An entrepreneurial minority caught in a ‘Catch-22’

Abstract

This paper focuses on the ambivalent relationships between entrepreneurial minorities and the state and its representatives. On the one hand, the (colonial) state encouraged entrepreneurial minorities to settle in its territories in return for tax exemptions, religious freedom and security. In turn, the minorities would provide the rulers with credit, financial services and pay tax. On the other hand, the minorities realized that their personal security and properties would always be at stake; rulers could change their minds and favour other communities or the rulers could themselves be displaced. The case of the South Asians in East Africa presents an illuminating example of continuity and discontinuity in the process of the inclusion and exclusion of entrepreneurial minorities in wider society.

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1. Catch-22 is a satirical, historical novel by the American author Joseph Heller, which was first published in 1961. The novel is set during the later stages of World War II. The main character, Yossarian, tries to avoid taking up his military responsibilities by completing a form that will be accepted as a declaration of insanity. However, his superior reasons that if he is able to fill in that form, he must be mentally well enough to undertake his military role. It could be described as a vicious circle.

2. While South Asians are internally far from monolithic, I use the term to refer to people who migrated to East Africa from the South Asian subcontinent, which now includes the nations of India, Pakistan and Bangladesh.
Introduction

The earliest contact between the Indian subcontinent and East Africans goes back at least 2000 years. The first undisputed written evidence of this is *Periplus of the Erythraean Sea*, which was written by a Greek navigator in the first century CE. When Vasco da Gama arrived in Mozambique, Mombasa and Malindi in 1498, he was surprised at the number of Arabs and Indians he found there.³ Direct trade between these regions was maintained by the rhythm of the monsoons. Until 1870, South Asians were a good example of the concept of ‘strangers’ developed by the sociologist George Simmel in the late 19th century. Simmel defines strangers as traders and businessmen who come and go and maintain some distance from local society for cultural and economic reasons.⁴ Historical evidence shows that migration is just one of the options families may consider in an attempt to prosper elsewhere. East Africa was a new opportunity for Indian farmers and traders in the late nineteenth century.⁵ They often did not intend to settle elsewhere permanently. Indeed, around 1875, the British Consul of Zanzibar, Sir Bartle Frere, emphasized:

“They [the Indians] never take their families to Africa; the head of the house of business always remains in India, and their books are balanced periodically in India. The house in Africa is merely a branch house, though many of those people will assure you, and they give very good evidence of the fact, that they have had branches in Africa for 300 years, and possibly for much more.”⁶

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³ For more on this early period, see the notable work of: M.N. Pearson, *Port cities and intruders: The Swahili coast, India, Portugal in the early modern area* (Baltimore and London, 1998); K.N. Chaudhury, *Trade and Civilization in the Indian Ocean: An economic history from the rise of Islam to 1750* (Cambridge 1985); and, by the same author, *Asia before Europe: Economy and civilization of the Indian ocean from the rise of Islam to 1750* (Cambridge 1990); Edward Alpers, *East Africa and the Indian ocean* (Princeton 2009); A. Sheriff, *Dhow cultures of the Indian ocean* (London 2010).

⁴ See also: W. Sombart, *The Jews and modern capitalism*, (London 1982 [1911]); G. Simmel, *The stranger*, in K.H. Wolff (ed.), *The sociology of George Simmel*, (New York 1950) 402-408.

⁵ Many of the early settlers had a background in agriculture. However, it is likely that migrants from Indian rural areas underwent an initiation period in the Indian ports, where they – under the guidance of family and community members – learned something of overseas trade. See A. Sheriff, *The rise of a commercial empire: An aspect of the economic history of Zanzibar, 1770-1873*. Ph.D. thesis (University of London 1971) 127.

⁶ Bartle Frere, *Extracts from the evidence taken before the Select Committee of the House of Commons, co, 1887*. See also Richard Burton, *Zanzibar city* (London 1872) 329-335. The first volume of Cynthia Salvadori’s fieldwork account: *We came in dhows* (Nairobi 1996), contains a few oral testimonies of families who kept trading branches in Bombay and other places in India as well.
In other words, it was often not the head of the family who first explored East Africa. Neither was it the eldest son, who was supposed to stay with his father. Therefore, it is plausible that only the second or third son was sent to Zanzibar. Moreover, even after this son had made several profitable journeys to and from India, the families would not generally settle in East Africa. A process of circular migration and slow settlement indicates that only those who were successful remained and eventually settled with their wives and families. Despite the economic attractions and the cautious process of settlement, many South Asians did not find what they were looking for or failed in their endeavours and returned to India. Nevertheless, from the Indian business family’s perspective, East Africa was a new opportunity that arose in the late nineteenth century.

The general migration history of Asian East Africans is well documented from the late nineteenth century onwards. In the period between 1880 and 1920, the number of South Asians in East Africa grew from about 6,000 to 54,000. These included Hindus (among them castes well-known for their business acumen/interests/expertise such as Bhatias, Patels, Lohanas and Shahs), Muslims (especially Ithnasheries, Bohras and Ismailis), Sikhs, Jains, Goans, and others. The various Asian business families who arrived in the late nineteenth century developed far more intimate social and economic relationships with each other than they had previously maintained in India. Their shared knowledge of the Gujurati/Cutchi language, and their minority status (never more than two per cent of the total population in East Africa; somewhat higher in the main trading ports) in a new society, played an important role in this. However, this process of permanent settlement was the outcome of a process of semi-permanent settlement and circular migration.

South Asians played an important and dominant role in the East African economy. Here, I argue that the economic and physical security of South Asians in East Africa depended on their ability to negotiate mutual economic interests with rulers, often in return for their safety. However, their physical presence and economic dominance produced a destructive reaction from local communities and, at times, these same rulers. The major concern of states and societies was that South Asians were seen as temporary migrants.

7. Earlier, Claude Markovits made a strong case against the idea of permanent settlement. He argued that the majority of Indian migrants in the nineteenth century were not permanent, but temporary migrants: Markovits, The global world of Indian merchants, 1750-1947. Traders of Sind from Bukhara to Panama (Cambridge 2000) 7. See also: Claude Markovits, ‘Indian Merchant Networks Outside India in the Nineteenth and Twentieth Centuries: A Preliminary Survey’, Modern Asian Studies, 33:4 (1999) 883-911.
8. R.G. Gregory, South Asians and East Africa: An Economic and Social History 1890 – 1980 (Boulder Colorado: Westview Press, 1993), 1-15.
9. Gijsbert Oonk, Settled Strangers: Asian Business Elites in East Africa, 1800-2000 (Delhi: Sage, 2013).
who were in Africa to exploit Africans and would eventually return home or, at the very least, extract profits from the continent and re-invest them elsewhere.

Entrepreneurial minorities constantly have to deal with these notions of the (colonial) state and local citizens. Even after three or four generations of running local trading companies and spending money on charities, temples, mosques, local education, hospitals, dispensaries etc., they realize that these efforts are never enough for them to be accepted as locally loyal; they will always be seen as outsiders. In his inaugural lecture at the University of Cape Town, Mahmood Mamdani rhetorically asked: when does a settler become a native? And his brief answer was: from the point of view of ethnic citizenship, never.10 The uninterrupted production of negative images by natives and the state ultimately explains why entrepreneurial minorities themselves also continue to be ambivalent towards their local habitat. As hostile political and economic atmospheres arose from time to time, it was often very sensible for the South Asians in East Africa to maintain business and family ties with other countries. In fact, these transnational ties (which are much broader than the ties with the ‘motherland’) often become a vital factor in the historical development of entrepreneurial minorities, as I argue in this article.

In this paper, I argue that the South Asians were victims of their own success, caught up in what I term the middleman minority’s Catch-22. This is described as a vicious circle from which it is almost impossible to escape. The ambivalent relationship between rulers, the state and the entrepreneurial minorities remained remarkably similar over a period of two centuries, despite the huge change in East Africa from Arabic rule to European colonization to the independence of African states/countries. The major ingredient in this process is the rulers’ interests in the economic services of the Asians. In return, they would provide profitable terms and economic and physical security.

The catch-22 is as follows: (1) the Arab, British and German rulers attracted South Asians to East Africa in return for tax exemptions, religious freedom and the protection of properties. In return, the South Asians acted as money-lenders for the rulers, invested in large projects and helped them to develop the region. In other cases, they financed businesses, which benefitted the rulers through taxes. Here, it is important to note that the rulers and (colonial) states who did this bypassed local entrepreneurs and therefore created an often unintended divide between those who were encouraged with incentives (in this case, the South Asians) and the locals, who were taken for granted (in this case, Arabs and Africans); (2) the South Asians in East Africa often

10. Mahmood Mamdani, When does a settler become a native? Reflection of the Colonial Roots of Citizenship in Equatorial and South Africa, Inaugural Lecture, 13th May 1998 at the University of Cape Town, South Africa. Capitals in original.
realized that their businesses and personal security were always going to be at risk because: (a) rulers can change, and different rulers may well have different opinions about their/the strangers’ importance and future welfare, and (b) they were disliked in African societies, because of their extreme wealth, and many African chiefs and locals were indebted to them; (3) the South Asians in East Africa made sure that they set up physical economic escape routes. In the short run, they initially kept their headquarters in India, while those who eventually moved their base to Africa sometimes established foreign branches of their businesses or opened foreign bank accounts. In addition, it was at times part of a family’s politics to keep some family members abroad; and (4) knowledge of these escape routes led to more ambivalence about the South Asians in local African societies. Even those who took up local citizenship after independence were viewed with suspicion because of the connections and security they maintained abroad. The South Asians have, in a manner of speaking, kept one foot in Africa and one elsewhere. This suggests that migrants and societies may change, adapt and integrate for generations. However, unless the middleman minority’s catch-22 is resolved, the basic motivating factors for expulsion, ethnic cleansing and harsh anti-multicultural attitudes will remain.

In this paper I examine three different phases in the history of East Africa: the pre-colonial era (until around 1890); the colonial era (1890–1961); and the post-colonial era to 2000. At first sight, one might expect that the relationship between entrepreneurial minorities and the state and society in these periods would be very different. In the pre-colonial era we speak of sultanates, personalized states and tribal rulers. In the colonial era, European rulers (specifically British and German colonial rule in East Africa) introduced formal legislation, tax payments and an institutionalized system of law and order. In the independent post-colonial era, the sovereignty of the East African states was recognized and self-rule was attained. However, despite these fundamental changes, there are striking continuities in the relationships between outsiders and both the state and societies.

The pre-colonial era until 1890

When the Sultan of Oman, Seyyid Said, moved his capital from Oman to Zanzibar in 1832, a new area of opportunities for South Asian and Arab traders developed in the Indian Ocean region. Seyyid Said may have foreseen the commercial prospects of Zanzibar, especially with respect to the slave

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11. The catch 22 thesis has some interesting similarities with the Strangers Code of Bruce Whitehouse in this volume and Bruce Whitehouse, Migrants and strangers in an African city. Exile, dignity, Belonging (Bloomington Indiana University Press 2012) 116-149.
and ivory trade. Many South Asian traders and moneylenders in Oman were commercially involved with the Sultan’s empire and followed him by settling in Zanzibar. Indeed, he encouraged them to do so and to make Zanzibar the new capital of his empire by offering a variety of incentives, including guarantees of religious tolerance, a maximum of five per cent duty on imports, and the removal of restrictions on the ownership of land by South Asians. He also granted the South Asians permission to trade on the previously restricted Mrima coast. By the 1840s, the South Asians were also allowed to acquire property and own clove plantations there. In addition, the Sultan appointed the South Asian Bhatia, Jairam Sewji, as his chief customs collector. With the exception of some brief periods, Jairam Sewji served for almost 70 years in this position. This led to the recruitment of hundreds of other Bhatias from India, who Sewji set up in business in the Zanzibar commercial empire. As well as frequently acting as customs collectors along the coast, the Bhatias were also moneylenders and traders.

Seyyid Said’s successor, Seyyid Bargash, followed in his footsteps and continued to attract South Asian traders and financiers. He even wanted them to settle in Zanzibar with their wives and families to ensure a more permanent business community on the island. He also encouraged Hindus to bring their wives to his realm. Indeed, in the 1880s, it is reported that Bargash sent his private vessel to welcome the first Hindu woman to the country, giving her a reward of Shs 250. As a pledge of his good intentions, Bargash also promised to turn Zanzibar’s Old Fort into a residence for the wives of merchants and offered to equip it with water pipes fitted with silver taps to ensure that the Hindu women need never appear in public. This encouragement occurred

12. Bhatias are a Hindu trading caste, with their origins in Gujarat and Kutch in Northwest India. Recently, C. Goswami published an excellent book on the early trade routes, with special reference to Sewji. C. Goswami, The call of the sea: Kachchhi traders in Muscat and Zanzibar, c. 1800–1880 (New Delhi 2011).
13. W.G. Palgrave, The narrative of a years journey through East Africa (London 1865) 369-70. Sir Bartle Frere, the British Consul in Zanzibar, described the Bhatias as “probably the most important by wealth and influence”, see co memorandum by Sir Bartle Frere, correspondence 1856, 100.
14. Hindus tended to settle later with their wives than Muslims due to their notion of purity regarding food habits and marriage patterns. For Hindus in East Africa it was difficult for them to continue some of their very strict food habits and remain vegetarians. Another important aspect of the notion of Hindu purity was their emphasis on marrying within their own sub-castes or jatis. However, being a small migrant community in East Africa meant that they had to alter some of their notions of purity in order to adapt to the (colonial) African environment. This was a slow and sometimes painful process; James Christie, Cholera epidemics in East Africa (London 1876) 345. See Gijsbert Oonk, ‘The Changing Culture of the Hindu Lohana community in East Africa’, Contemporary South Asia 13:1 (2004) 7-23.
15. Contemporary sources on the position (and absence) of Hindu women in East Africa include: Burton, Zanzibar: City island and coast, 329-35; and F.B. Pearce, Zanzibar, The
precisely at the time that the Hindu community in Gujarat revolted successfully against Brahmin priests and religious customs, which were restricting their mercantile activities and making overseas commerce difficult. All of these activities paved the way for the arrival of Hindu migrants and settlers in the late 19th and early 20th centuries.

From the above, it can be seen that the South Asian community was economically important to the Arab rulers in Zanzibar and the coastal areas of East Africa. The settlers were welcomed by rulers such as Seyyid Said, who favoured them with both minor incentives and more generous gestures, such as tax reductions and government protection. The latter was important, as is clear from the diary of the Arabic Princess Salme for the year 1886. In the diary, the princess recalls how the end of Ramadan was celebrated in Zanzibar during her childhood. Bullocks and other animals were killed in the yards of many Arab and Muslim homes, but Hindus avoided these places for religious reasons; as many of them were strict vegetarians, they would have been shocked by these animals being slaughtered, especially when this included the massacre of holy cows. Some Arabs provoked the Hindus about these religious sentiments:

“On such an evening, our slaughtering yard was changed into a lake of blood; for this reason all the Banyans at Zanzibar, who are vegetarians, looked upon our feast with much horror, and took care not to come near any such places at this time. I have already spoken of these Banyans (caste of money-lenders, g.o.) as the principal traders and money-lenders in the town, and in the last capacity they are, beyond a doubt, the greatest cut-throats imaginable; they are bitterly hated on this account, and on occasions like these there is a splendid opportunity for their victims to take revenge upon them. Among the lower-class people it is a standing joke to entice the Banyans, who never allowed any chance of business to slip out of their grasp, under the pretence of some important order, into these blood streaming yards, which is the greatest insult that can be offered to the star-worshippers, of whom it can be said, however, in spite of their low moral standing, that they adhere religiously to their code in being strict vegetarians.”

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16. A.M.H. Sheriff, The rise of a commercial empire: An aspect of the economic history of Zanzibar (1770-1879), (Unpublished Ph-D thesis, University of London 1971) 354.
17. See G. Oonk, Settled strangers.
18. Emile Ruette, Princess Salme of Zanzibar and Oman, Memoires of an Arabian Princess (Zanzibar: Gallery Publications 1998 [1886]) 133-134.
The above makes it clear that Hindus were not very popular among the lower classes of the Zanzibari people. The reason given in Princess Salme’s text is that Hindus were well-known moneylenders and traders who advanced money on landed security or credited trade goods. Many lower-class Swahili and Arabs felt that they were being cheated by them. Salme portrays the Hindus as “the greatest cut-throats imaginable” with a “low moral standing”.19

19. Ibid. 134-136.
I am not going to debate the truth of these allegations. The overall situation seems to be that the putative attacks on and attitudes towards the Hindus (a) show that they needed government protection, and (b) led them to close ranks and live together. In addition, new Hindu migrants who settled temporarily in East Africa tended to live in the same areas, because it was almost unthinkable at the time to share food with people from different backgrounds.20

There are a few other examples, which are not well known, where the South Asians were protected as a group of potential investors who were needed for economic development purposes. In 1887, for example, Chief Bushiri from Pangani intended to start a rebellion against the Germans in Bagamoyo (in modern-day Tanzania), who tried to establish colonial rule on the continent. Bushiri informed the South Asians of his plans in advance, allowing them to move to Zanzibar and take most of their portable property with them. However, elsewhere, the rebels refused to let the South Asians leave, although they maintained that they had no quarrel with them (the South Asians, G.O.) and their presence was necessary for trade.21 The insurgents presented a written document to the British Consul General in Zanzibar, guaranteeing the Indians’ safety.22 In other words, the importance of respecting property rights was acknowledged by the chiefs, albeit only in a quasi-formal (i.e. not legally formalized) manner. A good relationship with indigenous rulers in an unstable regime was an important way in which South Asians could try to protect their property.

In brief, in the pre-colonial era, some aspects of the middleman minority’s catch-22 arose. The South Asians were invited to settle in East Africa, and were given various incentives to encourage them to do so, such as tax exemptions and rights to practise their religion. There was also a self-imposed tendency to live close together. In addition, when Sultan Seyyid invited Jairam Sewji to be his chief customs collector, he invited his fellow caste members to join him. As a consequence, he probably consciously excluded Arab and other traders and investors.

The evidence is sketchy and unclear, but it is plausible that the negative feelings of Zanzibaris occurred because of these types of network from which they were excluded. In addition, many Zanzibaris were indebted to the South Asians. This may therefore have encouraged the notion of the exploiter with a low moral standing, according to Princess Salme and the lower classes of the

20. I have dealt with the issue of the food habits of South Asians in East Africa, in G. Oonk, ‘The changing culture of the Hindu Lohana community in East Africa’, _Contemporary Asian Studies_, 13:1 (2004) 23.
21. FO C.B. Euan-Smith to Salisbury, telex, 30 Sept & 5 Oct 1888; despatch, 9 October 1888 in _Further Correspondence relating to Zanzibar, Africa No. 10_ (London 1888) C. 5603, 57-8, 89.
22. _Ibid._
Zanzibar community. Occasionally, there was a spontaneous outbreak of violence against the South Asians, and their wealth and property rights were put at risk. However, the sources do not reveal how the South Asians responded to these difficult situations. Did they arm themselves, for example? The next section will show that they did indeed request the right to arm themselves, but there is no evidence for this period. Did they use their overseas networks to secure their profits? Or were their property rights acknowledged by the rulers? The case of the African Chief Bushiri indicates that there was a strong mutual understanding between the South Asians and the rulers. Bushiri effectively enabled the Asians to secure their properties. At this stage, however, I did not find any evidence that local rulers were arguing that the South Asians were exploiting the local populations by extracting wealth to India or any other area.

The colonial states, 1890–1961

The acceptance of the Act of Berlin in 1890 was an important step in the partition of East Africa between British and German colonial powers. Both countries aimed to abolish the slave trade, to undertake the commercial development of the area and to support the missionary enterprise. This was a monumental task that turned East Africa into a laboratory for experiments with economic and political development models as well as into an area with racism and ethnic conflicts. It soon became clear that the “White Man’s burden” could not be borne without the help of the brown man.

British officials were well aware that South Asians would become important local partners in the apparatus of the colonial states. During the early twentieth century, Winston Churchill (1874–1965) visited South and East Africa on several occasions. He had taken a fair and progressive stance regarding equal rights for South Asians and Europeans in the area. In 1902, he realized that:

“The Indian was here long before the first British Official. He may point to as many generations of useful industry on the coast and inland as the white settlers, especially the most recently arrived contingents from South Africa (the loudest against him of all) can count the years of residence. Is it possible for

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23. E.S. Atieno Odhiambo, T.I. Ouso and J.F.M. Williams, A History of East Africa, (London 1977 (1999); Thomas Pakenham, The scramble for Africa, 1876-1912 (London 1992).
24. “The White Man's Burden” is a famous poem by the English poet Rudyard Kipling. It was originally published in the popular magazine McClure's in 1899, with the subtitle The United States and the Philippine Islands. It eventually became a characterization for imperialism that justified the policy as a noble enterprise.
any Government, with a scrap of respect for honest dealing between men to men, to embark on a policy of deliberately squeezing out the native of India from regions in which he had established himself under every scrutiny of public faith.”

Another East African official who supported the influx and economic contribution of South Asians in East Africa was Harry Hamilton Johnston (1858–1927), a botanist, explorer and colonial administrator who foresaw an active role for South Asians in the development of East Africa. Johnston served as a special commissioner in Uganda from 1899 until 1901, during which time he stated: “East Africa is, and should be, from every point of view, the America of the Hindu.” Johnston believed that the South Asians should be the settlers in East Africa because they were in a better position than the Europeans to strengthen the continent.

The British settler Lord Delamere (1870–1931) was of an entirely different opinion. He was one of a small group of planters and landowners who came from South Africa to the Kenyan highlands to develop coffee and tea plantations. He eventually became one of the most influential British settlers in Kenya. He also declared, more than once, that Indian migration to the colony should be stopped:

“Physically the Indian is not a wholesome influence because of an incurable repugnance to sanitation and hygiene. In this respect, the African is more civilized than the Indian, being naturally clean in his ways, but he [is] prone to follow the examples of those around him.”

Delamere claimed to be the guardian of the innocent and gullible natives. However, he adopted this position in order to claim the most fertile lands in Kenya (the so-called ‘white lands’) from where both the South Asians and the natives were eventually pushed out.

The South Asians were aware that not all of the British were as supportive as Churchill and Johnston. Indeed, it was foreseeable that with the growing

25. During his Africa tour, Churchill wrote a series of articles in Strand Magazine which were then published in a book: My African journey (London 1908). This book was well-known among South Asians in Africa and was frequently quoted.
26. Cited in Robert Gregory, India and East Africa. A history of race relations within the British Empire 1890-1939 (London 1971) 96.
27. Rasna Warah, Triple Heritage. A journey to self discovery (Nairobi 1998) 22.
28. The fertile white lands were eventually allocated to the Europeans. The colonizer also tried to monopolize the sale of German assets in German East Africa. Nevertheless, here the Indians managed to get access to the auctions and were allowed to bid. Eventually, the Asians would buy several Sisal estates. See G. Oonk, The Karimjee Jivanjee family. Merchant princess of East Africa, 1800-2000 (Amsterdam 2009).
interest of British settlers like Delamere, the British colonials would eventually promote their own rights above those of other groups. Consequently, the South Asians started to defend their own interests. One of the first leaders of the South Asian community in East Africa was Alibhai Mulla Jeewanjee (1856–1936). He was born in 1856 in Karachi (now in Pakistan) in a traditional Bohra home where education centred almost entirely on religion. Around the age of 20, Jeewanjee left Karachi, looking for a world of new trade opportunities. Among other things, he was the first non-white to be appointed to represent the interests of the Indians in the Legislative Council, which was established in 1905.29

The prime objective of the Legislative Council was to safeguard and champion the interests of the people who had emigrated from abroad to settle in Kenya. Those who appointed Jeewanjee to this body may have expected that a man of his stature would be conservative and a protector of the colonial status quo, within the Council's overall objective. However, the racial discrimination that denied even Jeewanjee the right to live in some parts of the town where he resided stung him into political action. He thus established the East African Indian National Congress and launched the first important non-white newspaper, *The African Standard*, with the purpose being to give South Asians a voice. This voice would reach as far as the British parliament in London and the Indian parliament in Delhi.

Around 1900 he stated:

“I would go so far as to advocate the annexation of this African territory [Kenya] to the Indian Empire, with provincial Government under the Indian Viceroy, and let it be opened to us, and in a very few years it will be a second India.”30

This clearly shows the confidence of part of the South Asian elite in East Africa. They were convinced that history was on their side and that they were able – and clearly willing – to play an important part in the colonization of East Africa. As we now know, East Africa would not become a colony of India, but the struggle for equal rights had begun. The South Asian settlers demanded the same rights as the white settlers. Over the first decennia, the South Asians’ demands focused on two interrelated areas: a) they did not want to be seen as natives or subjects, and demanded equal civic rights, including the right to settle in areas that were reserved for whites only and

29. For an interesting account of Alibhai Mulla Jivanjee’s life, see the biography written by his grand-daughter Zarina Patel, *Challenge to colonialism. The struggle of Allibhai Mulla Jeewanjee for equal rights in Kenya* (Nairobi 1997).
30. A.M. Jeewanjee in Elspeth Huxley, *White man’s country. Lord Delamere and the making of Kenya*, vol. 11 (London 1935) 121.
Ill. 2 Aibhai Mulla Jeevanjee (1856-1939). ‘(...) the man who practically founded the colony of British East Africa (...)’ in Daily Chronicle 1 September, 1910.
the right to protect themselves by carrying arms; and b) they demanded the same economic rights as whites.

**Equal civic rights**

From the perspective of the South Asian settlers, the most important struggle was to gain civic rights and thus be able to defend their economic interests. The basic complaint was that South Asians were categorized in German and British law as subjects or, in the case of Germany, at times, as natives. The South Asians’ concerns were typically resolved by (white) colonial officials. The Bagamoyo Indians made formal complaints in 1906 to German officials, whereas in 1914 the Tanga Indians submitted a long memorandum on the subject to British administrators.31

In 1913, the *Bombay Chronicle* published an analysis and fierce criticism of the discriminatory policies in the British East African Protectorate. The article initially highlights the economic and political contribution of South Asians in East Africa, but then cynically stresses:

“And now the Indian cannot acquire property in the uplands, cannot carry weapons, cannot enter the Market House in Nairobi, cannot travel in comfort on the steamers and railways, cannot have a trial by jury, in short cannot be anything else than an *undesirable alien* [emphasis added].”32

It is clear from the article that while the Germans and the British were colonizing East Africa, they were also alienating the South Asians living there. Many South Asian traders and businessmen felt that they were unable to compete with Europeans on an equal basis, and, at the same time, they were unable to defend their properties and protect their families.

**Economic rights**

In 1914, the Committee of Indians was reorganized and became the Indian National Association of Zanzibar. Yusufali Esmailjee Jivanjee, the president of the association, presented a *Memorandum on the Report of the Commission on Agriculture* in 1923. He strongly criticized the government’s position that Indians were responsible for the indebtedness of agriculturalists (read Arabs and Swahili) in Zanzibar. In addition, he passed judgment on the method of

31. Gregory, *India and East Africa*, 1971, 101-104.
32. *Bombay Chronicle*, 19 December 1913, 6. This alienation of the South Asians in East Africa was in sharp contrast with their hopes for a better future. Just after the First World War, many South Asians in both India and East Africa anticipated that German East Africa would become an ‘Indian Colony’ as a tribute to the Asian contribution during the war.
collecting clove duties, which was particularly to the disadvantage of Asian clove producers.33

These early South Asian grievances became the foundation of organized protests and led, eventually, to the establishment of the East African Indian Congress (EAIMC) in 1914. The EAIMC was modelled on the famous Indian National Congress and was a response to the growing emphasis on European interests throughout East Africa. The EAIMC believed it would serve its members’ interests best by bringing Indian leaders in East Africa together and presenting their case on both a colonial and a national level. The exchange of ideas and experiences between the Indian National Congress and the EAIMC resulted in shared opinions and a publication related to the Indian Question in the empire.

Grievances about government legislation and high taxes – compared to what British and other European traders paid – continued in the 1920s and 1930s. Yusufali A.K. Jivanjee was the main spokesman for the Indian business community (Hindus and Muslims) in Zanzibar, and consistently made it clear that the Indians living there were not against any legislation in favour of Arabs and natives, but were against the policy of the government protecting one section of the Zanzibari community at the cost of another. When the British argued that they had reduced import duties for fresh butter and milk, ghee, and cigarettes, Jivanjee commented that it was the Europeans who used milk to feed their children, not the natives! In the case of ghee, only the middle and upper classes of the Indian population profited from the reductions because they used ghee, but the poorer sections of the community did not. In the case of cigarettes, Jivanjee demonstrated that the native – who only smoked two or three cigarettes a day – did not profit from a tax reduction of ‘eight to nine’ annas after every thousand cigarettes, unlike the Europeans, who smoked them in the hundreds and bought them in their thousands. Jivanjee added: “If His Excellency wishes to really benefit the poor natives, we want the duty on rice and kangas to be reduced! These are their real necessities. Then alone can we say that the Government is doing something for the natives.”34 After a handful of examples where Yusufali revealed that government legislation was to the disadvantage of the Indian trading community in Zanzibar, he concluded: [In other words] “the policy of the Government underlying this movement is to rob Indian Peter to pay British Paul.”35

The South Asian Tayabali Karimjee, who also lived in Zanzibar, often used the same line of argument. In a speech published in the Tanganyika Herald, he posed a fascinating rhetorical question:

33. Yusufali Esmailjee Jivanjee, *Memorandum on the report of the commission on agriculture* 1923 (Poona 1924).
34. *The Tanganyika Herald*, 12th September 1933, 13.
35. *Ibid*
“One would like to know what would be the duration of residency for members of any particular race to acquire the same rights as those enjoyed by the indigenous population. For, be it remembered, according to historical evidence, Indians have been settled in East Africa for pretty nearly 400 years.”

In short, in the colonial era, the next step of the middleman minority’s catch-22 arose. The South Asians would still enjoy a few of the privileges and incentives of the pre-colonial area. They were allowed to practice their religions, some tax rates remained low, and their property rights were respected. However, this section has shown that the British rulers presented different futures and roles for the Asians in East Africa. Some colonial officials were very satisfied with the entrepreneurial role of this group. Indeed, as mentioned above, some of them, such as Johnston, even foresaw East Africa as the “America of the Hindu”. However, others, especially planters like Delamere, characterized the South Asians as untrustworthy exploiters of the local economy, and tried to alienate them by denying them civic rights, the right to own the most fertile lands, and the right to bear arms.

The South Asians were quick to respond and wrote letters to colonial officials to make their case and claim equal rights. They were mainly deprived of their civic and economic rights, as they did not have the same (legal and political) access to land, licences and other economic resources. They may not always have obtained the desired results, but they could not be ignored. They felt that although they disagreed with some of the political outcomes of colonization, they were able to defend themselves politically. However, their situation was not comparable with that of the Asians in South Africa, whose role was much more restricted.

The ambivalent relationship between the British colonist and the Asian Africans remained strong during the colonial era. It could be described as an arranged marriage where both parties were aware that they could not do without each other. At the same time, however, they used the interests of the child (in their perspective, the Africans) to serve their own interests and maintain the authority balance between the two of them. The British increasingly sustained the Africanization of the economy, and the civil service was set up in the colonial era. More often than not, the emancipation of the Africans came at the expense of the South Asians. In the post-colonial phase, the rights of the Africans came to the fore of the political agenda. Accordingly, the future of South Asians in the independent states of East Africa became increasingly uncertain. South Asians, on the whole, supported the African nationalist movement, but they were divided on the issue of the appropriate time for

36. The Tanganyika Herald 17th July 1937, 10.
37. The best and detailed book on these issues is still Gregory’s India and East Africa. Recently, Ned Bertz has entered this field with an interesting publication, Ned Bertz,
independence (as were the Europeans). While some South Asians supported the principle of African self-rule, others adopted a more cautious stance, realizing that their own economic and political positions were, again, at stake.38 This is discussed in the next section.

Independent East Africa, 1961 to 2000

The ultimate measuring stick for commitment and loyalty emerged on the eve of African independence. Asians in East Africa had to decide whether they would take up African (Tanzanian, Ugandan or Kenyan) citizenship or not. Accepting local citizenship would be the ultimate proof that Asian Africans were committed to the new African nations. Some South Asians, however, doubted whether African citizenship would protect their citizen and property rights in the long run, fearing that the continued Africanization of the economy would ultimately be at their expense. Moreover, accepting local citizenship implied that the Asian Africans had to give up their British subject status. At the same time, they realized that asking for privileges and guarantees would raise questions about their loyalties and interests; in these circumstances, a picture would then emerge of an affluent group that would only be an ally of the newly formed African nations if certain conditions were met.39

The constitutions of the independent East African states (Tanzania 1961, Uganda 1962, Kenya 1963) gave those South Asians who were not automatically citizens by virtue of their birth (one of the parents as well as the applicant had to be born locally) an option to register as such within a grace period of two years. An important decision thus has to be made. There were three options.

First, the South Asians could become East African (Ugandan, Kenya or Tanzanian) citizens. This would grant them voting rights and would enable them to obtain local trading licences. Nevertheless, it was foreseeable that in the near future it would be more problematic to travel to the United Kingdom (and Europe) with an African rather than a British passport. In addition, the South Asians realized that accepting African citizenship might not be enough

38. The extreme violence during the Mau Mau revolution (1952-1960) in Kenya made South Asians aware of the need to create constitutional safeguards for their future, Daniel Branch, Defeating Mau Mau, creating Kenya, (Cambridge 2009).
39. It is interesting to note that taking up Indian citizenship was not an option. The first president of India, Jawarlal Nehru, encouraged South Asians in East Africa to settle permanently there and align with the Africans and the African independence movement. He saw them neither as Indians nor as Africans. He would use the phrase “the guest race in Africa”. 

‘Indian Ocean World Cinema: Viewing the History of Race, Diaspora and Nationalism in Urban Tanzania’, Africa 81:1 (2011) 66-88.
to enforce citizen rights and the protection of their properties. Accordingly, if they wished to remain and keep their businesses in East Africa, they were inclined to accept local citizenship. Nevertheless, there were enough ambiguities to make them insecure and hesitant. Luckily, the British government had negotiated an option for the South Asians to register as citizens within a grace period of two years.

The second option was to remain a British subject. Many Asian Africans may, initially, have preferred this option. They supported the independence of African states in East Africa. They wished to continue their businesses, pay taxes, raise their families and promote the economic development of the countries they lived in. Therefore, they needed to know that there was a reasonable prospect that they could continue the life they had lived, including having access to trading licences. Remaining a British subject would, however, give them some extra advantages that were important, such as access to education in the United Kingdom. The South Asian upper and middle classes realized that the standard of higher education in East Africa was poor. Therefore, many elite Asians customarily sent their children to private schools in the United Kingdom. In addition, remaining as a British subject would also give these groups access to medical care and medical insurance in the UK. This was not yet available to the same standard in East Africa. Finally, British subjects could easily travel throughout the Commonwealth, which probably made them the first real ‘world citizens’.40

The third option was to remain as undefined. Often this was not a conscious choice, but happened to those who failed to make up their minds. These people commonly remained active in the informal sector of East Africa.

The choice between being a British subject or an African citizen was often a flip of a coin decision. Many South Asians used the grace period of two years, but were still undecided. Eventually, most families chose to take a mixed stance in the citizenship issue. Some male members would take up local citizenship, whereas many women and younger brothers decided to remain British subjects. In that sense, they could acquire trading licences and

40. Prior to 1949, every person born within the dominions and allegiance of the British Crown (and no other) was a British subject. This meant that to be a British subject you simply had to be born in any territory under the sovereignty of the British Crown. In general, these subjects had the right to travel within the dominions, including to the United Kingdom. British citizens shared the same right, but were living in, or were allowed to live in, the United Kingdom. They could also vote there. In my sample of 76 Asian African families who settled in East Africa before the 1920s, more than 90% had multiple passports in their families. Similar observations can be found in: Pascal Herzig South Asians in Kenya. Gender, generation and changing identities in diaspora (Munster 2006).
continue their local business, but at the same time enjoy medical care and education for their children in the United Kingdom.\textsuperscript{41}

While the South Asian communities in East Africa were discussing and negotiating their options, the new African states were under great pressure from their societies to Africanize the economy and civil service. The result was a number of discriminatory schemes, which introduced various systems of work permits and only allowed ‘non-Africans’ to take jobs that African citizens could not fulfil. There was a particular shortage of managerial and organizational skills. South Asian civil servants (whether they were citizens or not) were pushed out of their jobs to be replaced by Africans. In addition, the issuing of trading licences became a matter of concern for the South Asian community. The renewal of these licences for only one or two years caused economic insecurity. Moreover, the process of renewal was not transparent. Accordingly, it was open to corruption and so led to more uncertainty.\textsuperscript{42} As a consequence, the South Asians in East Africa made sure that they set up escape routes. However, African politicians as well as African societies were aware of these routes, which made them more critical of the loyalty of the South Asians. For them the question was: were these new citizens investors or exploiters?\textsuperscript{43}

In the late 1960s and early 1970s, the East African states increasingly took control of the majority of economic sectors, including foreign banks, insurance companies, key industries and import/export firms.\textsuperscript{44} In the most extreme example of Africanization in Uganda, President Idi Amin eventually expelled all of the South Asians living there. He presented his ironically named Asian farewell speech on fifth August 1972, when he gave the South Asians ninety days to pack up and leave. His main argument was that the British South Asians had come to build the railway, but this had now been completed so there was no need for them to remain. In this speech, as well as in earlier versions, Amin accused the South Asians of the economic sabo-

\textsuperscript{41} Hugh Tinker, \textit{Separate and unequal: India and the Indians in the British Commonwealth 1920-1950} (St. Lucia: 1976). Hugh Tinker, \textit{The Banyan tree} (Oxford: 1977). M.C. Lall, \textit{India’s missed opportunity. India’s relation with the non-resident Indians} (Singapore 2001).

\textsuperscript{42} James Brennan nicely shows how during the anti-colonial nationalist movement, Indians were frequently targeted as primary obstacles to development and African self-improvement. James Brennan, ‘Blood enemies: exploitation and urban citizenship in the nationalist political thought of Tanzania, 1958-1975,’ \textit{Journal of Eastern African Studies} 47:3 (2006) 387-411, 404.

\textsuperscript{43} David Himbara, \textit{Kenyan capitalists, the state and development} (Boulder 1994). Contrary to general belief, Himbara emphasizes that South Asians in East Africa reinvested most of their profits in the continent.

\textsuperscript{44} David Himbara, ‘The ‘Asian Question’ in East Africa: The continuing controversy on the role of the Indian capitalists in accumulation and development in Kenya, Uganda and Tanzania,’ \textit{African Studies} 56:1 1997 3-18.
tage of the country in that they were unwilling to invest in Uganda, but were removing resources from it. He did not make a distinction between Ugandan citizens of Asian descent and non-citizens.

After Amin’s speech, South Asians had to leave the country within the ninety day period. The state was unwilling to protect this group’s basic human and economic rights. Indeed, it was clear that their houses, shops and other properties were at risk of confiscation, and their physical and emotional well-being was also in danger, not least because of Amin’s control of the military. During the last few weeks of the ultimatum period, some 50,000 South Asians left the country, taking only what they could carry and no more than the £55 in cash that they were allowed to remove. In 1973, there were no more than 1,000 South Asians remaining in Uganda.45 To most of this group, their expulsion came as a complete surprise. Initially, many who had heard the Asian farewell speech or read about it in the newspapers simply did not believe that it would become a reality.46 Then, when the first groups of South Asians living in Uganda took flight to the United Kingdom, the US, Canada and elsewhere, the Kenyan and Tanzanian South Asians came to believe that their businesses and lives could be at risk as well.

Despite the fact that neither Kenya nor Tanzania adopted the Ugandan approach, political and economic insecurity in these countries also caused massive migration, and about half of their South Asian populations left. In Tanzania, the Arusha Declaration of 1967 legitimized the nationalization of the main economic institutions, such as banking, insurance, industry and the acquisition of houses.47 In Kenya, the overall approach taken by the new government was focused on the need to build a strong indigenous class of traders, bankers and industrialists. However, the promotion of indigenous businesses was often at the expense of the development of South Asians; it was increasingly difficult for them to renew their trading licences or to get permits for new ventures or government loans.48 Some South Asian business families decided to keep one or two family members in the newly independent states to look after their (former) properties and businesses. In some exceptional cases, the people left behind became the managers (state employees) of their former properties.49 Those who departed would endeavour to build a new life in the United Kingdom, the United States or Canada.

45. G. Oonk, Asians in East Africa, Images, histories, portraits, (Arkel 2004) 53.
46. Various interviews. See also the movie Mississippi Massalla by Mira Nair (1991).
47. Kjell J. Havnevik, Tanzania. The Limits to Development from Above, Nordiska Afrikainstitutet, (Motola 1993).
48. David Himbara, Kenyan capitalists.
49. See, for example, the biography of Andy Chande at www.andychande.com (accessed 15 06 2010).
The political and economic development of the first decades of independent Uganda, Kenya and Tanzania illustrate the harsh consequences of being a successful immigrant businessman. The African states and local societies expected the South Asians to become part of African society and to show their loyalty by accepting their new citizenship, but only about a third did so, as shown in Table 1.

Table 1  Number of South Asians registered as citizens in East Africa, 1969

| Country   | Number of Asians in 1969 | Number of Asians with local citizenship in 1969 |
|-----------|--------------------------|----------------------------------------------|
| Tanzania  | 85,000                   | 25,000                                       |
| Kenya     | 139,000                  | 50,000                                       |
| Uganda    | 74,000                   | 25,000                                       |

Sources: The minority rights group, The new position of East Africa’s Asians (London 1984, first edition 1973).

However, Amin did not make a distinction between citizens and non-citizens, expelling all South Asians, whatever their status. Consequently, Ugandan citizens of Asian descent did not enjoy the same rights as Ugandans of Ugandan descent. Meanwhile, the Tanzanian government nationalized industries that belonged to ‘nationals’, i.e. Tanzanian citizens. In other words, this is more compulsory acquisition than nationalization.

The political situation had thus changed dramatically. In colonial days, the South Asians were excluded from land ownership. They also faced discriminatory trading regulations and argued for representation on various legal bodies (no taxation without representation). However, they were able to discuss their issues in the media, organizing conferences and mass meetings and visiting representatives of the British Empire in Nairobi, Zanzibar, Delhi and London. The British Empire was often unfair in the eyes of the South Asians, but the Idi Amin era was of a different order. The South Asians in East Africa, being formal Ugandan citizens, faced clear violations of their economic and civic rights. It was clear to them that there was no room to protest and they should leave the country as soon as possible.

Concluding Observations

For two centuries the South Asians in East Africa (Tanzania, Uganda and Kenya) have been a marked dominant minority, controlling an important part of the economy, while their numbers remained relatively small. In general, the South Asians offered credit, supplied goods and provided jobs. Overall, they were taxpayers and therefore a main source of income for the rulers/state. Nevertheless, their economic success and the fact that they were a vis-
ible minority made them vulnerable to ethnic intolerance or hatred. They therefore developed escape strategies like using foreign bank accounts, sending their children overseas for their education or for jobs and using multiple passports in their families for economic, social and security reasons. These escape strategies remained an important source of prejudice and intolerance. In the eyes of the majority, these schemes were evidence of the fact that these minorities were not loyal to local economies and were only willing to exploit the area and its people. The marked dominant minorities, however, rightly emphasized that those who had taken up local citizenship were also expelled by Idi Amin from Uganda. In addition, the profitable factories and firms and the houses of many South Asians were nationalized in the late 1960s and the early 1970s. What’s more, their strategies to re-invest in the local African economy were not recognized, but nationalized. In short, they were caught in what I have labelled as the middleman minority’s catch-22.

This catch-22 scenario did not emerge over night. In this article, I have taken a long-term perspective by showing the continuity and change in the ambivalent relationships of South Asians in East Africa. The last two centuries have seen a dramatic change in the region, from having African and Arab rulers to the emergence of British and German colonies and, finally, to the independent states of Tanzania, Kenya and Uganda. In this period, the relationship of South Asians with the rulers/state was of great importance. Overall, they provided financial services and supplied goods and trade. However, they always realized that part of their economic success depended on the state and its rulers.

The South Asians in East Africa have been a numerically small trading community for centuries. Their total numbers were never more than two per cent of the overall population. Nevertheless, they were disproportionately involved in trade and finance. Indeed, more often than not, they controlled an important aspect of the total trade and produce of the formal economy in the region. Over the centuries, they have served Arabic rulers, assisted colonial governments in developing the region, and were major traders and business families after independence.

The different rulers developed ambiguous relationships with this outsider minority group. In general, their ambivalent attitude remained surprisingly constant. They were attracted to the South Asians’ financial services, but always kept them at a distance and viewed them with distrust. The South Asian minorities facilitated economic development in the region, but their success, well-being, and economic and physical security depended on the goodwill of the rulers. At times, they feared for their personal security, and local rulers were often unable – or unwilling – to defend their rights.

The post-colonial East African states shifted the balance of power towards the indigenous people. With the exception of Idi Amin’s dictatorship, most policies were not directed against the South Asians specifically. Nevertheless,
they were the ones who were affected the most. Becoming a formal citizen of Uganda, Kenya and Tanzania did not guarantee the economic and physical security of the minorities living in those countries; nor did it protect their property rights. The access to citizenship, minority rights’ regulation and trading licences, and the lack of access to landownership, (senior) jobs in the civil service and the military, were all at stake to various extents in the period under research. In the post-colonial world, Asian Africans were unable to claim their rights. The (colonial) governments had shown a strong ambivalence towards South Asians in East Africa, whereas there was some sort of mutual understanding in the pre-colonial area. In short, if the ruling elites cannot find a way to accommodate economically successful minorities, and if the entrepreneurial minorities cannot convince local society and their rulers of their economic and political loyalty, they will always be caught in the middleman minority catch-22.

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