CHAPTER-I

HISTORICAL CONTEXT: INDIA AND WEST ASIA

It is during the last few decades that some scholars have drawn their attention to the condition of Indians in the West Asian and Gulf countries. There are so far some studies available on the social, cultural and economic conditions of Indians living in the West Asian countries. These studies focus largely on the countries of the West Asia and the Gulf region and are inspired by the broader context of their increasing number in the region and concern of the government of India on the condition of the Indian expatriates in these countries. A.K.Pasha published an anthology entitled “India, Bahrain and Qatar: Political, Economic and Strategic Dimensions in 1999. It consisted twelve articles on different issues related to the India’s relations with these countries of the Gulf. It is a commentary on the international relations and strategies that affect them. Abdulla Elmadani’s work entitled “Historical Links between India and the Gulf” published in the same year (1999) is based on the relationship between India and the Gulf region from ancient times. He cites evidence from archaeological findings from Indus civilization and the Gulf to prove his point. His work not only throws light on the commercial links between these two regions but also traces the roots of the socio-cultural ties between India and the Gulf countries. Prakash. C. Jain’s edited work “Indian Diaspora in West Asia” published in 2007, however, is more focussed in the treatment of the question of the conditions of Indian expatriates in the region. It is an anthology of twelve essays contributed by different scholars and is first systematic study of Indians in the Gulf. He begins by tracing the roots of Indian’s presence in the region since the ancient period. Surendra Gopal’s article highlights the trade which was done from the ports of Sind and Gujarat. Calvin H. Allen’s article “The Indian Merchant Community of Masqat” describes the dominance of Hindu merchant community in the country. Article “Merchants’ Role in a Changing Society: The Case of Dubai, 1900-90” by Fatma Al-Sayegh mentions how the trade and commerce became the main source of income for the states. She also tried to know the role of baniya community in the prosperity of the country. “International Migration and Development: Indians in the Persian Gulf” by Myron
Weiner focuses on the presence of Indians in five oil-producing countries—Kuwait, Qatar, Bahrain, the United Arab Emirates and Oman. The governments of these countries imported labour, particularly, Indian labour to meet the demand but have decided not to permit migrants to become citizens. Reena Abraham’s work “Footprints in Time: The Story of Indians in Bahrain” published in 2008 focuses particularly on the Bahrain-India relationship. She writes about some Indian merchant families who have lived in Bahrain over several generations. Her work has made us to understand that Bahrain has always attracted people of all races and religions, and the openness and hospitality of the people of Bahrain is remarkable. Indians, in turn, have contributed to the development and the progress of Bahrain. Her work is an attempt to find out the political, social, economic and cultural links between India and Bahrain. These valuable studies help us to understand the process of development of India’s relations with the countries of the Gulf region but there is no focus on the Punjabis living in the Gulf region, particularly, in Bahrain. Some scholars, however, dealt with the Indian communities, especially the merchant communities, residing in different countries of the Gulf but for some cross reference there is, however, no direct reference to the Punjabis in the work. The work is useful to us because it highlights the possibilities of further research on the immigrant communities in different countries of the Gulf and the West Asia as a whole.

The economic contacts between India and the countries of the Gulf are an important feature of Indo-Gulf relations. There are enough archaeological evidences that the trade relations between these two regions existed since the period of Indus Valley civilization.\(^1\) A number of seals have been found in the Gulf with designs and characters similar to Indus civilization.\(^2\) Objects like pottery and sea-shells that belonged to the Gulf were also recovered during the excavations in Harappa. According to J.P.Joshi of the Archaeological Survey of India, “as many as 42 items of trade between India and the Gulf have been identified which include copper, silver, carnelian, ivory, tin, tortoise shell, pearls, precious stones and cloth”.\(^3\) Al-Beruni and Abdulrazzak have also mentioned about the trade links between India

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and the Gulf in the medieval period. But, the period of the seventeenth century has been known as the ‘golden period’ of Indian maritime trade because this was the time when the Indian merchants expanded their trade activities to almost every part of the Gulf. A number of commercial exchanges were witnessed in this period. A number of evidences described the well-known trading centres in India during this period through which Indian goods were used to send to the Gulf ports and the main out of them were Gujarat, Sind in the western and the Malabar coast in southern India.

In Gujarat, Cambay, Broach, Surat and Diu were important commercial hubs for the overseas trade. These ports were being situated on major trade routes and performing commercial functions. These centres were well-known for ivory, corn, agate-carving, muslin, quilts, patola, bafta (craft products), cotton stuffs, silk, lacquer-ware, calico and chintz. Surat and Cambay ports were the main centres for the ship building. Out of these ports Surat was the most urbanized where rich merchants and administrative officials, brokers and money lenders residing which transformed Surat into a commercial infrastructure capable of handling large-scale transactions in overseas trade. The importance of Surat can be understood by its volume of overseas trade which was about one-tenth of the all Gujarati sea trade in by 1644. Surat was also a starting point for ships carrying pilgrims to their holy places in Gulf. It is evident that a large number of Muslims travelled to these places every year. These people also carried goods to be sold in different parts of the Gulf. The pilgrim ships of the capacity of about 1000 tons were used to sail between the

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Gulf and India. Rahini (1500 tons), Hasani (600 tons) and the Muhammadi were the names of the ships belonging to Surat.\(^\text{10}\)

Karwar, Cannanore, Calicut and Cochin were important trading centres in Malabar from where spices, particularly, pepper, ivory, timber, pearls and gems were being exported to different parts of the Gulf region. As timber was not available in the Gulf, thus, most of the ships were built either in Malabar or Gujarat.\(^\text{11}\) The demand of pepper produced in Malabar was so high in the overseas markets that merchants from Gujarat used to sail to Malabar to purchase pepper and then re-export to the Gulf. According to a Portuguese document, the total production of pepper in Malabar was over eleven million pounds in the sixteenth century which was expanded in the later period.\(^\text{12}\)

The importance of Sind in overseas trading has been acknowledged in Portuguese documents. Sind was famous for its weaving industry. A variety of textile produced in the industry was in great demand in the Gulf countries. Indigo was also available through the ports of Sind. The volume of trade can be understood from the percentage of custom revenue of the port Thatta in Sind which was 10 per cent of the total.\(^\text{13}\) In Sind, Dabhol and Thatta were the well-known trading points.\(^\text{14}\) Dabhol, Daibal or Dewal had disappeared by the early seventeenth century and was known as Diul or Diul in Sind. Later on it came to called Lahari Bandar port which was used for the export of a variety of country products to the Gulf.\(^\text{15}\) According to Ain-i-Akbari, nearly 40,000 large and small boats could be hired at Lahiri Bandar.\(^\text{16}\) The chief products brought to India from the Gulf were coined silver in the forms of larins, dried fruits, rose water, wines, horses, Persian silk, carpets, a large quantity of Persian gold and pearls. Bahrain was famous for its pearl fisheries.\(^\text{17}\)

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\(^\text{12}\) Sinnappah Arasaratnam, “Maritime India in the Seventeenth Century”, *Maritime India*, p. 110.
\(^\text{13}\) Reena Abraham, *Foot Prints in Time*, p. 47.
\(^\text{14}\) Abdulla Elmadani, *Historical Links between India and the Gulf*, p. 4.
\(^\text{15}\) W.H. Moreland, *India at the Death of Akbar*, p. 191.
\(^\text{17}\) W.H. Moreland, *India at the Death of Akbar*, p. 204.
The Arab and Portuguese documents give details of the ‘baniyas, the business community from Thatta in Sind.\textsuperscript{18} Diego de Couto mentioned that Thatta was one of the richest port towns in Sind. It was famous for its high-quality cotton, chintzes and muslins.\textsuperscript{19} And was an important trading point, especially for Muscat.\textsuperscript{20} The Thattai baniyas were well established in Muscat. There were three different Indian merchant communities in Muscat. The first were the Sindhi Bhatias from Thatta. These merchants later shifted to Bahrain and other Gulf ports. Thatta lost its commercial importance in the second half of the seventeenth century but these merchants remained active in business. The second business community was the Kutchi Bhatias who had global business connections. Some prominent businessmen of this community were Virji Purshotam Toprani, Premji Jamnadas Bhimani, Ratansi Pursottam, Dowlatgirji Marupgirji, Virji Ratansi, Damodar Dharamsi, Khimji Ramdas, Dayal Pursottam, Danji Murarji, Vallabdas Umarsi and Gopalji Walji. The third group was the Khojas, who were from Hydrabad and also known as Luwatiyyas. This merchant community was settled in Oman and had monopoly over the trade of dried fish.\textsuperscript{21} The Indian merchants in Muscat used Portuguese ships for trading.\textsuperscript{22} Wealthy merchants of Sind and Gujarat who had their own ships were acted as backbone of the overseas trading. For example, the name of Abdul Ghaffur was well known among the ship-owners of Surat who owned 20 ships in seventeenth century. The ship-owners used to have agents at the ports of loading in India and at the destination ports in the Gulf as well. Those merchants who didn’t own ships hired space in the ships of others to transport their goods into Gulf markets. These merchants were larger in numbers. The demand for large space in the commercial vessels was behind the construction of ships with the capacity up to 1000 tonnes. It shows the increasing trading activities between India and the Gulf countries. Nakhudas also played an important part in overseas trading.\textsuperscript{23} They were the

\textsuperscript{18} Reena Abraham, \textit{Foot Prints in Time}, p. 30.  
\textsuperscript{19} Ibid. p. 47.  
\textsuperscript{21} P.C.Jain, \textit{Indian Diaspora in West Asia}, p. 15-16.  
\textsuperscript{22} Reena Abraham, \textit{Foot Prints in Time}, p. 47.  
\textsuperscript{23} The person who obviously qualifies as a maritime merchant is the well-known nakhuda of the Indian Ocean Ships. The nakhuda as we all know was and is the little god who directs a ship in the waters. In the dhows of the western Indian ocean he is till the man who presides unquestioned over the destinies of the vessel. Towards recent times, nakhuda has become a maritime person, an experienced navigator and sailor, which he was not necessarily earlier; Ashin Das Gupta, \textit{The World of the Indian Ocean Merchants 1500-1800}, Oxford University Press, New Delhi, 2001, p.
maritime merchants and specialists in sailing. Those merchants, who did not travel to sell their goods in the overseas markets and had no agents in the ports of destination, hired these nakhudas on commission basis.\textsuperscript{24} The other category of overseas merchants were the kings, princes, members of the royal family, administrators, military officials and the nobles. These people pursued their trade with the help of established merchants. Other than this, there was a large group of merchants who operated in the overseas trading ports and their hinterlands. They were mainly the wholesalers who used to purchase goods in bulk, sometimes contracting for an entire ship load as they had their own warehouses for storing them.\textsuperscript{25}

All the trading activities in Sind were in the hands of Hindu merchants. This statement is supported by Alexander Hamilton, an English merchant who visited Sind in 1699, reported that the trade was conducted by Hindu merchants. The Sindhi Bhatias from Thatta were the first Indians arrived at Bahrain. They were Hindus and perhaps the first non-Arabs to settle in the country. The trade between Sind and the Gulf was mainly conducted by them. They were also called ‘baniyas’. The Thatta Bhatias are still doing well in Bahrain. However, it was a small community and still its members are small in numbers, but undoubtedly, they believed to be the most trustworthy business group on the island. It is important to mention here that however, Bhatia merchants played an important role in the growth of pearl Industry of Bahrain, but they were never permitted for the task of pearl-diving. They were the first in Bahrain who started lending funds to the Bahraini and other Arab pearl merchants for the pearling expeditions. And in return they were given preferences to choose the best pearls which they sold to wealthy merchants and Indian royalty. In 1930, the Bhatia community owned 56 companies involved in the pearl business.\textsuperscript{26}

Thus, the Indians in the Gulf countries were enjoying wealth and prosperity and having good reputation among the Arabs. Abdulla Elamadani mentions in a very secret report on Bahrain’s prominent merchants in 1930’s that six out of thirteen

\begin{itemize}
\item \textsuperscript{24} See also; Nakhoda- ship owner ( Persian) in Ranbir Chakravarti, \textit{Trade in Early India}, Oxford University Press, 2001, p. 432.
\item \textsuperscript{24} Sinnappah Arasaratnam, “Maritime India in the Seventeenth Century”, \textit{Maritime India}, p. 179-181.
\item \textsuperscript{25} Satish Chandra, \textit{Medieval India}, p. 405.
\item \textsuperscript{26} Reena Abraham, \textit{Foot Prints in Time}, p. 53.
\end{itemize}
well-known merchants were from India. Bahrain and India always had good trade links. Early reports from archives of the English Administration in the Gulf also supported the above statement. It shows that India was not only a market place for the Gulf pearls but also acted as a chief supplier of all kind of commodities from arms and ammunition, timber and cloth to oil, sugar and spices etc. For example, the value of Indian exports to Bahrain alone in the year 1873 was 1,167,375 rupees. And Indian goods constituted 72.47 per cent of the total imports of Bahrain in 1929-30.

There were a number of merchant families who get benefited of these commercial activities between these regions. One of them was Baboo Kewalram, a business tycoon in Bahrain belongs to the family who was active in trading with Arab traders of the country, and later settled on the island in the early eighteenth century. He mentions, “The people of Bahrain are warm, hospitable and respect relationships”. This might be the reason that Bahrain became the most comfortable destination for trading and residing of the Indians. According to an estimate, 19 per cent of the total number of the community in the Gulf was born in Bahrain.

The ‘baniya’ community was not only doing well in Muscat and Bahrain, but they had good reputation among the merchant communities in Dubai also which was the largest city in the United Arab Emirates. Dubai was a stopping place for the ships heading to and from India and has been known as the ‘city of merchants’. The Indians formed the second largest business group after the local Arabs in Dubai. They were the financers for the pearling expeditions and had a control over the retail trading in the country. A number of them were also representing the British Indian firms in Bombay. These merchants enjoyed freedom in the country until 1930s. It was the time when the pearl industry declined and the discovery of oil in the region provided a source for direct income to the Arab rulers. There were about 600 wholesale dealers in textile in Dubai, of which 450 were the Sindhis. They have

27 Abdulla Elmadani, Historical Links between India and the Gulf, p. 16.
29 Abdulla Elmadani, “India’s Impact on Gulf’s Economic and Socio-Cultural Life”, in P.C.Jain, Indian Diaspora in West Asia: A Reader, Manohar publications, New Delhi, 2007, p. 47.
30 Reena Abraham, Foot Prints in Time, p. 47.
31 P.C.Jain, Indian Diaspora in West Asia, p. 84.
32 Ibid., p. 17.
played an important role in the trade of textile, foodstuff and recently, electronic goods.\textsuperscript{33}

There was another Indian merchant community functioning its economic activities and had dominance over the gold trade in almost every emirate of United Arab Emirates and that was the Gujarati business group.\textsuperscript{34} Like Sindhis, the Gujarati merchants had good trade links with the Gulf countries. They used to travel to different parts of the Gulf for trading and some of them had settled in the Gulf countries permanently.\textsuperscript{35} Similarly, many Arabian merchants found India as a land of good business. As India’s weather conditions were better than those of the Gulf countries, many of them had settled down in the Indian ports towns permanently. These Arab merchants were also welcomed in India and gradually became essential element of the economic, social and cultural life of the society. Those who were having good capital and a high-rank among others, contributed a good amount of their money to establish schools, mosques, clubs and many other institutions that benefited the society, especially the Muslim and the Arab community. Elmadani mentions a Hijazi merchant, Muhammed Zainal Alireza’s role in the Indian society, who was known as the founder of many reputed schools in India, including the famous Alfalah School in Bombay. He also writes about a Kuwaiti merchant, Alebrahim who was not only engaged in the business activities, but also worked a lot for the development of the Indian society’ Arab merchants also invested their pearl revenues in real estate in India. Those were Albassam and Algosaibi from Saudi Arabia, Alzayani and Alurrayed fom Bahrain and Almidf’a and Alsayegh’i from the United Arab Emirates.\textsuperscript{36}

Bahrain was having intimate trade relations with India. A number of articles were exported to India during 1930s as shown below:

\textsuperscript{33} Ibid., p. 18.
\textsuperscript{34} Ibid., p. 18.
\textsuperscript{35} Abdulla Elmadani, “India’s Impact on Gulf’s Economic and Socio-Cultural Life”, \textit{Indian Diaspora in West Asia}, p. 46.
\textsuperscript{36} Ibid., p. 14.
Statement Showing the Quantity and Value of the Principal Articles of Imports
Into India from Bahrain.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Articles</th>
<th>Units</th>
<th>1938 Quantity</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Fruits and vegetables, dates</td>
<td>'000 Tones</td>
<td>2</td>
<td>1,60</td>
</tr>
<tr>
<td>2</td>
<td>Hardware (excluding cutlery &amp; Electroplated ware)</td>
<td>value</td>
<td>-</td>
<td>18</td>
</tr>
<tr>
<td>3</td>
<td>Hides and skins-raw</td>
<td>Tons</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>4</td>
<td>Instruments, apparatus, &amp; appliances &amp; parts therefore photograph films-Exposed</td>
<td>Lenght in '000 of feet</td>
<td>144</td>
<td>9</td>
</tr>
<tr>
<td>5</td>
<td>Metals</td>
<td>Tons</td>
<td>16</td>
<td>8</td>
</tr>
<tr>
<td>6</td>
<td>Minerals Oils</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1) Diesel oil</td>
<td>'000 Gals</td>
<td>2,418</td>
<td>4,06</td>
</tr>
<tr>
<td></td>
<td>2) Other fuel oil</td>
<td>-</td>
<td>1,580</td>
<td>2,05</td>
</tr>
<tr>
<td></td>
<td>3) Kerosene, in bulk</td>
<td>-</td>
<td>11,056</td>
<td>34,79</td>
</tr>
<tr>
<td>7</td>
<td>Petroleum Articles</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1) Motor spirit</td>
<td>'000 Gals</td>
<td>7,345</td>
<td>35,26</td>
</tr>
<tr>
<td></td>
<td>2) Other fuel oil</td>
<td>-</td>
<td>191</td>
<td>71</td>
</tr>
<tr>
<td>8</td>
<td>Pearls, unset</td>
<td>Value</td>
<td>-</td>
<td>2,52</td>
</tr>
<tr>
<td>9</td>
<td>Wool, manufactured carpets &amp; floor rugs</td>
<td>'000 lbs</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>10</td>
<td>Other articles</td>
<td>Value</td>
<td>-</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>value</td>
<td>-</td>
<td>81,89</td>
</tr>
</tbody>
</table>

Source: Based on the Sea-Borne Trade Accounts.

Bahrain had very little production of its own and depended largely on imports for its needs. During 1930s, imports from India to Bahrain were the highest, as it is clear from the above statement given below:
Statement Showing the Quantity and Value of the Principal Articles of Imports from India to Bahrain.

| Sr. No. | Articles                                      | Units       | 1938
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Quantity</td>
<td>Value</td>
</tr>
<tr>
<td>1.</td>
<td>Apparel</td>
<td>Value</td>
<td>22</td>
</tr>
<tr>
<td>2.</td>
<td>Boots &amp; shoes</td>
<td>'000 prs.</td>
<td>23</td>
</tr>
<tr>
<td>3.</td>
<td>Chemical &amp; chemical preparations</td>
<td>value</td>
<td>-</td>
</tr>
<tr>
<td>4.</td>
<td>Coffee</td>
<td>'000 cwt.</td>
<td>3</td>
</tr>
<tr>
<td>5.</td>
<td>Coir, Manufactures</td>
<td>'000 cwt.</td>
<td>1</td>
</tr>
<tr>
<td>6.</td>
<td>Fruits &amp; vegetables</td>
<td>value</td>
<td>-</td>
</tr>
<tr>
<td>7.</td>
<td>Glass &amp; glass ware</td>
<td>value</td>
<td>-</td>
</tr>
<tr>
<td>8.</td>
<td>Grain, pulses &amp; flour</td>
<td>'000 Tons</td>
<td>10</td>
</tr>
<tr>
<td>9.</td>
<td>Hardware &amp; cutlery</td>
<td>value</td>
<td>-</td>
</tr>
<tr>
<td>10.</td>
<td>Metals, ores &amp; minerals</td>
<td>value 694</td>
<td>38</td>
</tr>
<tr>
<td>11.</td>
<td>Vegetable oils, non-essential</td>
<td>'000 Gals.</td>
<td>2</td>
</tr>
<tr>
<td>12.</td>
<td>Paints &amp; painters’ materials</td>
<td>value</td>
<td>-</td>
</tr>
<tr>
<td>13.</td>
<td>Provision's &amp; oilman's stores</td>
<td>value</td>
<td>-</td>
</tr>
<tr>
<td>14.</td>
<td>Oilseeds</td>
<td>Tons</td>
<td>56</td>
</tr>
<tr>
<td>15.</td>
<td>Spices</td>
<td>'000 cwt.</td>
<td>1</td>
</tr>
<tr>
<td>16.</td>
<td>Tea</td>
<td>'000lbs.</td>
<td>16</td>
</tr>
<tr>
<td>17.</td>
<td>Cotton &amp; yarn</td>
<td>'000 lbs.</td>
<td>193</td>
</tr>
<tr>
<td>18.</td>
<td>Piece goods</td>
<td>'000 yds.</td>
<td>1,790</td>
</tr>
<tr>
<td>19.</td>
<td>Woollen manufactures</td>
<td>value</td>
<td>-</td>
</tr>
<tr>
<td>20.</td>
<td>Wood &amp; timber</td>
<td>value</td>
<td>-</td>
</tr>
<tr>
<td>21.</td>
<td>Postal articles</td>
<td>value</td>
<td>-</td>
</tr>
<tr>
<td>22.</td>
<td>Other articles</td>
<td>value</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>value</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Based on the Sea-Borne Trade Accounts.

It is important to mention that in pre-oil era the primary sources of income of the Gulf countries were pearls, fishing and trade. The majority of population in Kuwait, Qatar, Bahrain, the United Arab Emirates, and the eastern coast of Saudi Arabia was involved in these activities to earn their livelihood.\(^{37}\) The documents of

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\(^{37}\) Abdulla Elmadani, “India’s Impact on Gulf’s Economic and Socio-Cultural Life”, *Indian Diaspora in West Asia*, p. 46.
the seventeenth century speaks that the Venetians, Jews from Aleppo and baniyas from Gujarat were the main exporters of the pearls from Gulf. The natural pearls manufactured in the Gulf were in great demand in India as well as in European countries. The pearls were brought to India for piercing and polishing and were finally turned into ornaments. The pearls and the pearl ornaments were either re-exported to Europe or sold to Indian Maharajas at high prices who were fond of them. In this way, the pearl merchants, whether, the Indians or the Arabs earned good amount of money from pearl industry. However, the Indian markets were opened for the import of the pearls all over the Gulf region, but Bahrain’s natural pearls were in great demand due to its superiority over others. Reena Abraham mentioned that in comparison with other Gulf countries, Bahrain’s pearl was far above others and country’s wealth was drawn largely from this industry. Bahraini pearl was in great demand in India and the European countries. There is evidence when a Bahraini pearl worth 80,000 rupees was sold in Bombay by an Arab merchant in early twentieth century. According to Andrew Gardener, Bahrain emerged as the principal pearl market in the Gulf by the end of the 19th century. Peter Vine also supported this by stating that the pearl harvesting in Bahrain was worth a million pounds sterling in 1909 and there were around 20,000 people involved in it. Reena Abraham also stated that a number of islands in Bahrain have pearl fisheries and around 1,000 ships were connected to pearl trade. A number of evidences speak of the involvement of the Indian merchants in the pearl trade. These merchants took the opportunities to benefit themselves by buying and selling of Gulf’s finest pearls in the Indian markets. The baniyas from Gujarat were the leading community in exporting Gulf’s pearls. A. Karim Al Orrayed, who was a prominent writer of Bahrain, refers to some well-known

39 Abdulla Elmadani, “India’s Impact on Gulf’s Economic and Socio-Cultural Life”, *Indian Diaspora in West Asia*, p. 46.
40 Reena Abraham, *Foot Prints in Time*, p. 49.
42 Andrew Gardner, *City of Strangers*, p. 34.
44 Reena Abraham, *Foot Prints in Time*, p. 49.
45 Andrew Gardner, *City of Strangers*, p. 35.
businessmen of India dealing in pearl industry. Those were Damalmal Das, Melme, Zeta Dowaser, Wash Al Banyan, Faqero Sakal and Gandolal Shah. Almost all merchants were having offices in India as well as in Gulf countries and the capacity of investing an amount of 3 million or even more.

The mercantile abilities of the Gujarati merchants have taken them ahead. Even the English and Dutch were surprised to see the business skills of the Gujarati people when they visited Gujarat in the 17th century. The Gujarati businessmen had established the ‘hundi’ system for easy transmission of money. The hundi could be compared to the modern cheque system. A number of agency houses also set up in India and the Gulf countries where the merchants could cash hundis at their destination points after selling their goods. This system was wonderful and gradually became the standard form of payment in mercantile dealings. It provided safety to the traders travelling for their inter-reign trade through land or sea routes.

In the sixteenth century, Portuguese, English, Dutch and French companies were trying to strengthen their control over the sea trade between India and the Gulf. In this period, the Indian merchants were deprived of their share in the trade. Similarly, the Arab merchants and their rulers in Muscat, Bahrain and other Gulf countries were forced to pay a number of taxes which affected the Indo-Gulf trade. But gradually, the Indian traders regained their hold over trading activities by lessening their profit share. The English and Dutch companies expected to have a profit of 40 per cent or even more whereas, the Indian traders were happy with only 10 to 15 per cent. The Indian ships had low shipment charges and less expenditure on equipping them in comparison to these companies. And moreover, the Indian traders had a better understanding of the Gulf markets, and the traditions and likings of the local people.

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47 *Hundi* was a letter of credit payable after a period of time at a discount. The hundis often included insurance (bima) which was charged at different rates on the basis of the value of the goods, destination, means of transport (land, river or sea) etc.; Satish Chandra, *Medieval India*, p. 394.
49 Abdulla Elmadani, “India’s Impact on Gulf’s Economic and Socio-Cultural Life”, *Indian Diaspora in West Asia*, p. 45.
50 Satish Chandra, *Medieval India*, p. 408.
The period of seventeenth century was, therefore, very important in terms of economic developments between India and the Gulf. This period was also known for an intense competition between trading companies due to the strategic position of the Gulf on the rich route to India and the Europeans succeeded in obtaining the control over the region by establishing factories at various coastal areas of the country which also increased the sea trade. In some ports of the Gulf, like Muscat, United Arab Emirates and Bahrain, Indian owned vessels with European flags were in use and maintained profitable trade but with the development of steam-driven and iron-constructed European ships in the 1860s and 1870s, there was a constant increase in their overseas trade. These European vessels were suitable to sail in all weather, and were larger, faster, safer and more reliable than the Indian vessels. Initially, the increasing mercantile activities in the Gulf were not welcomed by the Indian traders, but later they realized that Europeans were much more potential in competitive trading. Indian traders adopted a strategy and entered into the import-export trade of Europeans. They get benefited by the capital resources, shipping capacity and navigation skills of the Europeans. They gave a tough competition to the Europeans in the textile, pepper, indigo and sugar trade in the Gulf ports. They also started hiring European pilots and gunners to increase their mercantile activities and thus, succeeded in taking lead over Europeans in many places. Ashin Das Gupta in his "India Merchants and the Decline of Surat 1700-1750" describes that Surat’s annual turnover was Rs. 16 million during this period, of which the European's share was only Rs. 2 million or one-eighth of the total.

During the colonial period, relations between India and the Gulf became more challenging. Control over the lines of communication between the colony and the colonial country was vital to serve the British interests. Britain maintained its influence in the Gulf in order to protect its interests in India and its trade and communication routes. Already Britain had established its agencies and residencies in Muscat, Bahrain, Kuwait and Sharjah. A number of times the British Indian vessels and merchants were attacked by various tribal groups in the Gulf waters,

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51 Mohammad Idris, Foreign Trade under Mughals, p. 39.
52 Sinnappah Arasaratnam, “Maritime India in the Seventeenth Century”, Maritime India, p. 223.
53 Ibid., p. 187.
54 Satish Chandra, Medieval India, p. 403.
55 Reena Abraham, Footprints in Time, p. 37.
thus, the British became more concerned about the Gulf affairs.\textsuperscript{56} And entered into treaties with the Gulf countries like Bahrain, Oman, Kuwait and Qatar in the 19\textsuperscript{th} century by which Britain appropriated the responsibility for maritime protection of the Gulf countries and was able to get the local rulers to collaborate in the pacification of Gulf. General Treaty of Peace of 1820 was the most significant treaty that took place between the British India and the Gulf.\textsuperscript{57} This treaty was just the beginning. After this, there were a number of pacts signed by them which made the Arab Rulers more dependent on the British powers. The most important of them were- The Maritime Truce of 1835, of 1843 and of 1853. These Truces were signed by different Gulf countries at different period of times. The arrangement under these Truces was known as “Trucial System” and the States which joined these Truces were called “Trucial States”.\textsuperscript{58} The opening of the Suez Canal in 1869 increased the overseas trading of the Europeans. It gave an easier passage to the European vessels sailing to Europe which save both travelling expanses and time. By the 1880s, the British emerged as a leading power in the Gulf. Europeans were succeeded in controlling the Suez Canal, from Egypt and other parts of the Gulf and waterways from Bahrain and Oman. These expansions were clearly indicating towards the economic interests of the Europeans.\textsuperscript{59}

For administrative and political convenience, the British Government created a post of Britain’s Gulf Resident in Bushier (in Southern Iran) to supervise the execution of the treaty in the Gulf. The ‘Gulf Resident’ was an authorised person with certain responsibilities to sustain the hold of the British power in the Gulf region.\textsuperscript{60} He was not alone in handling the matters but had representatives who were answerable to him. These representatives were named as ‘Native Agents’ in the 19\textsuperscript{th} century but later in the 20\textsuperscript{th} century, they were designated as ‘Political Agents’. Indians or Arabs only could be appointed as representatives depending upon the British Authorities’ decisions.\textsuperscript{61} They were appointed in Bahrain, Sharjah, Muscat

\textsuperscript{56} Sinnappah Arasaratnam, “Maritime India in the Seventeenth Century”, Maritime India, p. 227.  
\textsuperscript{57} Abdulla ElMadani, Historical Links between India and the Gulf, p. 10.  
\textsuperscript{58} James Onley, “Britain’s Informal Empire in the Gulf: 1820-1971”, Institute of Arab and Islamic Studies, American University of Sharjah, Sharjah, 2004, p. 4.  
\textsuperscript{59} Sinnappah Arasaratnam, “Maritime India in the Seventeenth Century”, Maritime India, p. 230.  
\textsuperscript{60} James Onley, “Britain’s Informal Empire in the Gulf: 1820-1971”, Institute of Arab and Islamic Studies, p. 2.  
\textsuperscript{61} Andrew Gardner, City of Strangers, p. 38.
and Kuwait at different times. Until India’s independence, all matters were governed by these officials and thereafter, by the Foreign Office in London. With these numbers of arrangements by Britain, the Gulf countries gradually lost their hold over their own states. Although the Arab Rulers remained the heads of their States, but in reality, their territories were considered under the British Empire and thus, the British were the de facto rulers.

Therefore, India and the Gulf region were linked politically and administratively under the British rule. Indian currency was in circulation in the Gulf countries. It remained the official means of payments in the Gulf countries until they issued their own currencies around the mid 1960s. Abdulla Elmadani mentions that India’s freedom movements also encouraged the people of the Gulf countries to raise voice against the British. For example, the people of Bahrain started demanding administrative and legal reforms in the laws related to pearl industry and labour conditions in the early 1920s. Two of Bahrain’s prominent leaders, Abdul Wahab-Al-Zayani and Ahmed Bin Lahiji were detained and sent into exile to Bombay. Indian National Congress supported them and Mohammed Ali Jinnah became their defence lawyer. The impact of Indian National Movement on the reform movements in Bahrain was significant. Therefore, Major Dickson, who was the British Political Agent in Bahrain, stated in an official report that India’s political movements were responsible for the unrest in Bahrain.

The Arab merchants settled in India were keenly observing the anti-British activities in India and regularly supplying the news related to it. The people of the Gulf who were also suffering from the same pain, decided not to bear it anymore. Therefore, the anti-British movements started in all Gulf countries which were supported by the Indians. In 1928, a resolution passed by the Indian National Congress in which they expressed their sympathy and support to people of the Gulf in their struggle against the British. British, thus, understood that they won’t be

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62 Abdulla Elmadani, “India’s Impact on Gulf’s Economic and Socio-Cultural Life”, Diaspora in West Asia, p. 11.
63 Abdulla Elmadani, “India’s Impact on Gulf’s Economic and Socio-Cultural Life”, Indian Diaspora in West Asia, p. 45.
64 Ibid., p. 47.
65 Abdulla Elmadani, Historical Links between India and the Gulf, pp.14 & 15.
66 Ibid., p. 15.
able to control the Gulf for longer times and finally freed Kuwait in 1961 and the other countries by 1971.67

However, in the colonial period, all decisions were taken by the British authorities, but some of them somehow benefited both regions economically. For example, the trade between India and the Gulf increased in this period. British had established a regular shipping route between Bombay and Basra by the British India Steam Navigation Company known as “B I Line”. With this establishment, many Arabian ports of Muscat, Bahrain, Kuwait and Dubai, which lay on that route, became busy trading hubs. This step was welcomed by the Indian as well as the Gulf countries as this increased the trading activities and brought wealth for both India and Gulf region. Although, earlier the only intention of the British Government was to get safe passages for the British shipping.68 According to Abdulla Elmadani, however, the British were thinking of their own economic interests, but it also somehow helped the Indian merchants to reinforce their position in the Gulf countries.

The Indians who were the British subjects enjoyed protection and privileges under British rule. And in return, they also served British interests in the Gulf through representing British firms and departments in the Gulf. Prior to this period, their commercial activities were limited due to domestic instability and tribal wars in the Gulf region.69 One example of it is Mr. Jashanmal Jhangliani from India, who opened his first general store in Kuwait in 1934 and gradually, with his professionalism and determination, he earned a great respect in the Gulf’s merchant community. He established number of showrooms representing many luxury brands like FMCG, numerous departmental stores serves over 2500 retailers in UAE and over 100 in Bahrain, and also owned many book stores in almost all GCC countries.70

Gulf region’s trade was largely dependent on the pearl trading from ancient period to early twentieth century. The two World Wars and Depression period of

67 James Onley, Britain’s Informal Empire in the Gulf, p. 3.
68 Ibid., p.5 & 6.
69 Abdulla Elmadani, “India’s Impact on Gulf’s Economic and Socio-Cultural Life”, Indian Diaspora in West Asia, p. 19.
70 Reena Abraham, Footprints in Time, p. 242.
1930s badly affected the economic condition of the Gulf. The introduction of Japanese’ cultured pearls and decline in the demand of pearls in India after India’s independence in 1947 were some other events responsible for the collapse of the old pearling industry of the Gulf. But at the same time, the discovery of oil in 1930s and 1940s in the Gulf started a new chapter of Indo-Gulf relations. The economic links between these two regions were largely dependent on the mercantile activities of Indian traders or merchants for centuries. These links grew further in the twentieth century, however, were based on the inflow of Indian workers to run the oil industry. A.K.Pasha mentioned that the Indians were given preference in jobs related to the oil industry as most of the oil companies were basically British companies and thus, it was easy for the companies to import labour from the country that was under their hold, because at that time, India was a British colony. There were many other reasons that established the Indian workforce as the first choice in the Gulf countries; despite the fact that they were more skilled than the Arab workers, they agreed to labour on low wages because of the economic pressure in their native lands whereas the workers from Arab countries expected high salaries; the Indians never tried to interfere in the political environmental of the Gulf countries; Gulf was not a new destination for the Indians to work; their relatives and friends were a great support and they didn’t feel alone; the return migrants’ wealth and the rising economic status in the society made them attracted towards Gulf; and moreover, they were trusted by the Arabs. Thus, Gulf’s dependency on India increased in all aspects of life, which led to a greater commercial exchange and socio-cultural communications and this had a remarkable impact on both regions. The relationships between these two regions are still strong and continuous.

In retrospect, the relationship between India and the West Asia and the Gulf has always been strong as well as unique and continuously growing in a positive manner. Indian presence in West Asian countries and the Gulf region predates that period as far as the third millennium BC, when the trade and travel flourished between these two regions. It has been evident that in very early times, the enterprising people of both regions, learnt to use the trading points. India and the

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71 Abdulla Elmadani, *Historical Links between India and the Gulf*, p. 11.
Gulf have a good number of commercially useful harbours and ports through which
good amount of import-export trade was carried on. Out of which, the busiest trade
centres were Gujarat, Sind and Malabar which acted as a bridge that linked India
and the Gulf economically. As the time passes, this connection developed and
became more exclusive. For example, the period of sixteenth century was known as
the ‘golden period’ as the trade between these two regions flourished at that time.
The economic inter-dependency continued in seventeenth as well as in the
eighteenth centuries under the British period. Some events that shook the world time
to time also affected the trade links to a certain extent with the collapse of the Gulf’
pearl industry in early twentieth century. But nothing could shake the faith and the
trust of the people of both regions in each-others. In twentieth century, the Gulf
countries emerged as a favourite destination for the Indian workers. And still, a high
rate of Indian migration has been noticing by these Gulf countries. The Arabs also
appreciated and acknowledged the contribution of Indians in transforming the Gulf
into contemporary economic zones and hence, the role of Indian presence in the
region is invaluable and exceptional. The trade relations between India and the Gulf,
nevertheless, have left on imprint on the social, cultural and economic life of the
people of India in general and of the Punjab in particular.