

The Geography, Economy and Society of Indian Diasporas

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Introduction

Mercantile diasporas, settlements of merchants beyond or outside of their principal homeland, can be classified in a number of ways, but when examining diasporas of Asian merchants two general types stand out. One type of diaspora comprised mercantile communities whose homeland was neither an agrarian nor a manufacturing center but which prospered commercially due to their geographic location and/or religious or social composition, which gave its merchants the incentive, means or opportunity to conduct trade over a wide geographic area. Such merchants usually sold natural and manufactured products obtained from outside their homelands. Soghdians, Central Asian Iranians, who flourished from the six to eighth centuries of the Common Era represent one such case. Armenians, Eastern or Orthodox Christians, who dominated foreign trade of both Safavid Iran (1501-1722) and also the Ottoman Empire (1326-1923) in the seventeenth century, and later and established settlements from China to Europe, constitutes a second example. Arab Muslims of Hadhramaut in southern Arabia, who traded and settled throughout the Indian Ocean for centuries prior to European arrival in the area, formed a third diaspora of this type.¹

A second general type of diaspora featured indigenous merchants from one of the two great Asian civilizations: China and India, who sold products from their own country or region. These countries or civilizations possessed vibrant agrarian economies and substantial populations that stimulated the development of textiles, ceramics, metallurgy and other manufactured products that eventually, along with certain agricultural products, became staple items in international trade. At various times merchants from both civilizations formed diaspora communities in neighboring regions that traded in agricultural and manufactured products from their homelands, although they did not necessarily limit themselves to the sale of indigenous goods. Indians especially formed multiple mercantile diasporas in West, Central, East and Southeast Asia from the earliest recorded times through the period of European colonial dominance.

China and India represent interesting and contrasting economic and cultural centers that generated merchant diasporas from among their indigenous populations, but these countries or regions also had very different histories due to fundamental political differences between these two

¹ Étienne de la Vaissière, *Soghdian Traders* (Leiden: Brill, 2005); Frantz Grenet, "Les marchands sogdiens dans le mers du Sud à l'époque pré-islamique," *Cahiers d'Asie Centrale*, 1996a, pp. 65-84; Sebouh David Aslanian, *From the Indian Ocean to the Mediterranean: The Global Networks of Armenian Merchants from New Julfa* (Berkeley: University of California Press, 2011); Ulrike Freitag and William Gervase Clarence-Smith, *Hadhrami Traders, Scholars and Statesmen in the Indian Ocean, 1750s-1960s* (Leiden and Boston: Brill, 1997) and Ahmed Ibrahim Abushouk and Hassan Ahmed Ibrahim, *The Hadhrami Diaspora in Southeast Asia* (Leiden: Brill, 2009).

regions.² Here the focus will be on India, but with the Chinese experience constantly in the background. The most obvious factors driving the spread of Indian mercantile diasporas were: the enormous reservoir of fertile agricultural land, the early growth of major urban centers and the consequent social division of labor and the production of valuable agrarian and manufactured products to serve a large and diverse population. In addition, as with China, the regions on India's sea and land frontiers remained less economically developed and socially differentiated throughout most of India's recorded history. These territories include Southeast Asia, more usefully known here as Indo-China, Central Asia, including the western region known as Mawarannahr or Transoxiana and the eastern zone, including the Mongolian steppe and the region previously designated as Moghulistan or Chinese Turkistan and now as the Xinjiang region of China and finally parts of West Asia, most particularly, Afghanistan and Iran.

The history of Indian mercantile diasporas could fill many volumes, because there is ample evidence of Indian merchants from different regions of the subcontinent moving well beyond the traditional boundaries of the South Asian subcontinent – the land frontiers marked by the Suleiman Mountains and the Indus river in the west and Burma in the northeast, as well as India's long coastlines, extending from the Indus estuary and Gujarat to the Malabar coast in the west and from Bengal to Tamilnad in the east. Indeed, it is worth recalling that during many early centuries of the Common Era, large parts of Southeast Asia, Central and West Asia represented the greater Indian cultural zone, a region of economic and cultural influence facilitated by overland and oceanic trade routes that were well known by the Common era and probably widely used several centuries earlier. In the earliest periods before and after the beginning of the Common Era, records of Indians in these peripheral regions are largely restricted to political and religious traces, such as the foundation of Indianized states in Southeast Asia and the settlement of Buddhist missionaries and scholars in Southeast Asia, Afghanistan and Central Asia. Yet the presence of Brahman priests and Buddhist monks in Southeast Asia and Buddhist monks in Afghanistan and Central Asia was almost certainly coincident with Indian trade with these regions. Indeed, there is no reason to think of Hindu and Buddhist priests and missionaries and merchants necessarily as distinct groups of individuals. Yet it is impossible to ascertain when the movement of Indian merchants and religious specialists first led to the establishment of significant Indian mercantile diasporas in these neighboring regions.

Two groups of sources attest to the trade of Indian merchants in Central Asia and Southeast Asia and China in the early Common Era. First, fragmentary letters of Sogdian merchants discovered by Aurel Stein and others in the late nineteenth and early twentieth century document the vibrant commercial connections between northwestern India and Central Asia and Chinese diplomatic records of exchanges between India, Southeast Asia and China offer glimpses of trading activities. The Sogdian letters illustrate the vitality of trade that these ethnically Persian

² Chinese merchants do not appear to have participated in the sea trade prior to the Sung (Song) Dynasty. See Mark Edward Lewis, *China's Cosmopolitan Empire* (Cambridge, MA: Harvard University Press, 2009), p. 162; Derek Heng, *Sino-Malay Trade and Diplomacy in the Tenth to Fourteenth Centuries* (Athens, Ohio: Ohio University Press, 2009).

merchants conducted between India and Central Asia and they occasionally mention the presence of Indian merchant communities in the Xinjiang region.³ One of these documents dated to the seventh century CE alludes to the Indian merchants in the northeast of the Taklamakan desert.⁴ Chinese sources document Indian diplomatic missions to China between the fourth and early sixth centuries CE, as well as other missions from Magadha in north central India and from unnamed southern Indian courts, which arrived in China in the seventh and eighth centuries. It is likely that all of these were in part commercial missions.⁵ By the early seventh century CE the Tang dynasty (618-907) had been established, vastly increasing the volume of international trade, partly stimulated by the early Tang emperors support for Buddhism. Indians eventually settled in substantial numbers at the Tang court in Chang'an (modern Xian), and while specific merchants are not mentioned in Chinese sources, Chinese are known to have coveted Indian cottons and Buddhist artifacts.⁶

Almost nothing is known about the actual organization of particular Indian mercantile diasporas prior to the eleventh century of the Common Era, but after that date substantial information becomes available for Indian mercantile diasporas, whose members were natives of different Indian regions that settled in two neighboring areas: Southeast Asia and territories to India's north and northwest, including Afghanistan, Central Asia, Iran and even Russia. Two of these diasporas will be discussed here: South Indian, largely Tamil-speaking Hindu bankers and merchants, who principally conducted business and settled in Southeast Asia, and northern and northwestern Indians, largely individuals of the large Hindu caste group known as Khattris, most of whom came from the Punjab and traded in Afghanistan, Mawarannahr, Iran and Russia.

Tamil Merchants in Southeast Asia

The earliest Tamil merchants who traded overseas are associated with the Chola Empire, a powerful southeast Indian state, whose period of rule from the late ninth to the mid-fourteenth century is notable for Indian commercial and political connections with Southeast Asia, extending even to China. The Cholas, who at various times ruled large areas of Southeastern India, as well as Sumatra and Malaysia, constituted one of the regional kingdoms whose agrarian wealth and control of important trade routes within India and abroad, generated a vibrant agrarian and mercantile economy. Chola merchant guilds were organized into semi-autonomous urban communities known as *nagara*, whose merchants traded throughout southern and central India and Southeast Asia. These guilds possessed an institutional financial structure in their temples, which far more than simple places of worship, functioned as formal banking centers, where merchants could both deposit and borrow funds. Two of these guilds are known from medieval inscriptions, the Ayyavole and Manigramam, and their trading connections extended from West Asia to

³ Vaissère, *Sogdian Traders*, p. 76.

⁴ Tansen Sen, *Buddhism, Trade and Diplomacy* (Honolulu: University of Hawaii Press, 2003), p. 161.

⁵ Hans Bielenstein, *Diplomacy and Trade in the Chinese World* (Leiden: Brill, 2005), p. 77.

⁶ Edward Schaeffer, *The Golden Peaches of Samarkand* (Berkeley: University of California Press, 1985), p. 122.

Southeast Asia. In the latter region particularly, the name of the Manigramam and other guilds are recorded in Tamil language inscriptions found in southern Thailand and in a 1088 CE inscription on Sumatra, a Chola feudatory at that time. A group of South Indian merchants, most probably Tamils, financed and endowed a Hindu temple at the principal Chinese international port, Quanzhou in the twelfth century CE.⁷ Other Hindu merchants from India's southwest or Malabar Coast established a Vaishnavite temple at Pagan in Burma in the thirteenth century. The wealth and lavish patronage Ayyavole merchants lavished on Chola religious and political leaders is attested to by a 1055 CE South Indian inscription, which celebrates their ethics, vast trading connections, wealth, military power and piety.⁸ The inscription indicates, among many other interesting religious, political and geographic and economic information, that these Tamil merchants also traded with Parsa or Iran.

Famed throughout the world, adorned with many good qualities...born to be wanderers over many countries...and by water and land routes penetrating into the regions of the six continents, with superior elephants, well-bred horses, large sapphires, moonstones, pearls, rubies, diamonds, lapis lazuli, onyx, topaz, carbuncles, coral, emeralds and various such articles; cardamoms, cloves, sandal camphor, musk, saffron and other perfumes and drugs; by selling which wholesale, or hawking about on their shoulders, preventing the loss by customs duties, they fill up the emperor's treasury of gold, his treasury of jewels and his armoury of weapons.⁹

The fact that most commercial terms in Southeast Asian languages dating from the pre-European era were Indian or Chinese in origin, reinforces the economic as well as the cultural identity of Southeast Asia as Indo-China, a region that was within Indian and Chinese economic and cultural spheres of influence. More than anything else the region was a market for Indian and Chinese textiles. As Anthony Reid has noted: "Situated between the world's two major sources of fine cloth – India for cottons and China for silks – Southeast Asia became internationally known as a consumer rather than a producer of textiles."¹⁰ The Portuguese and later other European merchants intruded into this trade, as is shown by the English seizure of a Portuguese ship in 1602 carrying textiles from the southeast Indian coast to Malacca.¹¹ As more information about trade in this region became available when Europeans began documenting commerce in the region, the size and commercial significance of the Indian diasporas there became apparent. Thus when Portuguese arrived in the region in the early sixteenth century they found major settlements of Indian merchants, principally Chettiars, Tamil-speaking Hindus, as well as

⁷ Kenneth R. Hall, "Ports of Trade, Maritime Diasporas, and Networks of Trade and Cultural Integration," *Journal of the Economic and Social History of the Orient* 53, no. 1-2 (2010), pp. 109-45.

⁸ Hermann Kulke and Dietmar Rothermund, *A History of India* (London: Routledge, 3rd ed., 1998), pp. 118-20.

⁹ *Ibid.*, p. 119.

¹⁰ Anthony Reid, *Southeast Asia in the Age of Commerce, 1450-1680*, I (New Haven: Yale University Press, 1988), p. 90.

¹¹ Reid, *Southeast Asia in the Age of Commerce, 1450-1680*, II (New Haven: Yale University Press, 1993), p. 28.

Indian Muslims from Gujerat. The richest and most important Indians were mercantile Hindu castes, whose individuals were natives of southeast Indian ports such as Pulicat. Most of these men are described as bankers or moneylenders, but many of them were also merchants – just as were Khattri Hindus from the Punjab discussed below. All of these Indian merchants who traded in southeast Asia, whether South Indian Hindus or Gujarati Muslims, were known for their commercial acumen in both calculation and accounts.¹²

The mercantile descendants of these wealthy, influential Tamils mentioned in early European accounts of the region were the Chettiars of the colonial era, a caste group primarily known, as were earlier Hindu merchants, as moneylenders or bankers. Modern anthropological studies of the Chettiars offer detailed insight into the social characteristics of this caste and its economic organization, traits, which are recognizable from the fragmentary earlier inscriptions. In the British colonial era, Chettiar sub-castes were identified with particular temple complexes, which served them simultaneously as ritual and banking centers. These colonial era Chettiars are known to have made tithe-like contributions to their temples, which served members of the community as banking institutions, lending funds below market interest rates in the manner of religious or charitable endowments in Islamic societies known as *waqfs*.¹³ Satellite temples in Singapore and Penang, which staged lavish festivals, testify to the size and economic significance of these diaspora communities, whose firms were typically organized around the joint family, as was the case with Hindu merchants elsewhere, such as the Punjabi Khattris discussed below.

Chettiars, therefore, constituted a financial and or mercantile diaspora of Indians in Southeast Asia, who maintained a presence and influence in that region over the course of many centuries. The mainly European observers who alluded to the settlement and economic significance of Chettiars in this region do not explain why these Indians were successful, but, as in the case of the Punjabi Khattris, one has to point first of all to the fact that the Chettiar homeland was a wealthy agricultural region that generated an enormous agricultural surplus, which supported a large complex and socially differentiated society, stimulating local cloth and metal production. Indigenous bankers and merchants were able to accumulate substantial amounts of capital through local sales and business activities, and that capital plus their carefully trained financial expertise enabled them to prosper, whether in India or Southeast Asia. Young Chettiar boys, like their skilled compatriots in Rajasthan and the Punjab, were carefully trained, as an early twentieth century description makes clear. As an Indian scholar has observed:

When a male child is born in a Nattukottai Chetti's family a certain sum is usually set aside to accumulate at compound interest and form a fund for the boy's education. As soon as he is ten or twelve he begins to equip himself for the ancestral profession. He not only learns accounting and the theory of banking but he has to apply his knowledge practically as an

¹² Ibid., pp. 111-115.

¹³ See for example Murat Çizakça, "Cash Waqfs of Bursa 1555-1823," *Journal of the Economic and Social History of the Orient* 38, no. 3 (1995), pp. 313-54.

apprentice in his father's office.¹⁴

The Chettiars, therefore, like their famous Marwari counterparts in Rajasthan, who served the Mughals and later the English as financiers, constituted family firms of sophisticated financial and mercantile specialists whose ready capital and financial skills gave them an enormous advantage over less sophisticated merchants. Like other Indian traders and bankers/moneylenders, they also operated in territories less economically developed and socially differentiated than many Indian societies.

Punjabi Khattris in Afghanistan, Mawarannahr, Iran, and Russia

Any attempt at a complete history of Indian financial and mercantile diasporas would at the very least have to include studies of merchants from the Bengal region and Gujarat, which were both important economic zones in South Asia. However, for the purposes of comparison here, a single overland diaspora has been chosen, in this case the foreign commercial communities of another large Hindu caste group, the Khattris, natives of the Punjab and adjacent regions in northwestern India, who during the sixteenth, seventeenth and early eighteenth centuries, exerted perhaps even greater economic influence than the Chettiars not only in Southeast Asia, but in Afghanistan, Central Asia and Iran, eventually even reaching Moscow. As in the case of Indian economic relations with Southeast Asia, India's enormous productive capacity made it a dominant economic power in the northwest as well as the southeast, and the principal source of India's economic dominance in the northwestern region was initially the same as in Southeast Asia, that is Indian textiles. After all, northwestern India, including parts of the Punjab, had been the wealthiest province of the Iranian Achaemenid Empire (550-330 BCE), and the economic relation of this region to Afghanistan, Iran and Central Asia remained the same in later centuries. It is reasonable to suggest that India enjoyed a balance of trade surplus in the Achaemenid period and later, just as it demonstrably did with these relatively sparsely populated regions in the sixteenth, seventeenth and eighteenth centuries.¹⁵ India was, in fact, the dominant economic power throughout the entire Indian Ocean region and its merchants were successful along its northwestern periphery for the same reasons they flourished in Southeast Asia: valuable goods, substantial capital resources and sophisticated financial commercial skills.

Just as Indian merchants from South India almost certainly traded in Southeast Asia from the earliest years of the Common Era, so too it is probable that Indians from the Punjab and the northwestern regions of South Asia traded with Afghanistan, Central Asia and Iran just as early. As indicated above, the movement of Indian Buddhists into Mawarannahr from the first century

¹⁴ Hans Dieter Evers, "Chettiar Moneylenders in Southeast Asia," in Denys Lombard and Jean Aubin ed., *Marchands et homes d'affaires asiatiques* (Paris: Éditions de l'École de Hautes Études en Sciences Sociales, 1988), p. 205.

¹⁵ For these later centuries see Stephen F. Dale, *The Muslim Empires of the Ottomans, Safavids, and Mughals* (Cambridge: Cambridge University Press, 2010), pp. 113-130.

CE onwards occurred along well-established trade routes, whether plied by Iranians, Sogdians or Indians themselves. Kabul and eastern Afghanistan were often included in Indian kingdoms from the period of the Mauryas (324-183 BCE) to the Hindu Shahis of Kabul in the ninth and tenth centuries CE. During the reign of the Kushan monarchs from the first to the third centuries CE, a kingdom that extended from Xinjiang through Mawarannahr down across Afghanistan to the north Indian heartland, Indian merchants would have found it relatively easy to trade throughout Central Asia, Afghanistan and eastern Iran. The great period of Buddhist expansion into Central Asia and China took place during the Kushan era. As is the case with Indian merchants in Southeast Asia, however, it was in the centuries of what is commonly called the early modern period that probabilities yield to documented certainties. Records show that during the relatively stable era of Mughal rule in India (1526-1739/1857) and Safavid rule in Iran (1501-1722), thousands of Indian bankers and merchants traveled to and resided semi-permanently in Mawarannahr, Afghanistan and Iran. From Iran they later moved into Russian territory at Astrakhan and traveled up the Volga to Moscow, where they resided in the Kitae Gorod, the “Chinese city,” where most foreign merchants lived.

The size of the Indian diaspora in Iran was such that a twentieth century historian of the country, Mehdi Keyvani, wrote that the presence of Indian “moneychangers” in several major Iranian cities during the Safavid era was “an astonishing and unexplained episode of Iranian economic history.”¹⁶ In fact, thousands of Indian bankers/moneylenders and merchants resided in Iran by the early to mid-seventeenth century, with smaller numbers living in Afghanistan, Central Asia and Russia. Punjabi Khatris, Pushtuns or Afghans and Marwaris from Rajasthan were the principal merchant groups from the Mughal territories of South Asia who traded in these regions. While Chettiars, Gujeratis and others, who traded with Southeast Asia, could travel seasonally with the monsoon winds that carried them relatively easily to their destinations or home to India, Indian merchants in the west could reach Afghanistan and Central Asia on camel caravans from late spring to early fall via the Khyber and Bolan passes and travel onwards to Iran. Afghan *powindahs*, Afghan nomadic or semi-nomadic clans who possessed camels and regularly moved between South Asia and Afghanistan and Central Asia provided the overland “shipping” for at least part of the journey through the dangerous northwest passes and Afghan territories.¹⁷ Alternatively, merchants could reach Iran or the Persian Gulf by ship directly from Gujerat or by sailing down the Indus to the sea. An English merchant writing in 1662 commented that “the merchants engaged in the trade [from Surat in Gujerat] to Gombroon [Bandar ‘Abbas] in the Persian Gulf] were mostly Indians,”¹⁸ although he does not identify them further.

The majority of the Indians who comprised the large community of merchants in Iran appear to have come from Multan or traveled west via the city, located in Central Pakistan on the Indus River, near the relatively easily traversed Bolan Pass. Situated at the crossroads of the river and

¹⁶ Mehdi Kevani, *Artisans and Guild Life in the Later Safavid Period* (Berlin: Klaus Schwarz, 1982), p. 228.

¹⁷ For a discussion of what the Russian scholar, A.K. Khazanov has called “mediatory trade” see his book *Nomads and the Outside World*, Julia Crookenden trans. (Cambridge: Cambridge University Press, 1984), p. 209.

¹⁸ William Foster ed., *The English Factories in India, 1661-1664* (Oxford: Clarendon Press, 1900), p. 214.

overland trade routes, Multan had been a major entrepôt during the era of the Delhi Sultanate (1206-1526); Zia al-Din Barani reported in the fourteenth century that Multanis controlled a significant portion of Muslim India's long distance trade.¹⁹ Russian, French and German merchants trading in seventeenth century Iran, and particularly those who lived in the Safavid capital Isfahan, identified most of the Indian merchants who lived in the country and capital city as Multanis. The city of Multan was important not only as a transit point, that is an entrepôt, but it was also a major textile-manufacturing center, as it was located in a cotton cultivation area of the Sind region. More cotton textiles were undoubtedly produced in Lahore and Gujerat, but Multan, along with Gujerati cities, were probably the principal export centers for Indian cottons shipped to Iran.

The majority of these Multani merchants were almost certainly Khattris, a ritually middle level Hindu caste group, concentrated in the Punjab and northwestern India. Some merchants are definitely known by their sub-caste names to have been Khattris, and in the early nineteenth century a British official reported that Khattris could still be found throughout Afghanistan and as far west as the Russian Caspian port of Astrakhan, functioning as "bankers, merchants, goldsmiths and sellers of grain."²⁰ The few Muslim Multanis whose names are mentioned were probably Afghans, most likely Luharnis, the so-called Powindahs mentioned above, who traded themselves as well as providing camel caravans for other merchants. In addition, a number of other Hindu as well as Jain merchants, and some Indian Muslims, also traded in Iran, Afghanistan and southern Russia in the eighteenth century. The Hindus and Jains, including Hindu Agarwals and Jain Oswals, were usually subsumed under the general geographical identity as Marwaris, originally natives of the Marwar region of Rajasthan.²¹

While the Multani merchant diaspora in Afghanistan, Central Asia Iran and Russia, was dispersed over a wide area, most of them lived and worked in Isfahan, the capital of Iran in the seventeenth century. Different observers estimated that 10,000 Indian merchants lived in Iran without leaving.²² The German physician Kaempfer speaking of the years 1684-85 estimated that 10,000 Multanis lived just in Isfahan²³ – a major diaspora! 10,000 may be a formulaic number for a large but uncounted number, but at the least it suggests that substantial numbers of Khattris and smaller numbers of other Indians lived and worked in Iran and especially in Isfahan during the Safavid era. Many of these individuals may have come from Indian families long settled in Afghanistan, where Indian mercantile castes continued to live and supply capital and commercial goods until the late twentieth century. In Afghanistan Hindu merchants/moneylenders lived in towns and villages during the Mughal-Safavid era and well into the late twentieth century. In

¹⁹ Stephen Frederic Dale, *Indian Merchants and Eurasian Trade, 1600-1750* (Cambridge: Cambridge University Press, 1994), pp. 56-57.

²⁰ Mounstuart Elphinstone, *An Account of the Kingdom of Caubul and its Dependencies in Persia, Tartary and India, repr.* (Graz, Austria: Akademische Druck-u Verlagsanstalt, 1969), p. 317.

²¹ Dale, *Indian Merchants and Eurasian Trade 1600-1750*, p. 59.

²² One source for this figure was an Indian merchant residing in Astrakhan in 1647. See K.A. Antonova, ed. et al, *Russko-indiiskie otnosheniia v XVII veke* (Moscow: Nauka, 1958), p. 85.

²³ Engelbert Kaempfer, *Am Hofe des persischen Grosskönigs 1684-1685* (Tübingen and Basel: Walter Hinz, 1977), p. 204.

Afghanistan particularly, whose inhabitants were often tribal, with relatively little occupational differentiation, Indian commercial castes provided many of these inhabitants with goods and capital. Often these Hindus were the only merchants in towns and villages.

The Indian mercantile diaspora in Isfahan constituted a formidable economic presence. The community's size and influence in Iran reflected the disparate nature of the geographies, populations and economies of these two regions. Iran was a largely dry, partly desert country with a population no greater than ten million compared to more than 100 million people in India in 1600. Its economy was also relatively modest compared to different economic zones of India. It had a small agrarian base, which did not generate the agricultural surpluses or stimulate the kind of industrial production that had long flourished in India. Its merchant class, by all evidence, also possessed little of the capital that Indians from many regions accumulated. In the Mughal/Safavid centuries the country ran a persistent balance of payments deficit with the Indian subcontinent.

Foreign observers who visited Isfahan, the city Shah 'Abbas Safavi I (1588-1629) made the Iranian capital in the late sixteenth or during the first years of the seventeenth century, often commented on the presence of Indian merchants or moneylenders/bankers in the city. Many of these foreigners depicted the Indians just as Europeans frequently portrayed Jewish merchants and bankers in Europe, that is, as repulsive, usurious moneylenders, individuals who distorted normal economic relationships while siphoning scarce specie from the country. Jean (later Sir John) Chardin, the French Huguenot jeweler depicted Indians in this way, even while acknowledging they dominated commerce between Iran and India.²⁴ Apparent commercial jealousy led many Europeans to criticize Indian commercial practices in Isfahan, as seems to have been the case of the Englishman Edward Pettus who, writing in 1618, well before Chardin, reported that Indians sold cloth of all kinds and at all prices, which "this Countrey cannot bee without, excepte the people should goe naked," complaining that "they vende moste of the Linene they bring to Spahan [Isfahan] after a most base pedlinge... carrying it [Indian cloth] up and down on their shoulders."²⁵ The latter phrase echoes one in the 1055 South Indian inscription of the Ayyavole merchants cited above, which after celebrating the widespread trading networks and the wealth these merchants brought to Chola monarchs, describes these merchants "hawking [goods] about on their shoulders."

In fact, it is likely that many Indians who lived and conducted business in Isfahan both lent money and also sold cloth and other goods. Russian data show that many Hindu Astrakhan merchants engaged in both activities; indeed cloth sales would have generated profits that could be used in money lending. The commercial success of Indian merchants in Isfahan and the primary reason so many were settled in the Safavid capital and elsewhere in Iran was due first of all to the fact that Indians produced better cloth at cheaper prices. As Chardin himself observed about the contrast between Iranians and Indians:

²⁴ (Sir) John (Jean) Chardin, *Travels in Persia 1673-1677* (Mineola, N.Y.: Dover Books, repr, 1988), pp. 280-81.

²⁵ "An English View of Persian Trade in 1618: Reports from the Merchants Edward Pettus and Thomas Barker," *Journal of the Economic and Social History of the Orient* 19, no. 2 (1976), p. 192.

They [Iranians] make *Calico cloth* very reasonable, but they make none fine, because they have it cheaper of the *Indies* than they can make it [and] they understand also the painting of Linnen, but not so well as the *Indians*, because they buy in the Indies the finest painted Linnen so cheap, that they would get nothing by improving themselves in that manufacture.²⁶

Low costs and superior quality of their cloth gave Indians a great advantage in the Iranian market, but Chardin believed that contrasts between Hindu and Perso-Islamic culture also contributed to Indian merchants' success. In discussing the commercial culture of Iranians he remarked that they had "not a Genius naturally bent on Traffick," by which he meant that because Islam forbade usury, pious individuals restricted their commercial activities, and instead of complementing their sales by lending money they invested their profits in property: houses, bazaars and caravansarais. Chardin was aware that Muslims knew of many ways to conceal interest forbidden by the Quran, one of these was simply to omit it from contracts, a practice which Hanafi law explicitly allowed.²⁷ He also knew that some Muslims were far more willing to lend money at usurious rates than others, despite religious prohibitions on such practice. Yet, Chardin believed that many Iranian merchants did not feel comfortable investing their funds more profitably than by purchasing property.

While Chardin knew very well that not all Iranian Muslim merchants were as religiously circumspect as he sometimes suggested, it is undeniable that Indian commercial culture contrasted dramatically with the outlook of Iranian Muslims. Neither Punjabi Khattris nor Tamil Chettiars suffered from religious prohibitions against either commerce or their money lending. In fact, these Hindus exhibited quite the opposite attitude toward commerce and finance. As the training of Chettiar boys suggests, since ancient times, Indian mercantile castes had developed a commercial ethos that legitimized their commercial life. In the case of certain Marwaris in modern times, commerce was sanctified rather than religiously condemned, as is indicated by the fact that such tools of their commercial trade as pens, ink and most of all account books were worshipped as household incarnations of Hindu deities.²⁸ Thus the symbiotic association of commerce and religion that characterized Tamil merchants' ethos was true of other Indian merchant castes as well, although the Khattris are not known to have used temples as banks in the manner of the South Indian Hindus.

The economic and cultural factors, which explain the development of an Indian commercial diaspora in Iran, generally holds true for Indian mercantile settlements in neighboring Mawarannahr and Russia in the sixteenth, seventeenth, and eighteenth centuries. Both regions were relatively underdeveloped when compared with South Asia. Mawarannahr had long been, like Iran, an Indian economic colony. Like Iran it simply did not have the agricultural capacity and consequently the population to generate the kind of surplus capital and production that had long characterized India. As indicated above, Indian merchants had probably traded in Mawarannahr and Xinjiang well

²⁶ Chardin, *Travels in Persia 1673-77*, pp. 278-79.

²⁷ Noel J. Coulson, *A History of Islamic Law* (Edinburgh: Edinburgh University Press, repr. 2006), p. 100

²⁸ D.K. Taknet, *Industrial Entrepreneurship of the Shekawati Marwaris* (Jaipur: Taknet, 1986), p. 46

before the Common Era, and in the Mughal centuries, Indian commercial diasporas were established in many Central Asian cities. During the Mughal period some Indians had even shifted from exporting Indian manufactured cotton cloth in favor of producing the cloth locally in Samarkand and elsewhere.

Russia was a somewhat different case. Indian merchants are not known to have traded or settled there prior to the Russian conquest of Astrakhan in 1556, after which some individual traders began moving north from their commercial bases in Iran. Otherwise Russia offered some of the same opportunities to Indian merchants, as did Iran and Central Asia. While its territory was vastly greater and its government distinctly different than anything Indians had seen before in Afghanistan, Iran or Central Asia, Russia was a primitive, under populated and economically undeveloped country at the time Indian merchants entered the country. Russia's agrarian and manufacturing sectors were impoverished, when compared with India in the sixteenth and seventeenth centuries, and its merchants were noticeably unsophisticated and poorly capitalized when compared with their Indian counterparts. As a result of all these factors Indian merchants had no difficulty establishing a thriving mercantile settlement in Astrakhan, many of whose members traded in Iranian more than in Indian goods. One Indian merchant named Suttur, reported in a 1648 petition, that he had lived in Astrakhan and paid customs duties there for twenty-five years.²⁹

Conclusion

This paper does not do more than provide a brief introduction to two Indian mercantile diasporas: the Tamils in Southeast Asia and China and the Khatris in Afghanistan, Iran, Mawarannahr and Russia. Information about these two diasporas varies greatly, but these communities have several characteristics in common. First, they represent the kind of diasporas that originated in relatively wealthy territories that generated economic development and social differentiation. Well before the Common Era, South Asia had become a major economic and cultural center, overshadowing in wealth and socio-economic sophistication the territories on its periphery in Southeast, West, and Central Asia and even Russia. The combination of coveted natural and manufactured products, superbly trained and skilled merchants and moneylenders and bankers, sometimes aided by expansionist Indian states, encouraged the growth of multiple Indian diasporas, which also shared similar social characteristics as extended family firms.

Many of these diasporas also continued to thrive, even during the European colonial era. To take but one example, during the mid to late eighteenth century many Multani merchants shifted the focus of their activities further south along the Indus to Shikarpur and Multan, settled and intermarried with local Hindu castes, and generated more diaspora settlements as Shikarpuris, first in the towns previously frequented by Multanis, and by the mid-twentieth century, throughout Eurasia.³⁰ Many other Indian caste groups with sophisticated financial and mercantile skills have

²⁹ Antonova, *Russko-indiiskie otnosheniia*, I, no. 36, 1648, pp. 88-89.

³⁰ See Claude Markovits, *The Global World of Indian Merchants, 1750-1947* (Cambridge: Cambridge University Press, 2000).

flourished as diaspora communities in recent times. One only has to visit hotels and motels in the United States, for example, to appreciate the reach of the Patel diaspora in North America.³¹

³¹ See the film *Mississippi Masala* for a dramatized “taste” of this caste’s activities.