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## Sugar trade in the Eighteenth-Century Persian Gulf

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## Introduction

Concerning sugar, I think there was always some in *Indes*. I know people strongly contest this and most of the authors assert that sugar is a product of the New World and the people of the Old World used nothing but honey. However, I have a different opinion with the following reason. That is, sugar grows throughout *Indes* abundantly, easily and excellently, and it was not like products brought from remote countries, which never grow up so well since they were transplanted far from their own soil.

Jean Chardin (1811)

The present study discusses sugar trade in the Persian Gulf in the eighteenth century. To the existing historiography of the region, which still stresses eighteenth-century imperial and economic decline, the study argues a maintained vitality of the Gulf trade by illuminating remarkable changes in the relationship between trade and consumption in the context of the Persian Gulf and beyond, namely that of the Indian Ocean.

For Jean Chardin, a French Huguenot jeweller who made visits to Iran between 1655 and 1677 under the Safavid dynasty (1501–1722), the country was a place of wonders. While mesmerized by infinite peculiarities — climate, flora and fauna, minerals, ways of life, science, art and so forth — a certain sense of familiarity also came to his mind when he encountered the abundant use of cane sugar there. It was reminiscent of contemporary Europe, where sugar produced in the Caribbean increasingly entered the market. Yet the great excitement that Chardin got from his “discovery” of sugar seems to have overwhelmed his curiosity. He could have asked why Persia’s population consumed sugar so lavishly. Or he could have guessed why the market was expanding at that very moment. But instead he rekindled the issue of whether tobacco and sugar were originally from the New World.<sup>1</sup>

The question of why sugar was so popular in Iran has since remained unanswered. What is puzzling is that in spite of its relatively thin population, Iran became a major sugar-importing region in the Indian Ocean in the late Safavid period. The country had so far imported sugar mainly from India by land, but now began to import substantial quantities from various Asian countries through the Persian Gulf. The total population of Iran during the prime years of the Safavid dynasty in the early to mid-seventeenth century was no more than seven or eight million, while India at the same period boasted between sixty and a hundred million inhabitants, and in the Ottoman realm at the turn of the seventeenth century there were thirty to thirty-five million. In fact, Safavid Iran presented itself as an impressive depository for most commercial items passing between South Asia and Southeast Asia and Western Europe. Nevertheless, hardly any sugar imported via the Persian Gulf seems to have been re-exported. It was destined for major cities, especially the Safavid capital of Isfahan.<sup>2</sup>

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<sup>1</sup> J. Chardin. *Voyages du chevalier Chardin en Perse, et autres lieux de l’Orient*, edited by L. Langlès, vol. 3 (Paris: Le Normant, 1811), 303-4.

<sup>2</sup> R. Matthee, “The Safavid Economy as Part of the World Economy,” In *Iran and the World in the Safavid Age*, edited by W. Floor and E. Herzig (London: I.B. Tauris, 2012), 33, 34, 38-9.

To discuss the trade and consumption of commodities in the Indian Ocean, K.N. Chaudhuri, a renowned economic historian, proposes the theory of “state capitalism”. He argues that the crucial driving force behind the maritime economy in early modern times was the “Asian state”. Before the European technological revolution prevailed in the nineteenth century, he thinks that the “Asian state” was “the single largest financial enterprise with its income and expenditure forming a significant proportion of total production and consumption” in the Indian Ocean.<sup>3</sup>

This concept seems to apply to the sugar trade and consumption in Safavid Iran. Muhammad Muhsin, an eyewitness of the last days of the kingdom, blamed the indulgence of the last monarch Sultan Husayn (r. 1694–1722), with his consumption of dishes and medicines in the secluded harem, as a cause for the degeneration of the state which provoked the Afghan conquest.<sup>4</sup> This claim has echoed in modern literature on the Safavids.<sup>5</sup> To Marxist historians, the court’s penchant for spending appears to be a symptom of the undeveloped state of “modern capitalism” in the country.<sup>6</sup> In recent decades, scholars have paid increasing attention to Iran’s material culture vis-à-vis religious and spiritual culture.<sup>7</sup> Some have pointed out the significant development of social life in Safavid Iran, especially in the court circle, as being behind the high demand for sugar in the late Safavid period. R. Matthee argues that, on special occasions such as honourable receptions, preparing specific items, such as sweetmeats, coffee and the *qalyān* (water pipe), became more or less a social norm.<sup>8</sup> A. Hosseini states that *sharba* (sherbet, or sugar and fruit water) had a prominent place in the capital’s social life.<sup>9</sup>

Apparently, the situation in the nineteenth century also supports Chaudhuri’s hypothesis about the all-conquering Western industrial capitalism. During that period American sugar, which was refined in industrialized European refineries, and Russian beet sugar poured into

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<sup>3</sup> K.N. Chaudhuri, *Asia before Europe: Economy and Civilisation of the Indian Ocean from the Rise of Islam to 1750* (Cambridge: Cambridge University Press, 1990), 384-7.

<sup>4</sup> Anon. *Tadhkirat al-mulūk: A Manual of Ṣafavid Administration (circa 1137/1725)*, translated by V. Minorsky (Cambridge: Gibb Memorial Trust, 1943), 23-4; L. Lockhart, *The Fall of the Ṣafavī Dynasty and the Afghan Occupation of Persia* (Cambridge: Cambridge University Press, 1958), 16-34.

<sup>5</sup> R. Savory, *Iran under the Safavids* (Cambridge: Cambridge University Press, 1980), 226-54. For a revisionist view, see A. Newman, *Safavid Iran: Rebirth of a Persian Empire* (London: I.B. Tauris, 2006), 104-16.

<sup>6</sup> Among others, see Ahmad Ashraf, “Historical Obstacles to the Development of a Bourgeoisie in Iran,” *Iranian Studies* 2, no. 2 (1969): 54-79; A. Banani, “Reflections on the Social and Economic Structure of Safavid Persia at Its Zenith,” *Iranian Studies* 11, no. 1 (1978): 83-116; M. Keyvani, *Artisans and Guild Life in the Later Safavid Period: Contributions to the Social-economic History of Persia* (Berlin: Klaus Schwarz Verlag, 1982), 215-43. For a critical review of the debate on Safavid economic history, E. Herzig, “The Armenian Merchants of New Julfa, Isfahan: A Study in Pre-modern Asian Trade,” (PhD diss., University of Oxford, 1991), 11-26.

<sup>7</sup> W. Floor, *Traditional Crafts in Qajar Iran (1800–1925)* (California: Mazda Publishers, 2003); R. Matthee, *The Pursuit of Pleasure: Drugs and Stimulants in Iranian History, 1500–1900* (Princeton: Princeton University Press, 2005).

<sup>8</sup> R. Matthee, “A Sugar Banquet for the Shah: Anglo-Dutch Competition at the Iranian Court of Šāh Sulṭān Husayn (r. 1694–1722),” *Eurasian Studies* 1-2 (2006): 195-217.

<sup>9</sup> A. Hosseini, “Sharba wa sharba-khāna dar gudhar-i zamān [Iran’s Sherbet and Sherbet Houses in Passage of Time],” *Bāgh nāzar* 10, no. 25 (2013): 57-66. T. Morikawa also argues that sugar, traditionally featuring as “medicine”, began to be an indispensable “condiment” for royal cuisine while ruling out indigenous sweetener honey. T. Morikawa, “Persia-kyutei no wine to sherbet [Wine and Sherbet at the Persian court],” In *Shoku to bunka: Jiku wo koeta shokutaku kara [Food and Culture: Eating across Space and Time]*, edited by N. Hosoda (Hokkaido: Hokkaido-daigaku Shuppankai, 2015), 65-96.

the Iranian market. Particularly in the latter half of the century, imports of sugar increased and its availability substantially improved. Sugar was estimated to represent 24 per cent of the total imports in 1910. Coupled with tea drinking, which became highly popular among the wider society, sugar became an integral part of the nation's modern diet.<sup>10</sup>

However, there remains the critical question of the kind of relationship the sugar supply had with the consumption of sugar from the collapse of the Safavids until 1800. The Afghan conquest triggered serious political disarray, and that lasted until the establishment of the Qajar rule (1796–1925).<sup>11</sup> Although the occasional rise of powerful warlords, including Nadir Shah Afshar (r. 1736–47), Karim Khan Zand (r. 1751–79) and Ahmad Shah Durrani (r. 1747–72), allowed some respite to some parts of the country, repeated hostilities forced the inhabitants to endure continuous uncertainties.<sup>12</sup> So if the theory is true, there should be a serious decline, if not a rupture, in that relationship. Actually, the prevailing concern in recent literature on the eighteenth-century Gulf is to elucidate how the political turmoil severely hindered maritime trade. W. Floor, the most important contributor to this line of study, underscores the fact that the fortune of the Gulf economy was dependent on the strength of the political entities involved. He argues that the relatively stable rule of the Safavids facilitated the Gulf trade by providing security and infrastructures for the smooth flow of merchants and commodities. The sustained disappearance of efficient regional powers after the eclipse of the dynasty, therefore, dealt a crucial blow to the trade. Although traders to some extent adjusted to the changing trading situations, the instability occasioned an overall disturbance and decline of the Gulf trade.<sup>13</sup> From the same standpoint, Matthee has emphasized the unmatched role of the Safavid dynasty in the history of Iran in its decrees over the country, which amounted to controls for a long span of time. He has claimed it gave it more of the status of an “empire” than a “kingdom”.<sup>14</sup>

### Previous studies of the eighteenth-century Persian Gulf

A careful reading shows that many earlier studies present a rather contradictory picture. What seems to be a consensus among them is that during the eighteenth century, numerous ports and portions of the Gulf formed a strikingly resilient regional market for goods coming from

<sup>10</sup> Floor, *Traditional Crafts in Qajar Iran*, 328–75; Matthee, *The Pursuit of Pleasure*, 254–6.

<sup>11</sup> Lockhart, *The Fall of the Safavī Dynasty*; W. Floor, *The Afghan Occupation of Safavid Persia 1721–1729* (Paris: Association pour l'Avancement des Études iraniennes, 1998).

<sup>12</sup> L. Lockhart, *Nadir Shah: A Critical Study Based Mainly upon Contemporary Sources* (London: Luzac, 1938); J. Perry, *Karim Khan Zand: A History of Iran, 1747–1779* (Chicago: University of Chicago Press, 1979); J. Gommans, *The Rise of the Indo-Afghan Empire c. 1710–1780* (Leiden: Brill, 1995).

<sup>13</sup> B. Slot, *The Arabs of the Gulf 1602–1784: An Alternative Approach to the Early History of the Arab Gulf States and the Arab People of the Gulf, Mainly Based on Sources of the Dutch East India Company* (Leidschendam, 1993); Sultan bin Muhammad al-Qasimi, *Power Struggles and Trade in the Gulf 1620–1820* (Forest Row: University of Exeter Press, 1999); W. Floor, *The Persian Gulf: The Rise of the Gulf Arabs: The Politics of Trade on the Persian Littoral 1747–1792* (Washington, DC: Mage Publishers, 2007).

<sup>14</sup> R. Matthee, *Persia in Crisis: Safavid Decline and the Fall of Isfahan* (London: I.B. Tauris, 2012); Idem, “Relations between the Center and the Periphery in Safavid Iran: The Western Borderlands v. the Eastern Frontier Zone,” *The Historian* 77, no. 3 (2015): 431–63.

and going to countries in the Indian Ocean rim. Since those works have so far received little attention, a proper review is due to justify the situation.

Traditionally the eighteenth century was regarded as a prelude to Britain's predominance in Gulf affairs. The assumption was that, after the decline of the Safavids, the increased insecurity permitted the East India Company (the EIC), who hung on thanks to the Royal Navy and the Bombay Marine, to elevate their presence in the Gulf market, thus paving the way for their firm control of the regional economy and politics from the nineteenth century onward.<sup>15</sup> But A. Hakima's *History of Eastern Arabia* (1965) changed this picture. Casting a critical eye on the literature focused on activities of the European companies, he illuminates the rise of maritime Arabs, particularly the Utubis in Kuwait and Bahrain in the latter half of the eighteenth century. Together with the increase of the Utubis' involvement in commercial shipping and caravan traffic, he argues, Kuwait developed into a prominent outlet for Indian goods bound for Baghdad, the inner parts of the peninsula, Aleppo and Constantinople.<sup>16</sup> About a decade later Th. Ricks followed up his arguments. In an analysis of the activities of local notables and traders in southern Iran in the eighteenth century, he revealed that anarchy and chaos were limited to competition within a group or class of the late-Safavid elites for socio-political domination. With the establishment of the Zand dynasty in Shiraz (1765–94), he argues, order was restored to Iran and the focus of the Gulf trade shifted from south to north. Consequently, Bandar Abbas, the largest emporium during the Safavid period, went into decline and instead Bushire, the outer harbour of Shiraz, developed into a principal centre of trade. He thinks it was not until the turn of the nineteenth century that the trade routes with Iran shifted away from the Gulf. Then the trade moved further north towards the Caspian regions, where the Qajars established their power base, and towards Khorasan.<sup>17</sup>

In the 1980s when the Indian Ocean had begun to draw scholarly attention as a new unit of historical survey, A. Das Gupta provided a useful overview of the Indian Ocean trade in the eighteenth century, including the contributions of Hakima and Ricks. He succinctly showed that, although the Gulf trade suffered intermittent commotion after the Safavids, it took shelter in the Upper Gulf. He also showed that the rise of the maritime Arabs of Kuwait and Bahrain to some extent retrieved the situation in the northwest of the Indian Ocean.<sup>18</sup> Since then a

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<sup>15</sup> A. Wilson, *The Persian Gulf: An Historical Sketch from the Earliest Times to the Beginning of the Twentieth Century* (Connecticut: Hyperion Press, 1928), 171–91; J. Kelly, *Britain and the Persian Gulf 1795–1800* (Oxford: Clarendon Press, 1968), 1–61; C. Allen, "Sayyids, Shets and Sultāns: Politics and Trade in Masqat under the Āl Bū Sa'īd," (PhD diss., University of Washington, 1978), 33–67; R. Savory, "A.D. 600–1800," In *The Persian Gulf States: A General Survey*, edited by A. Cottrell (Baltimore: The Johns Hopkins University Press, 1980), 33–9. Cf. J. Lorimer, *Gazetteer of the Persian Gulf, 'Omān, and Central Arabia*, 2 vols. (Calcutta: Office of the Superintendent Government Printing, 1908–15).

<sup>16</sup> A. Hakima, *History of Eastern Arabia, 1750–1800: The Rise and Development of Bahrain and Kuwait* (Beirut: Khayats, 1965).

<sup>17</sup> Th. Ricks, "Towards a Social and Economic History of Eighteenth-Century Iran," *Iranian Studies* 6, no. 2 (1973): 110–26; Idem, "Politics and Trade in Southern Iran and the Gulf, 1745–1765," (PhD diss., Indiana University, 1975). Recently the author has published a revision of his dissertation. Idem, *Notables, Merchants, and Shaykhs of Southern Iran and Its Ports: Politics and Trade of the Persian Gulf Region, AD 1728–1789* (New Jersey: Gorgias Press, 2012).

<sup>18</sup> A. Das Gupta, "Introduction II: The Story," In *India and Indian Ocean: 1500–1800*, edited by A. Das Gupta and M. Pearson, first published in 1987 (Oxford: Oxford University Press, 1999), 40–1; Idem, "India and the Indian Ocean in the Eighteenth Century," In *India and Indian Ocean*, 133, 137–40.

number of scholars dealing with different areas of the Gulf have corroborated his assumption, by revealing the remarkable flexibility of the commercial networks of local and regional rulers and merchants in generating alternative trading routes and secondary markets.

S. Grummon scrutinizes the rise of Bushire under the rule of the Arab family Madhkurs in the second half of the eighteenth century. He points out that the Madhkurs succeeded in establishing an effective partnership with the Zands, a hinterland power, in which the Madhkurs used their naval power to support the Zands' maritime interests, and the Zands in turn protected the hinterland security for the Madhkurs. He claims that as a result Bushire became a significant "port-of-call", competing with Bandar Abbas, Basra and Masqat.<sup>19</sup> Th. Abdullah reveals that the decline of Bandar Abbas also allowed Basra to become a leading commercial port in the Gulf. From the early 1720s to the mid-1770s, trade at Basra substantially developed to deal with a wide range of foreign countries such as India, the Red Sea, Southern Iran, Iraq and the Middle East, as well as within the Gulf. After the *mamlūks* founded their regime in Baghdad in the middle of the century, the *mamlūk* rulers encouraged the trade, especially towards Baghdad. Although the trade at Bandar Abbas remained considerable during the first half of the century, he notes that Bushire rose to become a competitor of Basra and took larger shares of the Indian trade.<sup>20</sup>

Using the concept of "free ports", H. Fattah describes the emergence of Zubara, Kuwait and Bahrain under the control of the Utubi tribesmen from the mid-eighteenth century. Unlike the Ottoman port of Basra, she says, these ports permitted regional merchants the freedom to trade their goods without any payment of customs tariffs. Thus, they facilitated the transit trade passing from Arabia to India, as well as the regional trade connecting market towns in the Arabian Peninsula, Southern Iraq and Arabistan.<sup>21</sup> P. Risso deals with the significant growth of Masqat's commerce under the Bu Said dynasty (1749– present) in the latter half of the eighteenth century. She ascribes the success of the port to three factors: the domination of transit trade in Mocha coffee to Basra, the increase of trade with the western coast of India (particularly with the Dutch settlement of Cochin in Javanese sugar), and the decline of Bandar Abbas and Basra.<sup>22</sup>

Since the 1990s the Gulf trade has received renewed attention from scholars investigating Eurasia's overland commerce in early modern times.<sup>23</sup> According to them, the trans-continental routes and the sea-lanes of the Persian Gulf had a complex relationship. J. Gommans thinks that the reformation of Gulf trade in the eighteenth century accompanied

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<sup>19</sup> S. Grummon, "The Rise and Fall of the Arab Shaykhdom of Būshire: 1750–1850," (PhD diss., Johns Hopkins University, 1985).

<sup>20</sup> Th. Abdullah, *Merchants, Mamluks, and Murder: The Political Economy of Trade in Eighteenth-century Basra* (Albany: State University of New York Press, 2001).

<sup>21</sup> H. Fattah, *The Politics of Regional Trade in Iraq, Arabia, and the Gulf 1745–1900* (Albany: State University of New York Press, 1997).

<sup>22</sup> P. Risso, *Oman & Muscat: An Early Modern History* (New York: St. Martin's Press, 1986).

<sup>23</sup> S. Dale, *Indian Merchants and Eurasian Trade, 1600–1750* (Cambridge: Cambridge University, 1994); M. Alam, "Trade, State Policy and Regional Change: Aspects of Mughal-Uzbek Commercial Relations, c. 1550–1750," *Journal of the Economic and Social History of the Orient* 37, no. 3 (1994): 202–27; Gommans, *The Rise of the Indo-Afghan Empire*; S. Levi, *The Indian Diaspora in Central Asia and Its Trade, 1550–1900* (Leiden: Brill, 2002).

that of Eurasian overland trade. Analysing the overland trade through Afghanistan under the Durrani dynasty (1747–1793), he claims that, while the Gulf trade relocated from the Iranian littoral to the Arabian coast and Basra, the caravan trade invigorated economic centres of India, Iran and Central Asia. On the other hand, the Durrani incorporation of Baluchistan, Makran and Sind created a new link between the Iranian and Central Asian hinterland and the Persian Gulf; many outer harbours of these regions had good access to Masqat.<sup>24</sup> In his *Arabian Seas*, R. Barendse comes much into line with this view. He asserts that the Gulf as a market for Iran-bound goods declined, as the caravan traffic from India to Iran via Afghanistan replaced much of the old maritime trade. But still the Gulf continued to play a role as an impressive intersection that connected the economies of the Mediterranean and South Asia. Therefore, he says, what happened to the Gulf during the eighteenth century was not an overall decline but a shifting of the trade, and the Gulf was particularly prone to political crises because the financial rewards were so enormous.<sup>25</sup>

Taking all these views together, it seems that the idea of an overall catastrophe in the eighteenth century carries no great conviction. Rather those views bear a noticeable resemblance to the reinterpretation of the relationship between merchant and state in eighteenth-century India in the past few decades. That is to say, the fragmentation of the Mughal Empire seldom precipitated capital into atrophy as formerly believed; on the contrary, the increased vigour of merchants, adjusting to political vicissitudes, stimulated further commercialization of the so-called successor states.<sup>26</sup> It appears that during the century, sugar trade in the Gulf indeed maintained a considerable level of intensity while shifting its course.

In the seventeenth century, Iran imported sugar from Taiwan, China, Oman and Java, as well as from Northwest India and Bengal. By 1700, its market became a mainstay for the nascent sugar production in Java under the management of the Dutch East India Company (*Verenigde Oost-Indische Compagnie*: the VOC). The VOC was presumably the single largest supplier of sugar in the late Safavid period. After the Afghan invasion, however, sales of Javanese sugar sharply dropped. Although the Company tried to keep up the business at the emerging markets of Basra, Bushire and Kharg Island, their trade did not reach its previous level, which resulted in their final withdrawal from the Gulf in 1766.<sup>27</sup>

<sup>24</sup> Gommans, *The Rise of the Indo-Afghan Empire*, 35–8.

<sup>25</sup> R. Barendse, *The Western Indian Ocean in the Eighteenth Century*, vol. 1 of *Arabian Seas 1700–1763* (Leiden: Brill, 2009), 299, 301–2, 312–4. The modern Persian literature on the topography and history of the Gulf regions also deserves attention. Muhammad Ali Sadid al-Saltanah (ed.), *Bandar ‘Abbās wa Khalīj-i Fārs* (Teheran: Dunyā-yi kitāb, 1363/1984); Iraj Afshar Sistani, *Nigāhī bih Būshahr: majmū‘a‘ az awqā‘-i tārikhī, jughrāfiyāyī, ijtīmā‘ī wa iqtisādī-yi ustān-i Būshahr*, 2 vols. (Teheran: Mu‘assa-yi intisharātī wa āmuzishī-yi nasl-i dānish, 1369/1990); Ali Riza Khalifazadah, *Haft shahr-i Līrāwī wa Bandar-i Daylam*, first published in 1382/2003 or 2004 (Bushire: Intishārāt-i shurū‘, 1393/2014).

<sup>26</sup> For a critical overview of this argument, see B. Bhattacharya, G. Dharampal-Frick and J. Gommans, “Spatial and Temporal Continuities of Merchant Networks in South Asia and the Indian Ocean,” *Journal of the Economic and Social History of the Orient* 50, no. 2–3 (2007): 99–103. The revisionist scholars, though, have taken little heed of their Iranian counterparts. L. Blussé and F. Gaastra (eds.), *On the Eighteenth Century as a Category of Asian History* (Aldershot: Ashgate, 1998).

<sup>27</sup> W. Floor, *The Economy of Safavid Persia* (Wiesbaden: Reichert Verlag, 2000), 126–33; G. Nadri, “The Dutch Intra-Asian Trade in Sugar in the Eighteenth Century,” *International Journal of Maritime History* 20, no. 1 (2008): 63–96.



While Floor thinks the downfall of the Company signified a substantial decrease in the population's purchasing power, it is important to note that sugar imports by other suppliers carried on.<sup>28</sup> After the Afghan conquest, the focus of the English private traders, the biggest competitors of the VOC, shifted from Bandar Abbas to Basra, and their Calcutta shipping brought commodities including sugar to Basra.<sup>29</sup> In the ensuing course of the century Omani merchants began to be very active in trading sugar. Omani vessels exported Gulf products such as dates, sulphur, etc., to Dutch Cochín, and in return they imported Javanese sugar, spices and Malabar pepper. At the turn of the nineteenth century, the "Arabs" turned their eyes to eastern Indian ports. They bought silk and sugar at Calcutta more cheaply. The Bu Said *sulṭān* annually sent ships even to Batavia in order to acquire Javanese sugar and spices at more competitive prices.<sup>30</sup> Floor himself admits this continuity, pointing out the fact that the VOC permitted Dutch private traders to send the Company's sugar to Masqat during the period from 1777 to 1793.<sup>31</sup>

### Sugar for bullion

Then the question arises about what made people's demand for sugar persist during such a politically unstable time, when their social life must have been severely retrenched. In order to address this question we may want to recall the question that S. Mintz, an American anthropologist, posed in his pioneering study of modern history of sugar, *Sweetness and Power*, "What really is demand?". With regard to the phenomenal development of the sugar market in England from the middle of the seventeenth century, Mintz, like many other scholars of consumption history, gives consumer preference its due.<sup>32</sup> But he also stresses the important contribution of mercantile and bureaucratic agencies — planters, bankers, slavers, shippers, refiners, grocers and bureaucrats. In order to gain more economic and fiscal rewards, he argues, these groups targeted the unexploited potential markets of the lower classes. Through lobbying, they successfully put in place many institutional settings expedient for increasing the availability of sugar, molasses and rum in the country, thus bringing the proletariat into the marketplace. Mintz says that the freedom to choose for consumers was

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<sup>28</sup> Floor, *The Rise of the Gulf Arabs*, 200.

<sup>29</sup> O. Prakash, *European Commercial Enterprise in Pre-colonial India*, vol. II. 5 of *The New Cambridge History of India* (Cambridge: Cambridge University Press, 1998), 250.

<sup>30</sup> Nadri notes that the Arabs of Bahrain also engaged in the sugar trade in the Arabian Sea, Bay of Bengal and the Archipelago. Risso, *Oman and Mascot*, 80-1, 195-6, 198; Nadri, "The Dutch Intra-Asian Trade," 77.

<sup>31</sup> W. Floor, *The Persian Gulf, Dutch-Omani Relations: A Commercial & Political History 1651-1806* (Washington, DC: Mage Publishers, 2014), 161-70.

<sup>32</sup> S. Mintz, *Sweetness and Power: The Place of Sugar in Modern History* (London: Penguin Books, 1986), 151-8. Chaudhuri speaks about the nature of Indian Ocean economy in the same vein. Against David Ricardo's theory, he contends that pre-modern international trade was not necessarily a matter of comparative price differences, but there "consumer tastes" and "social conventions" played an important role in shaping the demand for luxury goods. K.N. Chaudhuri, *Trade and Civilisation in the Indian Ocean: An Economic History from the Rise of Islam to 1750* (Cambridge: Cambridge University Press, 1985), 16-7; Idem, *Asia before Europe*, 159, 180-1.

therefore “freedom only within a range of possibilities laid down by forces over which those who were, supposedly, freely choosing exercised no control at all.”<sup>33</sup>

The picture that Mintz displays there — the evolution of a system of industrial capitalism over the Atlantic Ocean that would allegedly spread over the rest of the world — has received much criticism.<sup>34</sup> Some emphasize a substantial expansion of the sugar market in Europe before the “Industrial Revolution”.<sup>35</sup> Others call attention to parallel developments of sugar markets in Asia, especially in China and Japan, and make a case for Asia’s economic independence.<sup>36</sup> But the concept of an “invisible” agency that he has defined to track down the “demand” remains inspiring; it gives us an opportunity to think about the broader economic settings that truly activated the domain of the consumers.

In Iran, too, the use of sugar unmistakably thrived at a time when the increased consumption was assured by the merchant world and capital flows. After the Safavids established Bandar Abbas as their gateway to the Indian Ocean in the early 1620s, this particular economic arena rapidly developed into an active hub for a wide range of entrepreneurs — planters, suppliers, shippers, brokers, wholesalers, hawkers, bankers, transporters, retailers, refiners, drug dealers, confectioners, sherbet makers, etc. — thus forming the crucial instruments of the “demand”.

Yet, there remain two questions to be answered. First, how did the whole commercial agency function in the Safavid period? Second, how did this machinery change the economic environments in the following period? One crucial consideration is that in the seventeenth and eighteenth centuries, sugar, being lucrative ballast, not only facilitated flows of commodities in Asian waters but also functioned as an effective means to acquire precious metals. Since the early 1640s the VOC had tried to trade sugar for precious metals in Japan and Iran. Both Japan and Iran were initially suppliers of silver and gold, and later of copper. These items were indispensable for the Company to procure highly profitable cotton textiles mainly in Coromandel and Bengal.<sup>37</sup> In the course of the eighteenth century, the VOC also promoted

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<sup>33</sup> S. Mintz, *Sweetness and Power*, 166-71.

<sup>34</sup> S. Mintz, “Introduction,” In *Sugarlandia Revisited: Sugar and Colonialism in Asia and the Americas, 1800 to 1940*, edited by U. Bosma, J. Giusti-Cordero and G.R. Knight (New York: Berghahn Books, 2007), 1-4.

<sup>35</sup> J. de Vries, “The Industrial Revolution and the Industrious Revolution,” *The Journal of Economic History* 54, no. 2 (1994): 249-70; E. Stols, “The Expansion of the Sugar Market in Western Europe,” In *Tropical Babylons: Sugar and the Making of the Atlantic World, 1450–1680*, edited by S. Schwartz (Chapel Hill: The University of North Carolina Press, 2004), 237-88.

<sup>36</sup> J. Grehan, *Everyday Life and Consumer Culture in 18th Damascus* (Seattle: University of Washington Press, 2007); K. Pomeranz, *The Great Divergence: China, Europe, and the Making of the Modern World Economy* (Oxford: Princeton University Press, 2009), 114-65; K. Yao, *Sato no totta michi: kashi kara mita sekai-shi [Sugar Road: World History seen through Sweets]* (Fukuoka: Gen Shobo, 2011); G. Souza, “Hinterlands, Commodity Chains, and Circuits in Early Modern Asian History,” In *Hinterlands and Commodities: Place, Space and the Political Economic Development of Asia over the Long Eighteenth Century*, edited by T. Mizushima, G. Souza and D. Flynn (Leiden: Brill, 2013), 15-47; T. Sato, *Sugar in the Social Life of Medieval Islam* (Leiden: Brill, 2015). Cf. U. Bosma, *The Sugar Plantation in India and Indonesia: Industrial Production, 1770–2010* (New York: Cambridge University Press, 2013), 164-210; G. Knight, *Commodities and Colonialism: The Story of Big Sugar in Indonesia, 1880–1942* (Leiden: Brill, 2013), 17-51 (Appendix 2).

<sup>37</sup> Floor, *The Economy of Safavid Persia*, 184, 187-93; E. Jacobs, *Merchant in Asia: The Trade of the Dutch East India Company during the Eighteenth Century* (Leiden: CNWS Publications, 2006), 98-9, 248; R. Matthee, W. Floor and P. Clawson, *The Monetary History of Iran from the Safavids and the Qajars* (New York: I.B. Tauris,

sugar sales at Surat and in return acquired silver specie to pay for spices in Ceylon and textiles in Bengal.<sup>38</sup> China's state and private traders similarly tried to exploit Chinese sugar as a ballast good for outward junk navigation to Japan, so that they could obtain Japanese copper needed for the Qing's monetary policies of manufacturing small denomination coins.<sup>39</sup> As far as Iran's place in the bullion flow is concerned, it was also important that gold and silver coins that passed through the country came all the way from America via Europe. Hence, sugar shipments to Iran helped stimulate monetary flows on a global scale.

However, few studies have been done on the exact process through which the sugar imported to the Persian Gulf was turned into exported bullion. We know this was not achieved through "bartering" in the late Safavid period. In order to gain specie for export, it was necessary for a maritime trader to sell his sugar at Bandar Abbas and then transfer the proceeds of the year's sales to the principal bullion market of Isfahan. For remittances, he had to arrange bills of exchange, which required high skills in monetary transactions and rich knowledge of the regional economy. Not surprisingly, such processing was a tall order for the VOC and other European traders. Moreover, on the side of the foreign traders there were always substantial difficulties in overcoming linguistic barriers and unfamiliar local conventions.<sup>40</sup> In order to handle all of these they needed to use many local merchants as their brokers and interpreters.

We have very limited knowledge about the critical relationship between the local merchants and the VOC, since many students of merchants in Safavid Iran tend to understand this relationship in terms of competition. About forty years ago the Danish historian N. Steensgaard argued that numerous itinerant traders, none of whom were powerful enough to control either individual markets or individual commodities, made up the "early Asian trade". There, the unpredictability of the market and the arbitrariness of protection costs prevailed, making rational calculations difficult for the "pedlars". But the VOC and the EIC as "companies" could stabilize price fluctuations through supply controls and internalized protection costs from their own resources. As a result, they successfully directed a significant proportion of the Asia-Europe trade to the Cape route, thus reducing the trans-continental caravan trade.<sup>41</sup> Studies of Indian merchants and the Julfa Armenians in Safavid Iran have

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2013), 139-76. For the importance of the Japanese copper trade in India, R. Shimada, *The Intra-Asian Trade in Japanese Copper by the Dutch East India Company during the Eighteenth Century* (Leiden: Brill, 2006).

<sup>38</sup> Jacobs, *Merchant in Asia*, 116-21; G. Nadri, *Eighteenth-Century Gujarat: The Dynamics of Its Political Economy, 1750-1800* (Leiden: Brill, 2009), 122.

<sup>39</sup> G. Souza, "Ballast Goods: Chinese Maritime Trade in Zinc and Sugar in the Seventeenth and Eighteenth Centuries," In *Emporia, Commodities and Entrepreneurs in Asian Maritime Trade, c. 1400-1750*, edited by R. Ptak and D. Rothermund (Stuttgart: Franz Steiner Verlag, 1991), 307-12; Idem, "Hinterlands," 39.

<sup>40</sup> K.N. Chaudhuri, *The Trading World of Asia and the English East India Company, 1660-1760* (Cambridge: Cambridge University Press, 1978), 70-1; G. Sood, "'Correspondence is Equal to Half a Meeting': The Composition and Comprehension of Letters in Eighteenth-century Islamic Eurasia," *Journal of the Economic and Social History of the Orient* 50, no. 2-3 (2007): 172-214.

<sup>41</sup> He revised J. van Leur's "peddling trade". J. van Leur, *Indonesian Trade and Society: Essays in Asian Social and Economic History* (The Hague: W. van Hoeve Publishers, 1967), 133; N. Steensgaard, *The Asian Trade Revolution of the Seventeenth Century: The East India Companies and the Decline of the Caravan Trade* (Chicago: The University of Chicago Press, 1974). As Steensgaard admits, the caravan traffic to the Levant remained considerable, particularly in Iranian raw silk. Cf. R. Matthee, *The Politics of Trade in Safavid Iran: Silk for Silver, 1600-1730* (Cambridge: Cambridge University Press, 1999).

since responded with sharp criticisms to the claimed structural superiority of the “companies”. They contend that those communities developed sophisticated information networks and legal and financial devices such as “*commenda*” based on family or extended family ties. In so doing, the “family firms” overcame the non-transparency of the market and diversified their trans-regional commerce vis-à-vis the “companies”.<sup>42</sup> While admitting some collaboration between the Julfa Armenians and the EIC, E. Herzig states that it was not as successful as the one in India, and those parties were mostly in direct competition.<sup>43</sup> Floor emphasizes that even the VOC, probably the most powerful commercial organization in Safavid Iran, did not have much leeway in the regional market. Revisiting the “peddler market” model, he argues that there was “fierce competition between merchants from different nations and purchasing power, while no single competitor had the means to dictate the market price, which was determined by supply and demand.”<sup>44</sup>

There is another reason for the lack of attention to the relationship between the VOC and local intermediaries. Since the 1970s, scholars of South Asian merchants have cast critical eyes on the colonial literature that dwelled on the susceptibility of the Indian commercial sector to the rapacious nature of political elites.<sup>45</sup> Culling evidence from merchants in various South Asian regions, they have revealed a spectrum of relations between the merchant and the state, ranging from fundamental separation to structural interdependency.<sup>46</sup> Since the 1990s, historiographical works about Safavid Iran has been cropping up. Scholars such as R. Klein, Matthee and Floor have unfolded complex relations between merchants and the military and bureaucratic elites.<sup>47</sup> In an analysis of the Safavids’ involvement with the trade in Iranian raw silk, Matthee argues that, in the active economy, the political-military elite coexisted and interacted with local and foreign merchants, particularly the Julfa Armenians. But he also thinks that there was a social distinction between rulers and merchants. This was unlike the notion of an “early modern” (South) Indian mercantile sphere, where so-called “portfolio

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<sup>42</sup> Dale, *Indian Merchants and Eurasian Trade*, 112-27; Levi, *The Indian Diaspora in Central Asia*, 180-222; Herzig, “The Armenian Merchants of New Julfa,” 153-272; I. McCabe, *The Shah’s Silk for Europe’s Silver: The Eurasian Trade of the Julfa Armenians in Safavid Iran and India (1530–1750)* (Atlanta: Scholars Press, 1999), 199-239; S. Aslanian, *From the Indian Ocean to the Mediterranean: The Global Trade Networks of Armenian Merchants from New Julfa* (Berkeley: University of California Press, 2011), 86-201.

<sup>43</sup> Herzig, “The Armenian Merchants of New Julfa,” 198-9, 210-2. For the relationship between the Julfa Armenians and the EIC during the Safavid period, R. Ferrier, “The Armenians and the East India Company in Persia in the Seventeenth and Early Eighteenth Centuries,” *The Economic History Review* 26, no. 1 (1973): 38-62.

<sup>44</sup> Floor, *The Economy of Safavid Persia*, 123.

<sup>45</sup> Among many early works, see W. Moreland, *From Akbar to Aurangzeb: A Study in Indian Economic History* (London: MacMillan, 1923).

<sup>46</sup> M. Pearson, “India and the Indian Ocean in the Sixteenth Century,” In *India and the Indian Ocean*, 71-93; A. Das Gupta, *Indian Merchants and the Decline of Surat c. 1700–1750* (Wiesbaden: Franz Steiner Verlag, 1979); K. Leonard, “The ‘Great Firm’ Theory of the Decline of the Mughal Empire,” *Comparative Studies in Society and History* 21, no. 2 (1979): 151-67; S. Subrahmanyam and C. Bayly, “Portfolio Capitalists and the Political Economy of Early Modern India,” *The Indian Economic and Social History Review* 25, no. 4 (1988): 401-24.

<sup>47</sup> R. Matthee, “Politics and Trade in Late Safavid Iran: Commercial Crisis and Government Reaction under Shah Solayman (1666–1694),” (PhD diss., University of California Los Angeles, 1991); Idem, *The Politics of Trade in Safavid Iran*; Idem, “Merchants in Safavid Iran: Participants and Perceptions,” *Journal of Early Modern History* 4, no. 3 (2000): 254-63; R. Klein, “Trade in the Safavid Port City Bandar Abbas and the Persian Gulf (ca. 1600–1680): A Study of Selected Aspects,” (PhD diss., University of London, 1993–94), 67-115; Floor, *The Economy of Safavid Persia*, 27-64; Idem, *A Political and Economic History of Five Port Cities 1500–1730* (Washington, DC: Mage Publishers, 2006), 237-322, 429-77.

capitalists” actively diversified into a wide range of domains, including trade, politics, agriculture and military. Thus, the categories of politics and economy “overlapped” and “negotiated”.<sup>48</sup> From a close examination of the Safavid administration of Bandar Abbas, Floor holds that there was an essential difference of interest between the authorities and “foreign merchants”; the Safavid elite sought “political rather than economic efficiency” while the “European and Asian merchants” were concerned with “economic efficiency”.<sup>49</sup> These works suggest a relatively high degree of unity among the merchants as they faced the port authorities. On the other hand, such a delineation rather pulls a trick to divert our attention from the diversity of commercial interests and directions *among* individual merchants. We know little about the way different economic considerations among them were compared with and tuned to one another. Moreover, how, if at all, did the state affect the process?

In fact, we do not even know who actually acted as business intermediaries at Bandar Abbas in those days. As for the brokers, Matthee indicates that most of the brokers of the European companies in Safavid Iran were *Banians*, or Gujarati Hindus, and tended to exercise their profession on a familial basis. Generally, he says, *Banians* acted as moneychangers (*ṣarrāfs*) and brokers (*dallāls*), and began to dominate as moneylenders after the mid-seventeenth century, having replaced the Jews.<sup>50</sup> Concerning the origin of the brokers, A. Qaisar also points out that most of the brokers who worked at Bandar Abbas, Basra and Bandar Rig in the first half of the seventeenth century were Hindu *Banians*. He thinks that those *Banians* could be connected to well-established families who served the EIC as brokers in Agra, Gujarat, Sind, etc.<sup>51</sup> Conversely S. Dale argues that most merchants from Mughal India who conducted business in Iran, Turan or Russia came from Multan. Among those who carried the *nisba* (a name often indicative of the person’s place of origin) “Multani” in those countries, nearly all the Hindus were Punjabi of the *Khatri* caste and most Muslims were Afghans or Pashtuns. Moreover, he assumes that “*Banias*” or “*Banians*” recorded by contemporary Europeans could also be Multani merchants.<sup>52</sup> Mainly following his lines, Floor notes that most “Indians” active in Safavid Iran were indeed of Multani origin and that besides their own business, they also acted as brokers and moneylenders for foreign merchants including the VOC and the EIC.<sup>53</sup> As for interpreters, M. Haneda illustrates that some Armenian merchants who served the VOC and the EIC as interpreters at Bandar Abbas in the Afghan interregnum (1722–30) were significant as mediators between the port government and the Companies.<sup>54</sup> These studies imply that “*Banians*” and Armenians held important places in the process in question. However, they hardly tell us about the individuals involved.

<sup>48</sup> Matthee, *The Politics of Trade in Safavid Iran*, 7-9, 63, 73-4, 89.

<sup>49</sup> Floor, *A Political and Economic History*, 312.

<sup>50</sup> Matthee, “Merchants in Safavid Iran,” 246-8.

<sup>51</sup> A. Qaisar, “The Role of Brokers in Medieval India,” *The Indian Historical Review* 1, no. 2 (1974): 224-5.

<sup>52</sup> Dale, *Indian Merchants and Eurasian Trade*, 55-64.

<sup>53</sup> Floor, *The Economy of Safavid Persia*, 21, 24.

<sup>54</sup> M. Haneda, “Les compagnies des Indes Orientales et les interprètes de Bandar ‘Abbās,” *Eurasian Studies* 1-2 (2006): 175-93.

For the period following the Afghan conquest available information is even more limited. In the first place, the VOC, a major sugar supplier, was in severe decline. Historians attribute the Company's commercial mishap to the deterioration of trading conditions due to political turmoil in Iran and the lack of innovative management.<sup>55</sup> But if that is true, why did the other suppliers survive? Who in the country could afford to purchase the imported sugar in the troubled time? More importantly, how were merchants' interests co-ordinated so that particular commodities like sugar and bullion could steadily go into circulation?

### **Organization of this study**

The organization of this study is as follows. In Chapter 1, I attempt to depict the "demand" — i.e., the relationship between sugar imports in the Persian Gulf and its consumption in the seventeenth and eighteenth centuries — in terms of the places where sugar was consumed. While touching on considerations of various socioeconomic arenas into which sugar entered, such as in medicine, nutrition, festivities, gifts and treats, and as an economic resource. I argue that there was remarkable flexibility and continuity in the sugar consumer market during the eighteenth century, as opposed to the altered commercial settings which will be discussed in subsequent chapters.

After the Afghan conquest, it is said that the VOC sales of Javanese sugar in the Gulf substantially decreased, causing their final retreat in 1766. This traditional description is, I think, inadequate. The identified total decline is allowed to overshadow another important fact, that they had sold sugar in new marketplaces like Basra, Bushire, Bandar Rig, Kharg, Masqat and Sind. In Chapter 2, therefore, I conduct a quantitative analysis of the sales in those places to examine the extent to which the Company had been successful in adjusting to the transformation of the Gulf market.

The decline of the VOC also reflected increasing threats from other suppliers of sugar. This development might have begun in the late Safavid period despite the successful sales the Company recorded during that time. In Chapter 3 I attempt to treat the shipping by other suppliers to Bandar Abbas and their flexibility in utilizing secondary markets in the Gulf from the end of the seventeenth century until the fall of the Safavids. Thereafter I look at the sugar trade of the VOC competitors at Bandar Abbas after the Safavids. My aim is twofold. First, to show how these traders adjusted so quickly to the changing economic settings, such as changes of regime, emergent alternative channels of trade and increased cash scarcity, so that they grabbed market share from the Company. And second, to show that sugar traffic maintained a considerable level of vigour in the south of the Gulf.

In Chapter 4, I focus on the competition the VOC encountered at Basra, Bushire, and Kharg. I believe that the breakdown of the Dutch trade was not so much a failure of the relationship between trade and consumption as a sign of an unsettled time, one out of which, as Das Gupta suggests, "the more peaceable formations of the next century emerged."<sup>56</sup> I

<sup>55</sup> Floor, *The Rise of the Gulf Arabs*, 204-6; Nadri, "The Dutch Intra-Asian Trade in Sugar," 85.

<sup>56</sup> Das Gupta, "India and the Indian Ocean," 139.

hope to show, as part of such formations, the influx of export bullion into the Upper Gulf regions, the increased demand for copper, the active itinerant wholesale merchants, and the brisk local shipping and caravan traffic. This leads to a discussion of the important link between sugar and precious metals.

To reflect this point, in Chapter 5, I deal with the partnership between the VOC and local merchants who engaged in this particular economy as the Company's brokers. I try to illuminate various aspects of the business intermediaries — family ties, ethnic backgrounds, places of origin, types of merchant and relations with the Company as well as the state — and the way the partnership functioned not only as the main entrance to Iran for Javanese sugar, but also as conduits through which bullion found its way to overseas markets.

Finally, in Chapter 6, I argue that the local agency was transformed after the Safavids.

