

## **ECONOMICS OF AFRICA AND SOUTH ASIA, GLOBAL PERSPECTIVES IN INTERNATIONAL RELATIONS**

**RAM, Bindeshwar\***  
HĪNDĪSTAN/INDIA/ИНДИЯ

The main objective of the study is to examine South Asian Labour Migration inter-dependence during the colonial period extending from 1830s onwards. The political expansion of European powers, especially Britain for more than two hundred years influenced the colonization process and integration of capitalist economy in building up of industrial network with the help of immigrant labour from South, South East Asia, Africa and in newly settled colonies of South West Indian Ocean. The comparable ideas in the context of labour migration from India are based on Irish pattern after the abolition of slavery in 1843. The new-slavery system called “indentured” labour migration facilitated the law of transportation of able bodied labour from India, especially eastern part, designated as “Bhojpuri” regions, to Mauritius, Trinidad and Tobago, Guiana, Surinam, Jamaica, Grenada Fiji, St. Vincent islands and other Latin American countries. During the period, 1838 to 1947, over half a million Indians were brought to the Caribbean islands as indentured labour. They first went to British Guiana as slaves in 1838 and after seven years reached Trinidad. Likewise, the first batch of Indian slaves from southern (coromandal coast) regions of India was brought to Mauritius in 1622 by the Dutch. The trading activities of Dutch in the Indian ocean and in adjoining regions accelerated the growth of migration of South Asian population penetrating in to the Atlantic oceanic regions.

The movement of population under Dutch, French and British in the eighteenth and nineteenth century was not the sole object of the trade, which went on between the East and the West. Rather it was part of a much larger trade, which linked European industrialists to the tropical world, giving them markets for their manufactured goods and cheap sources of raw material. Therefore, economic factors arising from compulsion, social and economic oppression in the home land and, quest for better opportunity abroad during the period for colonial expansion led to the migration of Indians to far away regions.

Indian ties with Africa date back to Christian era. It was primarily trading activities that took Indians across the Indian Ocean to East Africa, South Africa and West Africa. With the intervention of colonization by the Europeans, the trade

---

\* Dr., Director Indian Council of Historical Research 35, Ferozeshah Road, New Delhi-110001 INDIA. e-mail: drbindeshwari@yahoo.com.in

interest received a set back but cultural ties confirmed to ground. The role of migrant Indians and South Asians in mining, trade and commerce and agriculture in the colonies of Africa will be examined on the basis of archival and printed sources. The paper will also examine in historical background, Indo-African relations on the basis of positive economic ties. Indian and African states' policy of post-independence period for promotion of global relations in 21<sup>st</sup> century characterized by financial and technological development and increased trade and commerce would also be studied. To overcome many challenges, joint ventures of Indo-African devices at global level will be main idea of Afro-Asian economic and international relations.

The Indian Diaspora has been an important factor in India's relations with African countries. One of the important aspects of India-Africa relations is the presence of a sizeable number of overseas Indians in African countries. Since ancient times, Indians have interacted with the coastal regions of western Indian Ocean, especially with the East African and the Southern African regions. However, widespread migration and permanent settlement took place within two broad periods and under two sets of situations: first, under imperialism in the late 19<sup>th</sup> and early 20<sup>th</sup> century; and then after the mid 20<sup>th</sup> century. The former was a function of the colonial expansion taking indentured labour, traders and administrators to the colonies; the latter was migration of all forms of skilled, unskilled, entrepreneurial, and professional labour.

It may be noted that as the act of emancipation of the 1834 abolished slavery, tropical colonies with sugar and cocoa plantations had sought other forms of cheap labour. The British colonial authorities arranged a system of indentured Indian immigration established in Calcutta and Madras. Labour was recruited in the hinterlands and signed contract of at least 5 years, which guaranteed them basic pay, accommodation, food rations medical facilities and partly paid return passage. In 1860, thousands of Indian reached Natal, Transvaal and Cape Colony in South Africa to work on the white settler plantations. Later, voluntary immigration gathered momentum, with new immigrants coming in as traders and artisans or for fast growing opportunities. By the early 20<sup>th</sup> century, ethnic Asians – mainly Indians – had constituted a sizeable community in all the British Eastern and Southern African territories.

Although most of these Indians were repatriated, at a later stage, voluntary immigration gathered momentum... and by early 20<sup>th</sup> century, Indian and other ethnic Asian constituted a sizeable community in all the British Eastern and Southern African countries. Since then, they have made a very significant contribution to the development of these colonies. It is to their credit that all their skills, determination, ingenuity and sacrifice were directed at building solid economic and cultural bases in East and Southern African regions.

It may be recalled here that in 1895 the British East African Company initiated the Kenya-Uganda railway line to build a railroad from the coast at Mombassa to Lake Victoria in order to protect the upper sources of Nile was approved by the British Government.. The company was at that time involved in extremely heavy expenditure in consolidating British influence in the interior. It also had faced the serious problem of long haulage of 700 miles to Uganda. To deliver 1 ton of goods to Company's outpost to Uganda would cost them around 250 pounds. It became clear that without more economical methods of transport, it would have been difficult to maintain effective control over the vast area. The Company as such proposed to the British Government to construct a railway line into the interior, because it was in no position to finance such an undertakings.

Once the British Government conceded the significance of the railway, the construction work brooked no delay. In December 1895, the first construction staff arrived at Mombassa. Since the Africans of that area were unaccustomed to wage labor, it was considered necessary to import coolies to India from Punjab. However, it must be remembered that most of the Indian coolies were repatriated although few of them remained behind. They did spread all over East Africa- even some of them went to South Africa. Hence, this could not be considered as a major factor, by itself, for a considerable size of Indian population in the East African countries of Kenya, Uganda and Tanzania. But the fact, the repatriated coolies spread a word about the immense wealth and opportunities in the East African countries.

Thus with the developing trading opportunities in the African hinterland and the Government's policy to encourage large scale immigration from India, the pull from Africa drew hundreds of people from India. Another big reason for this immigration was the impoverishment of people in British India. There was a lack of job opportunities, repeated famines and excessive pressure of population on land and other resources. It is not surprising therefore, than in the 19<sup>th</sup> century India had provided ready market for cheap labour for several British possessions. The misery of the people in India was so widespread that they felt a kind of push from within to leave their land and search for a decent means of livelihood overseas.

Following the completion of the Kenya-Uganda railway, many Indians stayed back to start a new life either as traders, artisans or administrators for the British Government in East Africa. Indian traders in increasing numbers moved along the railway tracks and the caravan routes to new administrative areas as well as into remote districts. As a result, they pushed the frontiers of business into the new regions. The entrepreneurial instinct of Asians was demonstrated with the setting of many small shops, called the Asian "duka", which sprang up the interiors. These shops provided people in the interior regions of Africa a window to the

outside world. The most famous Indian “dukawalla,” of the time was Aladina Visram. Between 1893 and 1913, his caravans penetrated beyond the borders of German East Africa into Uganda, Kenya and parts of Congo Free State and Southern Sudan. Before the Uganda Railway had reached Kisumu, Aladin’s caravan bearing large quantities of goods from Zanzibar and Bagamaya made their ways to his stores in Uganda. He also used fleet of small vessels to carry cargoes between various parts of the Lake Victoria. The crowning achievement of the career of Aladin Visram was the cotton ginnery he had established at Kampala during 1912-14. He established this cotton ginnery industry in association with other Indian merchants. It did provide the foundation of the subsequent Indian role in the Uganda cotton industry. Around the turn of the 19<sup>th</sup> century, the Indian “duka” became a very important link in the chain of communication between the interior East African regions and the outside world.

Gradually, most of the trade and commerce in East African regions was in the hands of Indians. In Uganda, cotton ginning and coffee curing were a completely Asian monopoly. Indian industrial magnets like Sir Homi Mehta, Sir Purshotamdas Thakurdas Sheth, Nanjibhai Kalidasa Mehta, Ambala Sarabhai invested in the region, for the setting up of cotton ginning factories. In Tanganyika, the Asians owned many of the legal sisal and other plantations. Similarly, two Indian families – Madavanis and Hindochas – who had invested, a huge amount of capital in setting up of these industries dominated the sugar and cotton industries in the East African regions.

Thus the role of the Indian Merchants in the economic development of East Africa need not be emphasized. Regarding this Nanajibhai Mehta’s remarks are equally true of not only Uganda but the whole of East Africa. He noted,” it was Indian merchants who made Uganda habitable at the cost of the kith and kin and through physical hazards and natural hardships built up trade, raised plantations, cultivated teagardens, grew office estates and installed factories and industrial concerns and helped them to usher in modern civilization and provided an economic basis, which ultimately inspired the people of the land to achieve freedom and economic independence.

It may be recalled that until the early 1920’s, there was little resentment among the Africans regarding the Asians presence in East Africa. This was despite the fact that 90 % of trade was in the hands of the Asians. This was mainly because Africans were relatively new to commercial activities in the region. The economic role of the Asians was seen to be largely harmonious with the Africans. However, during the course of the colonial rule, African resentment towards Asians grew and became a built-in factor in the region. The reasons for African animosity towards Asian settlers lay in the socio-economic changes that were taking place in

East African countries in the post-war period. These changes ultimately widened the hiatus between Asians and Africans, and extended the area of friction between the two communities.

It was during the inter war period that Asians attained a level of prosperity which was missing earlier. Where once they were poor and struggled hard for a modest living, after the war, with the opening up of new avenues for employment and investment in commercial enterprises, the Asians were quick to seize the opportunity. Therefore, while the economic condition of Asians improved, Africans under the British colonial rule were relegated to inferior positions. The monetary and commercial sectors were subject to rules and regulations which the Africans were usually unable to abide by. Even the colonial administrations discouraged petty trading and considered hawking as undesirable occupation for the Africans.

Again, African participation in the manufacturing sector and plantations were by way of unskilled wage labour. Their entry into the higher rungs of the monetary economy was highly restricted. Even the educational system was introduced after the war benefited the Asians rather than the Africans. It would be relevant to mention here that primary education was entirely in the hands of European missionaries who were mainly interested in proselytism. Thus, under the system, very little was spent on African education. In comparison, the Asian community invariably kept ahead of the Africans in the matter of education and also in skilled and semi-skilled manpower resources. Consequently, by the 1960's, the Asian population of East Africa provide almost a quarter of the entire East African professional and managerial personnel, and about two-fifths of its highly skilled clerical and manual workers.

Besides there were notable disparities in the nature of occupation of the three racial groups – Europeans, Asians and Africans. In fact, whatever little economic progress was achieved during the colonial times had benefited and enriched the immigrant settler communities and their descendants much too disproportion – lately. Consequently, non-African inhabitants who constituted only 2.3 % of the total population in East Africa, dominated the economic activity of the region. Moreover, per capita income of Africans was much less than Europeans and Asians. For example, around the early 1960's, the African per capita income in Uganda was 12 pound sterling as against the Asians per capita income of 288 pound sterling, and the European per capita income of 990 pound sterling in the year 1963.

Being the middle echelon of the colonial economy, with the Europeans at the top and Africans at the lower end, Indians felt pressured from both sides. On

the one hand, they were victims of racialism and hatred from Europeans who also feared competition from them. On the other hand, the Africans looked upon Indians as exploiters because of their money-lending activities and the high prices they charged for goods.

Another important factor was the three-tier social order where every community retained its social customs and traditions. The Asian community occupied a middle position and had no social contacts with Africans. The Asians with their caste consciousness looked down upon Africans as being socially and culturally inferior.

However, it may be recalled that Indians in East Africa never exceeded more than 2 % of population, and also had no ambition to participate in the political affairs of East African states like Kenya, Uganda and Tanzania. Even when the issue of their political and equal status came up, Indians demanded equal treatment, not equal privileges, at the expenses of Africans. In 1921, leaders of East African Indian National Congress like M. A. Desai, Isher Dass and S. N.

Acharya lent their support to a group of African reformists to form “Young kikuyu Association” – the first African political organization formed in Kenya. It was later named as the ‘East African Association’. Indians also helped organize trade unions after the war. In fact, trade unionism in Kenya originated under the influence and direct participation of Asian trade unionists.

Around this time, there also existed close contact between Kenyan and Indian nationalist leaders. Mahatma Gandhi’s passive resistance approach as a weapon to fight British imperialism appealed to African political leaders. By 1946, Kenya African Union (KAU) had emerged as the largest and the strongest of the African political party, and took the lead in the African struggle for independence. KAU got a further impetus when its leader, Jomo Kenyatta, returned from London after a 15– year exile. In an interview, he said “Indians and Africans have politically many things in common and a common platform can be built where the members of the two communities can work together on complete equal footing”.

In 1958, second generation Indians, through the Kenya Indian Congress (KIC), The Kenya Freedom Party (KFP), the Uganda Action Group and splinter intellectual groups in Tanganyika, began to join African politics in partnership with African nationalists. Indians joined the parliamentary groups of both the Kenyan African National Union (KANU) and Kenyan African Democratic Union (KADU). They even demanded that these African parties should be kept open to Indians in order to create truly national parties. But this demand was not acceptable to KANU and KADU.

Yet in 1961, when most of the East African countries became independent, apprehension of an uncertain future led Indians to seek either constitutional safeguards or assurances from the African leaders or, as a last resort, interference by the Government of India. The anxiety of Indians was caused by the wave of boycotts and attacks on them. Indians could relate their fears". Europeans took advantage of the mood and provoked Africans against Indians. Even prominent African political leaders disowned their responsibility to protect Indians, and declared that though attacks were "unwarranted", it was up to Indians to regain the confidence of Africans.

In fact the situation was such that Africans felt that they were doubly colonized... on the one hand, by the British masters and white settlers, and on the other, by the Indian settlers. It was not surprising; therefore, that sporadic racial tension was evident from time to time. In Kenya, the situation was worse because not only was there a larger concentration of Indian population but most importantly, Indians were virtually dominating trade and commerce and were also occupying top jobs in the country. Thus after independence, the presence of overseas Indians became unwelcome in countries like Kenya, Uganda and Tanzania. This was particularly linked to the activities of Indian traders and, in some places, civil servants. The result was that after independence, a movement was initiated to expel all foreigners including Indians.

The policy of Govt. of India towards African States after the independence for regional cooperation non-alignment and economic cooperation. It is important to note that India's foreign relations has been conducted in a spirit of idealism, placing non-cooperation and friendship with Asian-African countries above the dictates of India's national interest and the interest of overseas Indians. Jawaharlal Nehru was deeply concerned about the larger African causes and would not mind if the causes of Indian settlers or racial discrimination against them occupied a back seat. He writes, "Now the Indian question has to be viewed in a different light from the one it was viewed in the past. In the past our main effort was to persuade the British colonial office to interest itself in bettering the conditions of Indian abroad. We as an independent nation have to deal with other independent nations.

The policy of the Govt. of India against national discrimination towards mutual cooperation of people of Indian origin and africans took significant change after 1990. The formation of Indian Ocean Rim (IOR) economic association was established in March 1997. This device for economic cooperation created ultimate goal of global free trade which removed barriers to trade on original and international basis. The IOR region has considerable economic potential. It contains vast land and maritime resources, and between 25 and 31 per cent (about

2 billion) of the world's population. In 1995 its GDP was estimated at US\$1,355 billion, its imports at US\$290 billion and its exports at US\$235 billion (CII 1995: 4; see also **The Economist** 25 January 1997: 108). Certainly, major IOR members are beginning to be recognized as being of "geo-strategic" importance by the major global powers, three of which – Indonesia, India and South Africa – are among the seven developing economies identified by the American Foreign Office as "Big Emerging Markets" that will have an "Extraordinary influence on global affairs in the new post-Cold War era. They will become major actors in trade and finance, and ... will be nations that will make the decisive difference in the kind of global economy that exists in the next century – liberal and open, or protectionist and closed" (Garten, 1994: 9; see also Asher et al, 1994: 1-2).

India's population alone, currently 930 million, of whom some 70 million – more than the population of Britain – are classified as "middle class", is growing by 18 million a year and will exceed one billion by the year 2000 (Garten, 1994: 11). The potential economies of scale within the IOR are thus enormous. Moreover, the IOR could take advantage of major new neighboring markets like China where, in response to both population growth and to the development of industrial conurbations, consumption of raw materials, energy, and food is growing exponentially. Much of this demand could be supplied from the IOR. China absorbed 17 per cent of Australian exports of iron-ore in 1994-95, and in 1995 negotiated with Saudi Arabia for the establishment of oil-refining joint ventures in Shang-dong and Guangdong provinces (**The Economic Times**, 8 December 1995; McLennan 1996: 680). Its grain imports will need to increase from 16 million tones in 1995 to an estimated 43 million tones by 2010. China has purchased Australian wheat since the 1960s, and although imports dipped from 1986 because of US and EU subsidized exports, the return to a market-orientated system has brought Australia back into favor (O'Donnell 1995). Projected increases in Chinese food demand could be met, in part, by increases in grain and other agricultural output in other parts of the IOR, notably sub-Saharan Africa where the "green revolution" largely failed to penetrate, and from South Asia where improved technology could increase yields by an estimated 40 per cent. Biotechnology promises to induce a second "green revolution" that could boost food production still further, although its implementation needs to be co-ordinate at sub-regional and regional levels to ensure sustainable development and the elimination of wasteful practices, notably in irrigation schemes and in fishing, both of which are of enormous economic importance to the IOR region (CII 1995: 65; **The Economist** 16 November 1996: 24, 30, 73).

The IOR represents a crucial step towards South-South economic co-operation, a move away from the pattern of the economic domination of the South by the

North. It could thus act as a means to promote growth in regions such as Africa that run the very real risk of becoming permanently economically marginalized and should therefore prove of major interest to countries like South Africa which have recently found themselves faced with the dual problem of economic re-alignment and of inexorable pressure to liberalize their economies.

Though there are few contrasts between Indian Diasporas in Africa and in the Caribbean, there are remarkable parallels. In both regions, People of Indian Origins (PIO) are juxtaposed with Africans. Both regions have similar kind of Indian emigrants – an overwhelming indentured worker's descendents except in East Africa. Many countries in both regions (like Mauritius Reunion, Seychelles, South Africa, Kenya etc. in African region and Trinidad and Tobago, Surinam, Guyana and Jamaica in the Caribbean) have substantial population of Indian Diasporas and both regions have pluralist society having intense ethnic polarization. What makes the comparison more interesting is that in Caribbean it is African Diaspora juxtaposed to Indian Diasporas whereas in Africa the Indian Diasporas is located among Africans.

