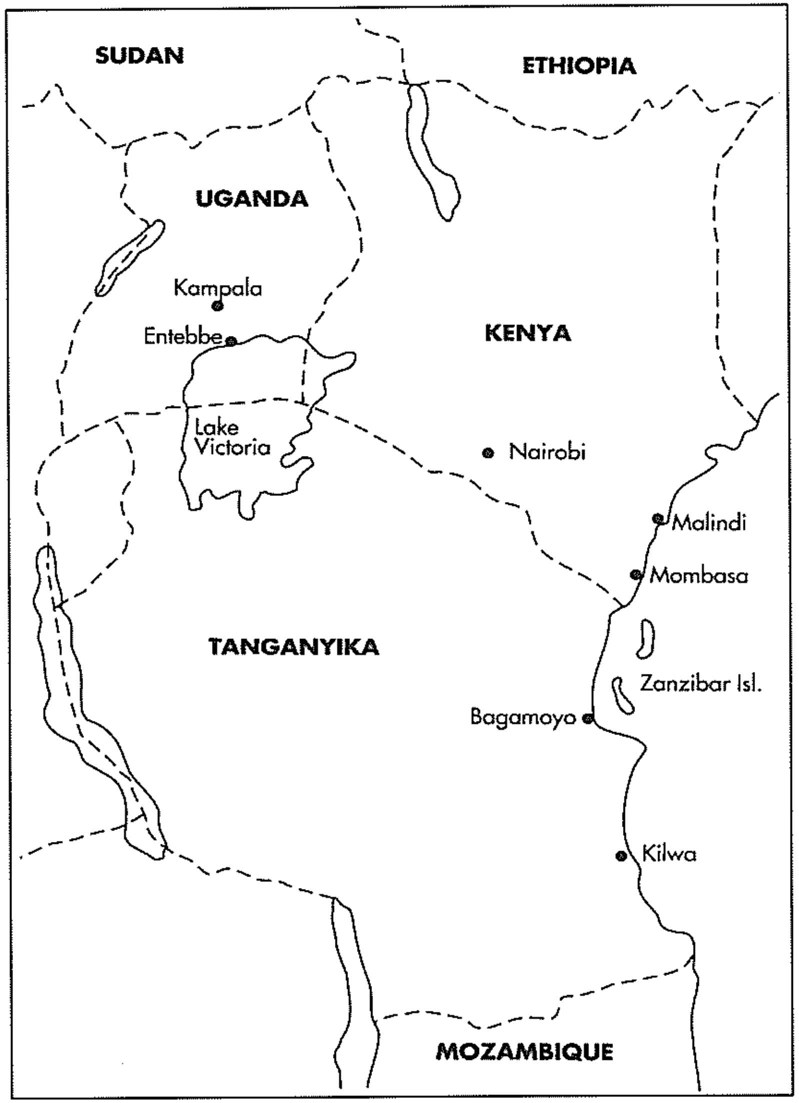
It has been argued that Zanzibar's Indian traders gradually became an indigenous force in East Africa owing to the weakening of their ties with India when ivory, their main export, came to be rerouted from Bombay to London. Cloth supplies, too, became unreliable after the famines of 1803, 1813, 1823–25 and 1833–34 in Gujarat. The Omani authorities also facilitated this process by trying to integrate Indian merchants into the commercial existence of the port, granting control over customs to an Indian firm in 1819.[15] Although the number of Ismailis is not known at this period, in 1870 it was reported that, of a total Indian population of 3,620 – the vast majority of whom were Muslims – 2,558 were Ismailis. The Ismaili community was so large because there was a tradition of bringing wives from India.[16] In any case, the size of the Ismaili community must be borne in mind when dealing with sources which only refer to the Indian community without further subdivision. The notion of indigenization too must be viewed critically. While the Indian firms on Zanzibar were not merely branches of Bombay firms (indeed, apparently none originated from that city), a number did move their head-quarters to Bombay during the second half of the nineteenth century.[17]

Family tradition in many cases represented poverty as the cause of emigration to Zanzibar.[18] It seems likely that early capital was acquired on a credit basis from Western traders at the port, initial short-term credits having been granted by American Salem vessels arriving in the 1830s. Gradually a substantial amount of merchant capital came to reside in the hands of Indian merchants and, as early as the mid-1840s, there began to be a reversal in the flow of credit. Initially Indian credit was provided by Jairam Sewji, the customs master, but by the 1860s and early 1870s many foreign firms seem to have been working substantially with loans from Indian financiers.[19] The main port of Zanzibar became a huge emporium for all the trade of the east coast of Africa, and Indians were involved in every conceivable business undertaking. A report on Zanzibar in 1860 referred to the extensive trade with Bombay, Kutch and Arabia in which Indian traders played a vital part, and in fact nearly all of Zanzibar's foreign trade passed through their hands. Ivory was sent down to them at the coast, as was gum copal, whilst the entire cargoes of American and Hamburg vessels were purchased by them. They also carried on the entire retail trade of the port. By the 1870s trade continued to be based largely on its traditional pattern of exchanging Indian goods – cloth, metalware, grain and beads – for African produce such as ivory, cloves, gum copal, hides, horns and copra.[20]

The success of these Ismaili and other Indian merchants in Zanzibar was looked upon indulgently by the British authorities in Western India. Their success validated British policy, which had chosen the island Sultanate as the instrument to ensure British control over the East African coast towns and their hinterlands and so reinforce British dominance in the Indian Ocean. British officials had encouraged the Sultan to move his capital from Muscat and in 1841 they established a consulate there. A prime interest of the Consul, up to the partition of East Africa in the late 1880s, was to foster the use of Indian merchants for the so-called 'legitimate commerce', which was to be expanded to the extent that it drove out the slave trade, still functioning on Zanzibar for clove production in the 1840s and 1850s. By 'legitimate commerce' it was hoped that not only would the slave trade be suppressed but that the interior of tropical Africa would be civilized and developed. Indians were beginning to assist in this latter goal too, Indian business firms acting as bankers and suppliers for the mainland expeditions of British explorers.[21] In this way, before the coming of the scramble for Africa, Ismaili traders were an important part of the British system of informal control on the East African coast, and were preadapted to success in the interior.

The final phase of the preadaptation process came with Ismaili and other Indian involvement with the caravan trade to the interior. The core of Zanzibar's commercial empire was the central region of East Africa directly facing Zanzibar. It was crossed by two sets of long-distance trade routes entering right into the African heartland as far as Uganda in the north-east, eastern Zaire in the west, and northern Zambia in the south-west. With the increased demand for ivory from the beginning of the nineteenth century, coastal traders were pushed far into the interior; the route to Buganda had been pioneered by coastal traders, largely Arab and Swahili, by the mid-nineteenth century. By 1873 eastern Zaire was yielding ivory. In this trade Indian merchant capital found a profitable outlet. Indians themselves did not venture to the interior, but their capital was used in trading enterprises from the middle of the nineteenth century. Goods were advanced to Arab and Swahili traders at a price which was usually 50 per cent above their real value, many of the traders being individuals of limited capital who became agents of the Indian financiers. Long-term credit was vital, and so large amounts of Indian capital came to be tied up in the caravan trade.[22]

As the volume of trade coming down from East Africa increased by the 1870s, a growing number of Indian merchants settled along the coast in towns such as Kilwa, Bagamoyo, Mombasa and Malindi, largely acting as agents for firms headquartered in Zanzibar. Much Indian financing of the local caravan traders was in the form of loans and advances, on various kinds of security, of a spectrum of goods which were



Map 5: East Africa c. 1914 (based on Mangat: *Asians in East Africa*)

to be bartered in the interior for local products, particularly ivory. Indian merchants were also able to extend valuable services to the European explorers by acting as their local bankers, helping to equip their expeditions and forwarding

additional supplies up-country. Some did themselves penetrate the interior. Ismailis are reported to have been the first Indians in the interior, one reaching Lake Victoria in 1872.[23]

Certain Ismailis acquired considerable fortunes in this financing of the caravan trade. Taria Topan arrived in Zanzibar to join his father and, from 1851, became the principal intermediary of certain American traders, buying up whole cargoes of their imports. Once established in business, in the late 1860s he began a new enterprise by giving an advance in goods to a caravan leader going to Lake Tanganyika. After this was successful he financed other Arab-Swahili merchants and also Europeans.[24] By 1871 he was described as the only merchant able to compete with the leading Hindu firm in Zanzibar.[25] H.M. Stanley reported at the time of his 1874 expedition:

> One of the richest merchants in town is Tarya Topan – a self-made man of Hindustan, singularly honest and just; a devout Muslim, yet liberal in his ideas; a sharp businessman, yet charitable. I made Tarya's acquaintance in 1871, and the righteous manner in which he then dealt by me caused me now to proceed to him again for the same purpose as formerly, viz. to sell me cloth, cottons, and kanikis at reasonable prices, and accept my bills on Mr Joseph M. Levy, of the *Daily Telegraph*.[26]

The total weight of this expedition when fitted out required 300 men to carry it.[27]

Taria Topan went on to become the Customs Master of Zanzibar and, as leader of the majority Indian community, he played an important role in Zanzibar affairs in the 1870s and 1880s. His success gave an impetus to Ismaili enterprise in East Africa generally. His activities were all those which might gain British approval. He financially supported schools and hospitals and, for his assistance to British anti-slavery efforts, he was knighted in 1890. By then he had already left Zanzibar, moving his headquarters to Bombay from where, in the 1860s, he entered the lucrative China trade with three large vessels. He also made efforts to develop commercial ventures in Europe; in his 'London business' he had a considerable sum invested.[28]

The Crystallization of Religious Identity

On the eve of the scramble for Africa, Ismailis had evolved institutionally in a way that gave them even greater advantage over other communities in African enterprise. Zanzibar was not the only place of emigration for Kutchi Ismailis. A considerable number had been migrating to Bombay since the late eighteenth century. Like the Parsis, by the 1840s so many Ismailis had migrated from Kutch and Kathiawar that Bombay had become their headquarters in Western India, containing as it did about 2,000 of them. The local produce of Kutch, such as pulses, cloth, cotton-seed and garlic, were purchased by Ismaili merchants from cultivators and sold in Bombay.[29]

But certain members of the Ismaili community rose to considerable economic heights and, by the 1850s, had even reached the position of *shetias*. One Ismaili *shetia*, Habib Ibrahim, was by 1859 a shareholder in Bombay's first cotton mill. These *shetias* wanted to reform Ismaili religion and steer the community in the direction of Sunni forms and observances. As early as 1822 the Ismaili *shetias* erected a Sunni mosque in the community's burial ground, to which they attempted to wean the rest of the community largely without success. There was, of course, considerable personal advantage for the richer members of the community in declaring their allegiance to the Sunni form of Islam. They wished to be rid of their contributions to their *imam* in Iran and of his interference in the workings of the community. In 1829 Habib Ibrahim and the other leading *shetias* refused to pay the customary tithe and set on foot a programme of educational reform in the community.[30]

The reform movement received a setback when the Ismaili *imam*, having received the title of Aga Khan from the Shah of Iran in 1834, arrived in Bombay in 1845 as a result of certain intrigue in his homeland. He soon became popular in British circles. The reformers pushed ahead with their efforts to make the community Sunni, so that by 1866 it was estimated about 700–800 adult male Ismailis belonged to the reform party compared to 3,000 who retained allegiance to the Aga Khan. For the latter, given the prestige of their leader in the eyes of the British government, there was now no need to conceal Shia usage, and the stage was set for a clash between the two groupings. In October 1861 the Aga Khan openly published a short paper stating that the time had come for all Ismailis to adopt uncompromisingly Shia Imami Ismaili customs in all social matters such as marriages, ablutions and funeral ceremonies. The outcome was the great Aga Khan judicial case of 1866, which reached the verdict that the community was Shia Imami Ismaili, that it was bound by ties of spiritual allegiance to the hereditary *imams* of the Ismailis, and that the Aga Khan had absolute legal ownership of communal property. Those who did not agree, usually the wealthiest members of the community in both Bombay and East Africa, seceded.[31]

The community which remained with the Aga Khan obtained great advantages from the family's closeness to the British. The Aga Khan died in 1881 and was followed by his son who died in 1885. The latter was succeeded by his 8-year-old son, who in later life lived a European lifestyle, set on foot a programme of reform for the community, and was able to reap numerous advantages for his followers in East Africa.

Ismailis and the Opening up of East Africa

Spheres of influence had been demarcated in East Africa by 1886, and the British proclaimed their East African Protectorate in 1895. The first major undertaking was to construct a railway from the coast to Uganda and, in association with this and with the encouragement of British officials, Indians from the coast began to move inland. The first Indians arrived in Nairobi as contractors, to build official government residences, and they were followed by railway workers specially recruited from India. The British government was particularly keen on attracting settlers to cover the cost of the railway, although it was presumed Europeans and Indians would go to different areas. Successive government enquiries concluded that Indians were essential to the making of East Africa – their presence as subordinate staff alone making government possible – while economic development would not have been possible without their trading activities.[32]

Ismaili traders were among the first to penetrate East Africa. One of the earliest Ismailis in Zanzibar to launch such expansion into the interior was Sewa Haji Paroo, who first managed the Zanzibar branch of his father's business, Haji Kanji and Co., with its headquarters at Bagamoyo. The business specialized in making advances in merchandise to caravans going to the interior, the caravans in return depositing at the entrepôts of the company cargoes of ivory and other goods from the interior. S.H. Paroo took charge of Bagamoyo at the age of 18 in 1869. However, he evolved his business considerably from the type of business carried out by Taria Topan. He opened up stores or agencies of his firm as far as the Lake region, provisioning advance posts and transporting merchandise by his own caravans. By the 1890s he had agents throughout Tanganyika and Uganda. In 1891 his shop at Station Ukumbi on Lake Victoria held large stores of imported articles such as guns, gunpowder, gun caps and cotton cloths. With the accumulation of large sums of money from this trade, investments could be diversified.[33]

Sewa Haji Paroo was murdered in 1897, but his work of penetrating the interior was brought to fruition by a fellow Ismaili, Allidina Visram. From the late 1870s Allidina was employed as an assistant to Haji Paroo in Bagamoyo, and from the 1890s he created his own business at Bagamoyo. He established stapling posts in the interior where imported goods could be sold for ivory and skins. But the opening up of the Uganda railway in 1901 diverted his attention from the old caravan routes towards Uganda and Kenya, where he acted in partnership with the advancing British by establishing *duka* or shops which also offered banking facilities. To these shops he encouraged the sale of local produce such as hides, groundnuts, chillies, sesame and cotton. By the early twentieth century he had established 'a veritable commercial empire'.[34]

The result was the stimulation of East African economic development. The marketing services for local produce provided by the early *duka*s encouraged greater local production

in various parts of East Africa and the consequent transition from a barter to a money-based economy. In Uganda Allidina Visram opened a shop at nearly every government station and subsequently built a chain of stores in Kenya on the pattern used in Uganda. By the first decade of the century his firm employed over 500 Indian and many more African assistants, apart from the traders who acted as his agents.[35] By the time he died in 1916, Allidina Visram had 240 shops in East Africa and Zaire. Originally they were staffed by his poor relations from India but later, with prosperity, other Ismailis were invited. Allidina Visram, as a wholesaler, also supplied and bought from small but semi-independent *dukawallahs* (shopkeepers) who acted as his agents. He supplied them with a variety of imports which they sold in return for local produce which he could then market internationally. The agent was tied to the wholesaler not as an employee but by chains of credit and by communal ties. Once an agent had saved up a sufficient amount, he would establish his own *duka* with a licence and supplies, encouraging family members to come from India.[36] This system was extremely advantageous to the British. The Chief Secretary's Office in Uganda commented concerning Allidina Visram in 1925:

> He opened a store at nearly every government station, and in the early days was of the greatest assistance to the government in many ways, such as transport, purchase of local produce, etc. Officers in out-stations were dependent, in those days, upon Allidina's agencies for the necessaries of life.[37]

Stimulation of local crop production was only the beginning of development efforts in East Africa. In 1909 Allidina Visram commenced a series of small industries. He invested part of his trade profits in soda factories and furniture-making shops at Kampala and Entebbe, and then in factories using local products such as sesame seed, copra and logs. His crowning achievement, brought to fruition before he died in 1916, was the establishment of two small cotton-ginning establishments at Mombasa and Entebbe. To these was added a cotton ginnery at Kampala between 1912 and 1914, which represented a substantial capital investment and provided the foundations, together with another cotton ginnery established by a Bombay firm in 1914, for the subsequent Asian role in the cotton industry of Uganda.[38]

Ismailis were associated with the Uganda cotton industry from the beginning. The introduction of cotton cultivation into Uganda around 1903 provided an impetus to the enterprise of small Indian traders. Already adept at acquiring local produce, they continued this function with the purchase and collection of the cotton crop. From 1907, until it was overtaken by coffee, cotton furnished the largest single item in the export trade of Uganda. The beginning of the First World War and the break in shipping between Uganda and Liverpool provided the Indian ginner with considerable opportunities, as capital flowed into Uganda from Bombay textile interests and Indian ginners from Bombay came across to set themselves up in business. Flowing up-country, they were financed from India. The pattern set by the wholesale trader's assistant or agent was repeated again in another section of the economy. In 1925, out of a total of 114 ginneries of all sizes, 100 were owned by Indians.[39] By the same period about 50 per cent of the crop was imported by Bombay mills, and Ismailis continued to be important in the Bombay cotton mill industry.[40] The tie with India remained strong. Prior to the 1920s Indian capitalist interests in Bombay wanted to transform Kenya into an Indian sub-colony, but the battle was lost to European interests. In the 1920s and 1930s Kenya was replaced by Uganda as the main hunting ground for Indian capitalists in East Africa.[41]

Ismaili economic success was based on community solidarity – despite individual commercial rivalries – which evolved together with the role of the Aga Khan after the great law case of 1866. The third Aga Khan, who succeeded in 1885, had a British upbringing and a talent for organization. His *firmans* (decrees) advised Ismailis to migrate to Africa, to escape Indian misery. These migrants set up not only individual *jamatkhanas* but also a pyramid of councils to oversee territorial concerns. The councils were dominated by a small group of wealthy families; the competition for prestige among these families ensured that those who maintained

themselves in the system were generally the shrewdest and therefore able to offer advantages to lesser members of the community. They faced the critical eyes of the community and therefore could never relax their efforts to promote community endeavours.[42] Embedded deeply within this system was the Aga Khan. He took pride in what he called the community's 'fluidity', which was coupled with the inassailability of his own position.[43] His success was to adapt a traditional organization to Western political and economic conditions. Visiting East Africa for the first time in 1899, he explained the economic benefits of his reforms:

> In Africa, where I have been able to give active help as well as advice, we have put the finances of individuals and of the various communities on a thoroughly safe basis. We established an insurance company – the Jubilee Insurance, whose shares have greatly increased in value. We also set up what we called an investment trust, which is really a vast association for receiving money and then putting it on loan, at a low rate of interest, to Ismaili traders and to people who want to buy or build their own houses.[44]

'Fluidity' was indeed the key word. The Aga Khan was confronted with a peculiarly difficult task, in attempting to alter a whole traditional system of statuses and what was regarded as appropriate behaviour without disturbing his own position at the apex.[45] He succeeded because, living the life of a European aristocrat, he was at home in the world to which he was leading his followers. His *firmans* were read in the *jamatkhana*; they often directed Ismailis to channel their efforts to effective action such as migration, education and adoption of Western dress.[46] A study of Ismaili family firms in East Africa at a somewhat later date found there were considerable economic advantages in belonging to the Ismaili community: a series of financial institutions which lent money to members; an advisory service which investigated business prospects for new ventures; various sorts of cooperatives; an excellent education system; and a scheme which enabled every Ismaili in East Africa to own his own home.[47] By the 1930s the Aga Khan's private fortune had long since made him more or less independent of the revenue produced by his followers and he could therefore act as a kind of clearing house in redistributing most of the annual revenue or money collected on special occasions.[48]

The Aga Khan was a modern intellectual, a humanist and a cosmopolitan. He stated his views thus:

> Ismailism has survived because it has always been fluid. Rigidity is contrary to our whole way of life and outlook. There have really been no cut-and-dried rules, even the set of regulations known as the Holy Laws are directions as to the method and procedure and not detailed orders about results to be obtained.[49]

Concerning his followers:

> So far as their way of life is concerned I have tried to vary the advice which I have given to my followers, in accordance with the country or state in which they live. Thus in the British colony of East Africa I strongly urge them to make English their first language, to found their family and domestic lives along English lines and in general to adopt British and European customs – except in the matter of alcohol and slavery to tobacco. I am convinced that living as they must in a multiracial society, the kind of social life and its organization which gives them the greatest opportunities to develop their personalities and is the most practically useful is the one to follow.[50]

Gustav Papanek has summed up the advantages possessed by Ismailis *inter alia* in East Africa and later in Pakistan. Group loyalties played an extremely important role in hiring and employment in commercial enterprises and there was a continuous supply of manpower and entrepreneurial replacements because of the strong emphasis on self-employment in business. Within the business communities there was a well-functioning information network, producing not only intensive rivalries among competitors but also diffusion of information, a system for assessing credit-worthiness, and a much better access to credit facilities than would be available to unaffiliated individuals. All these factors produced a tendency towards more innovative entrepreneurial behaviour.[51] As Ernest Gellner remarks, the Ismailis, with no good cause to welcome the modern world, produced 'a brilliant *economic* performance'.[52] And this performance was produced as a partnership.

Reprise

Although Georg Simmel alluded to the European Jew as the classical stranger, his *excursus* was largely confined to the characteristics of the individual stranger. The concept of 'stranger communities' as commercial entities has, however, been elaborated subsequently. Particularly pertinent is Edna Bonacich's 'A Theory of Middlemen Minorities', where the author states quite clearly her intention to treat middleman minorities as stranger communities.[53] So far we have not looked closely at the theoretical foundations of this collectivity, but with the Ismailis – and the Nattukottai Chettiars of the next chapter – we have reached an appropriate juncture.

It may be asked whether the creativity and dual identity Simmel has imputed to the individual stranger is replicated in a community as a whole. The response is that it has been one of the major themes of this work that there do exist creative communities, and nowhere more so than in a 'conjoint situation'. Further, these communities tend to produce certain families of exceptional economic creativity. The importance of 'family capitalism' for the rise of capitalism in Europe is now well accepted; families proved extremely significant to the success of entrepreneurs in early capitalism.[54]

For the Asian situation, the Ismailis offer a clear paradigm. Their changes in identity were always communally based, as they converted from Hinduism to varying strands of Islam and, finally, overlaid their identity with a veneer of Anglicization. Similarly it was as a community that they were gradually preadapted to their economic success in East Africa, starting as they did with the need to face the challenge of the arid wastes of Kutch and taking up yet another challenge as they began their trading activities along the shores of the eastern part of the 'dark continent'. Possessing many of the characteristics Bonacich delineates for a 'middleman minority' – and particularly a 'distinctive religion'[55] – they, as Ernest Gellner says, 'prospered famously, displaying entrepreneurial virtues and an ideology which is virtually an inverse Weberian paradigm'.[56]

Also an inverse of the Weber paradigm is the dynamic role of the family in the Ismaili enterprise. The section in Weber's *The Religion of China* entitled 'Sib Fetters of the Economy'[57] is well known, as is Weber's opinion that the family in general served to obstruct Asian capitalism. But our work has indicated so far – and the subject will be resumed – that even as the members of entrepreneurial minorities face and deal with multiple realities, individuals were given a core strength by the family-centred nature of their enterprises. Those members of middlemen minorities who triumphed as entrepreneurs based their success on a set of interlocking and interdependent relationships with the family at the core.[58] It was only certain families which triumphed. Of the communities we have looked at so far, all have been characterized by possession of only a small group of families which have truly succeeded as entrepreneurs; for example, the mestizo *ilustrados*, the peranakan *cabang atas* and the Parsi *shetias*. The remainder of the community has often been the object of their betters' charity, of benevolent institutions, scholarshipship, even of food relief.

Rather than throttling capitalism, as Weber argues for India and China, the extended family provided capital, labour and trust where it was needed.[59] A pioneer study, already mentioned, on the role of the family and the family firm a little later than our period, has been made by Burton Benedict in relation to the Ismailis of East Africa. He finds that those firms were at the heart of Ismaili business life and that they possessed numerous advantages. Often based on a joint family living communally, the family firm was able to generate capital and manpower resources; it was able to keep information about the firm and its operations secret; family members had incentives for putting forth effort. The family could make the most of new commercial opportunities, the pattern of consultation between father and sons enabling the business to move quickly to profit from a favourable situation. Kinship connections meant wider sources of financing, useful business connections and a new pool of personnel. Kinship-financing also avoided the need for a reputation for creditworthiness in the early days. Later, larger amounts of credit could be given to a family than to an individual, for the family could offer more security to an outside lender. Connections advantageous to the growth of the firm could often be made by marriage, and an emotional climate conducive to business nurtured.[60] The family more than the individual could be flexible in its range of associates, and it always had a wider range of choices open to it.[61]

The stability, then, of certain constituent families, coupled with the minority's ability to confront society bearing multiple identities, is an important feature of the entrepreneurial success with which we are dealing. The key point to note here is that there are two aspects to our entrepreneurial minorities: the dual or multiple identity which produces creativity and the ability to get things done, and the family and its diaspora which gives a stable core to the whole enterprise.

Notes

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3. Gujarat, *State Gazetteers. Kutch*, p. 115.
4. *Ibid.*, pp. 128–129; R.E. Enthoven, *The Tribes and Castes of Bombay*, vol. 2, Delhi, Cosmo Publications Reprint, 1975, pp. 217–200; H.S. Morris, 'The Divine Kingship of the Aga Khan: A Study of Theocracy in East Africa', *Southwestern Journal of Anthropology* 14 (1958): 458–459.
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7. Enthoven, *Tribes and Castes* 2, p. 222; Morris, 'Divine Kingship', pp. 458–459.
8. Enthoven, *Tribes and Castes* 2, p. 221.

9. *Ibid.*, pp. 221–222, 228–230; Morris, 'Divine Kingship', p. 463; Dobbin, *Urban Leadership*, pp. 113–114.
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11. A. Sheriff, *Slaves, Spices and Ivory in Zanzibar. Integration of an East African Commercial Empire into the World Economy, 1770–1873*, London, James Currey, 1987, pp. 21–22, 26; P. Risso, *Oman and Muscat. An Early Modern History*, London/Sydney, Croom Helm, 1986, pp. xv, 22, 81–82.
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14. Sheriff, *Slaves, Spices and Ivory*, pp. 78, 84–87.
15. *Ibid.*, pp. 84–87.
16. H.S. Morris, *The Indians in Uganda*, Chicago, University of Chicago Press, 1968, p. 23.
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23. Mangat, *History of the Asians*, pp. 9–11, 25–26.
24. Penrad, 'La présence isma'ilienne', p. 224.
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30. Dobbin, *Urban Leadership*, pp. 20, 114–115.

31. *Ibid.*, pp. 116–119; Walji, 'Ismaili Community', pp. 72–73.
32. Bennett, *Kenya*, pp. 5, 7, 19, 27, 29.
33. Penrad, 'La présence isma'ilienne', pp. 225–226; Walji, 'Ismaili Community', pp. 57–59; Mangat, *History of the Asians*, p. 51.
34. Penrad, 'La présence isma'ilienne', p. 228; see also p. 227; Mangat, *History of the Asians*, pp. 33, 51–52; Walji, 'Ismaili Community', pp. 60–61.
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6

From Madras to Burma: the Nattukottai Chettiars and Development 1852–1939

From the time of their conquest of Lower Burma in 1852 the British were aware of the great potential of the fertile Irrawaddy Delta region as a source of foodstuffs and raw materials and a possible market outlet for British manufactured goods. So far, throughout the eighteenth century, the Delta had been poorly developed, sparsely populated and a mere backwater of the last Burmese kingdom.[1] Indian commercial ties to the region were long-standing, but they were now given substance by the British conquest. The earliest British endeavours to develop the region were based on attempts to settle Indian agriculturalists on land by a programme of land grants begun in 1874. Between 1876 and 1878 more than 15,000 Indians came to the Delta to claim government land as free cultivators, but the type of agriculture was unfamiliar to them and these efforts were generally regarded as unsuccessful. An equal failure was an attempt to make large grants to Indian capitalists on attractive conditions, and although about 9,500 Indians were brought to work on these estates, this too did not succeed.[2]

Instead, Indian settlement in Lower Burma proceeded very similarly to that of Chinese settlement in the early days of Manila and Batavia. In 1862 the four provinces of Pegu, Martaban, Arakan and Tenasserim became consolidated as the