

Who needs China when you have Dubai? Linking transnational social and economic networks between the Arabian Gulf and Zanzibar

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Introduction

The construction of memory and the politics of belonging in Zanzibar have historically been shaped by association to elsewhere. Varying patterns of and dominance of trade and trade networks, as the medium of interaction through which people moved through the Zanzibar landscape at different periods in history, connected Zanzibar to littoral societies and beyond throughout the western Indian Ocean and in the process nurtured the formation of a diaspora that was not tied to one place of origin, as confined within the framework of contemporary nation states. This trans-local connection of the Indian ocean diaspora remain vital to proliferation of trade and trade network for Zanzibaris today (Pfaff 2010: 343). While Oman and Yemen historically prevailed as centers of commercial activities in linking the Arabian Peninsula to the rest of the western Indian Ocean, Dubai, United Arab Emirates, as an emerging commercial hub in the Gulf, now increasingly dominates trade between the Arabian Peninsula and Zanzibar and other parts of East Africa. Furthermore, despite the availability of cheaper goods in trading centers like Guangzhou, China, many traders from Zanzibar are coming to Dubai to trade. Consequently, the nature of trade activities tied to Dubai is now involved in giving rise to new meanings of belonging for the individuals involved and the social and economic networks that have and continue to connect Zanzibar to other parts of the western Indian Ocean.

This paper, based on ethnographic research on trade and social networks between Zanzibar and Dubai and numerous multiple interviews with traders in both places, examines the premise on which merchants from Zanzibar continue to come to Dubai instead of following other African traders to Guangzhou and the implications of this business decision on the development of social and economic benefits not only in Dubai, but more importantly, back in Zanzibar. The paper argues that the degree of familiarity with social and economic cultural patterns in Dubai, which have influenced both regions over centuries through their interaction with each other, allows Dubai to maintain the interests of these African traders, and at the same time enables these African traders to enhance their social and economic standing back in Zanzibar. The paper also examines who the traders are that go to China and what the aim to achieve there and in what context they subsequently start seeking trade opportunities in Dubai. Lastly, the paper will highlight the unique features that Dubai offers as a lucrative destination for trade today, by virtue of which traders can continue pursuing not only their business interests but also pursue a unique opportunity to mix business with pleasure not accessible in the same capacity elsewhere, and in the process, renew the transnational relationships vital to the development of businesses in Africa as a consequence of which Chinese traders from Guangzhou have been forced to set up wholesale markets in Dubai, where African traders can now acquire their goods without having to travel to China.

History of Indian Ocean Trade between Zanzibar and the Arabian Peninsula

Trade has connected the western Indian Ocean region since the earliest times (Gilbert 2002: 11). For societies in East Africa, including Zanzibar, engagement in trade, as tied to the other parts of the Indian Ocean, became an omnipresent activity in everyday life, which in turn created and continues to create notions of proximity in a trans-local space and a means to negotiate ideas of the Swahili identity over various distances (Pfaff 2010: 352). In the process of bringing wealth, prosperity in trade was and remains an important marker of social status in Zanzibar (ibid: 353). As involvement of different groups of people within and outside this multi-ethnic landscape have shaped the basis on which trade in Zanzibar has flourished, what goods were traded and the role that trade networks played in bringing prosperity to Zanzibari traders remains instrumental for distinguishing ideas of status in Zanzibar.

As early as the ninth century, ivory, pearls, leather, slaves, mangrove wood, sugar, textiles and other items were traded between East Africa and the littoral communities along the Persian Gulf (Chaudhuri 2005: 190). In the trading of these goods, it is important to note that as numerous Arab traders settled in communities of East Africa, many Africans also became part of the social fabric in Arabia, many of them not tied to slavery (Alpers 2000: 85). Slaves were an important part of the trade between the two regions, however, the slave trade remained one part of the broader exchange of goods. More importantly, in contrast to the value of slaves as commodities which dominated the Atlantic slave trade, majority of people that became slaves in the Indian ocean slave trade did so through debt (Campbell 2007: 290-91) and subsequently, these African slaves in the Arabian Peninsula assumed the racial identities of their masters (Alpers 2000: 87). As members of these new communities, Africans in the Arabian Peninsula acquired new identities which enabled them to create new links with communities in East Africa.

While Oman prevailed as the dominant commercial hub in directing trade with East Africa and particularly Zanzibar under the rule of the Busaidi dynasty until the early nineteenth century, the migration of merchants, many of them Indian¹ who financed the Omani economy (Weiner 1982: 19), to Zanzibar now made Zanzibar the center of these trading activities. Soon thereafter, exodus of Indian merchants from Oman due to violence and instability in the kingdom in early 1930s resulted in a shift in trade from Oman to Dubai (Weiner 1982: 19). As development of plantation economies and demand of urban and port development around the Arabian peninsula, pearl fishing in the gulf, drove up demand for labor (Alpers 2000: 86), Arab dhows, many Indian owned, regularly imported goods from South Asia and East Africa into Dubai from where they were shipped to other parts of the Gulf and the Arabian Peninsula (Weiner 1982: 13). Among other goods, slaves from East Africa, often via Zanzibar, were now shipped through Dubai (Davidson 2008: 282). Dubai facilitated the “slave route” linking Qatar, Muscat, Buraimi and markets in Riyadh (Elsheshtawy 2010: 71), with cases of slave trade prevalent as late as the 1950s (Davidson 2008: 283).

¹ Many “Omani” immigrants to East Africa were actually Indians who had been residents of Oman prior to coming to East Africa (M. Reda Bakr. 1992. *Trade and Empire in Muscat and Zanzibar*. London, in Gilbert 2002: 25). Moreover, it is these Indians who made a deal with Oman carried on a trade to East Africa, particularly Zanzibar (Gupta 2001: 185).

Dubai, known today as ‘city of merchants,’ emerged as a trading center via its position as a stopover for boats heading to and from Persia, India, China and East Africa (Al-Sayegh 1998: 87). Its transformation into a commercial hub in the region was a consequence of its leader’s response to the conditions created by the needs of its merchant community, which was aided by a network of foreign contacts (Ibid: 99) in its trading activities. An incentive Dubai offered was abolishment of trade taxes, which consequently brought merchants not only from the gulf, but also from other parts of the Indian Ocean (Ibid: 90). Some of the prominent traders in Dubai were Indians, who after those considered pure tribal Arabs, went on to comprise the second biggest economic class in Dubai, and despite the prevailing hierarchy, the rulers of Dubai allowed these traders to trade freely, making no distinctions between different groups (Al-Sayegh 1998: 88). These traders provided trade expertise, skilled manpower and its loyal support for rulers of Dubai (Weiner 1982: 14). Under these conditions, Indian traders in Dubai went on to play a significant role in shaping trade relations between the Gulf and East Africa (Weiner 1982: 8), first directing trade between Oman and Zanzibar (Gupta 2001: 185), and then between Dubai and East Africa. Some of these older trading families in Dubai traced their origins back to Zanzibar (The Economist 2009).

Dubai’s fortunes turned for the better with the rise in oil revenues in the early 1970s. With demand for labor and services rising in the growing economy, the Gulf became the place to make money, which brought many Indians from East Africa to the Gulf in large numbers (Gilbert 2002: 30). The rising prosperity in UAE also led many Indians traders remaining in Oman to shift their base to Dubai (Weiner 1982: 21). A few years earlier, in 1964, the revolution in Zanzibar forced many Arabs and Indians to flee first to Oman (Gilbert 2002: 29) and then Dubai. Their settlement in Dubai was facilitated by the Ruler of Dubai at the time, Sheikh Rashid bin Makhtum, who was instrumental in providing sanctuary to more than 8,000 Arabs and Indian refugees that fled Zanzibar, by offering them accommodation in Dubai² (Elsheshtawy 2010: 223-24). Many of the new Indian merchants in Dubai once ran businesses in East Africa and Zanzibar (Weiner 1982: 9) and were now in a position to use the traditional South Asian merchant network throughout East Africa to pursue their economic interests.³ The historical trajectory of retail business development in East Africa started when Indian merchants started to flow in an establish system linking South Asian retail commercial centers and Dubai with East African commercial centers (Yoshida 2010: 119)

As Dubai’s prominence grew in Indian Ocean trade, Zanzibar’s position began a steep decline. Trade in western Indian Ocean, which was previously directed through dhows, disappeared from long distance trade with the arrival of air travel and container based ships, in turn re-directing migration and trade patterns towards the Gulf, as oil money brought Dubai into the limelight (Gilbert 2002: 17). Additionally, the 1964 Revolution in Zanzibar marked a significant break in relations between Zanzibar and other parts of the Indian Ocean. The Omani commercial and imperial structure that previously prevailed in the region collapsed (Ibid: 9) and Zanzibar had now been reclaimed for Africa (Purpura 1997: 126). Many Asians and Arabs were forced to flee Zanzibar in the aftermath of the revolution (Martin 1978: 70, Keshodkar 2005: 118). The

² Anecdotal evidence from some traders in Dubai suggests that many of these Zanzibaris were also granted citizenship in the UAE. However, as process was carried out in the privacy of the *Majlis* of the Sheikh, there are no official records available within any ministries to verify the validity of these claims.

³ Today, the Indian diaspora in various parts of Africa is more than 2.8 million ethnic Indians (Walker 2008: 24)

nationalization project that followed directed all economic activities in Zanzibar primarily towards Tanganyika and mainland Africa (Keshodkar 2005: 119). Consequently, Zanzibar remained isolated for over the next twenty years and it was only with the liberalization of the economy in 1986, when the socialist experiment was abolished in favor of encouraging foreign investments to save the crippling economy (Chachage 2000: 56) that trade revived with the Arabian Peninsula. For more than twenty years, from 1964, socialism transformed Zanzibar from a prosperous trading island into a decaying island starved for investment (Lorch 1993), and with the liberalization of the economy, it was Zanzibaris who had previously established trade networks with other communities around the Indian Ocean came to the rescue. The Zanzibari diaspora from Oman and now Dubai were vital in the revival and re-engagement of Zanzibar in the new Indian Ocean trade.

New Direction for Prosperity and routes to China

With the liberalization of the economy in the mid 1980s, Zanzibaris once again had the opportunity to engage in trade around the Indian Ocean to enhance their status in society. Given the Zanzibar remained isolated from much of the world for over twenty years, it was those Zanzibaris that had access to trade networks outside of Zanzibar and Africa that were in a position to benefit from this new era of liberalization. Many Zanzibaris of Arab and Asian descent turned to their historical ties in the Arabian Peninsula (Lorch 1993). The government lifted the travel injunctions that had prevented many Zanzibaris that fled during the revolution and this new open door policy enabled many from Oman (which had strong historical ties to Zanzibar), Dubai and India to return, to reclaim their properties (Bissell 1999: 470) and engage in a new era of trade between the two regions. Many of the largest businessmen in Zanzibar today started off as petty traders in mid 1980s when trade was re-initiated. These businessmen, having relatives in Europe, Canada, Gulf states and India were able to either travel abroad or acquire resources from those relatives and thus benefitted the most with liberalization. Given that mainland Tanzania had not yet liberalized, many of these petty traders were able bring goods from the Gulf to Zanzibar and smuggle them to mainland, in turn making significant profit, and expanding their businesses (Ibid: 471). The advantage that these traders possessed through their networks in the Gulf was access to hard currency, primarily the US dollar, which was vital in the market, particularly when devaluation of the local currency limited the ability of many others from competing in the local economy (Ibid: 472).

For many of these now wealthy businessmen in Zanzibar today, the networks in places like Dubai enabled them to keep one foot in Zanzibar and one elsewhere. While some of these networks developed historically due to ties with the Arabian Peninsula, the Zanzibaris that fled to places like Dubai after the revolution had now become instrumental in using their position in their new society to facilitate various levels of relations with associates back in Zanzibar. Some Zanzibari respondents indicated that with the nature of instability tied to the local politics, it was important to ensure that if another development such as the revolution were to take place again, then they have the resources to leave Zanzibar without any problems. To that effect, some Zanzibaris are using the assistance of their trans-national networks in Dubai and other places to deposit their wealth and educate their children (Keshodkar 2010: 233). These networks have further allowed these Zanzibaris to use trade as a basis to develop different levels of social

relations with their trade partners outside of Zanzibar. While they continue to trade from Zanzibar, the trade networks facilitate not only matters of trade, but also affect various other aspects of their lives.

As traders in the past enjoyed political power and economic dominance, the revival of contemporary trade has brought the wealthy merchants in Zanzibar great social prestige (Pfaff 2010: 342). For this reason, to be considered economically and culturally successful, Zanzibaris consider it important to engage in trade, as success would not only bring financial rewards, but also serve as a means to move up the social hierarchy. It is for this reason that many Zanzibaris want to engage in trade (Ibid: 343). However, many Zanzibaris lack the social capital, in terms of access to networks and trans-local diaspora connections in the Gulf and other places to benefit from and successfully engage in trade. Given the orientation and significance of clientelist trade networks in Africa, a trader with limited foreign exchange and no access to these associations to maximize their advantage in import-export business (cg. Ellis and MacGaffey 1996: 37) has very little chance of excelling in trade. For many of these traders, they have to first come up with the hard currency required to engage in trade and then find a market into which they can enter and initiate their activities. With trade in Dubai dominated by trans-national networks, penetrating this market for a newcomer remains almost impossible. For these reasons, Zanzibari traders who lack access to various networks and want to engage in trade have turned to China.

Between 1991 and 2000, Africa-China trade has grown by more than 700% (Lyons and Brown 2010: 772), with trade volume increasing from US\$10.5 Billion in the 1990s to over US\$ 55 Billion by 2006 (Li 2008: 388). Chinese exports to Tanzania have also risen dramatically over the past few years, from US\$ 300 million in 2005 to US\$933 million in 2008 (Yoshida 2010: 113). The lucrative nature of trade with China encouraged many Zanzibaris, particularly those that do not have access to trade networks elsewhere, to acquire goods from China and use the accumulated wealth to build broader trade networks. The emergence of Guangzhou as the center of the global wholesale market provided a destination to which many of these traders could turn to in search of their fortunes. It is here that many traders from Africa, with whatever cash resources they have, purchase wholesale goods, primarily garments, shoes, electronics, appliances, mobile phones, cases and bags, watches and clocks, mobiles and beauty accessories. Though the goods purchased are of cheaper quality, the low cost of these goods provide allure for these African traders trying to get a foothold in retail markets of Africa (Li 2008: 389).

A majority of traders from Africa traveling to Guangzhou tend to be self employed, nomadic with limited capital visiting various trade emporiums (Li 2008: 389) and are supply driven petty traders (Ibid: 384), trying different merchandise that were expected to be profitable, with hopes making a quick profit from their portable and liquid business (Ibid: 389). Many Zanzibari respondents who have visited Guangzhou fall within this category. They are often perceived as transient traders who have come without any real business project from their home country looking for ways to improve their luck in trade (Le Bail 2009: 3). In addition to these traders, there are also Zanzibaris there, some who are studying in China on government scholarship, who given their legal status there, are able to engage in trade activities, as intermediaries and translators, to earn additional income during their time there. In some instances, the presence of these individuals in China as intermediaries allow some African traders to improve their profit

margins relative to others as they have direct links to China, with family members often used for such purposes and through it, and effort to widen the clientele (Lyons and Brown 2010: 780).

As more and more African traders have made their way to Guangzhou in search of economic prosperity, their presence of Africans in Guangzhou had led the city to be labeled as “chocolate city” by locals and the Chinese media (Le Bail 2009: 5, Li 2008: 387). In comparison to traders from other parts of Africa, Zanzibaris make up a small percentage of Africans in Guangzhou, which is dominated by West Africans⁴ (Le Bail 2009: 6 – 7). Most of these traders are single men, traveling without their wives and children visiting China on a tourist visa (LI 2008: 388). Additionally, there is now a niche for African women traders to engage in trade in China, particularly in areas of interior decorating and furniture (Le Bail 2009: 17). Anecdotal evidence from traders that travel to China suggest that a few women from Zanzibar are traveling to China, but the numbers are by no means significant. Given the dominant presence of West African traders in China, the possibilities of developing strong networks for these Zanzibaris remain limited. In contrast to Zanzibari traders who travel occasionally to Dubai and can rely upon their networks there to facilitate aspects of their trading activities, the lack of such networks force these traders going to China to have to do so more frequently. The absence of a network to facilitate various trade activities in Guangzhou also forces many of these lone traders to take up multiple roles, as buyers, shippers, and wholesalers in relatively small-scale yet complex international supply chain (cf. Lyons and Brown 2010: 772)

In addition to facing the various complexities tied to carrying out trade activities, Africans, including Zanzibaris face numerous other issues while in China. On the business front, communication remains a major barrier between African and Chinese traders, with the latter primarily only speaking Chinese (Li 2008: 391, Pelecan and Tatab 2009: 238) and without African intermediaries as translators, problems can prevail at various levels of the business transaction. Moreover, these traders face more and more competition from Chinese traders that export directly from wholesalers or factories in china to Chinese traders in Africa, thus reducing intermediary costs (Lyons and Brown 2010: 779, Yoshida 2010: 114). In Zanzibar, the presence of a small Chinese diaspora dating back to the revolutionary era, when China was instrumental in shaping economic activities in Zanzibar, increases the pressure on these traders that rely upon China to make their mark in trade. Outside of the business arena, Africans in Guangzhou are often perceived as a menace by local residents (Li 2008: 392). Seen in negative light by the local population, Africans are associated with drugs, narcotic trafficking, illegal stay and work in Guangzhou (Le Bail 2009: 19). Many Africans, traveling to Guangzhou on limited resources, also find themselves seeking accommodations in the old rundown, crime-ridden downtown neighborhoods of the inner city, often abandoned by locals (Li 2008: 387, 391), consequently, resulting in their presence in such areas as being depicted as associated with deviant activities. Confined to this one area of town, many African traders only interact with other African traders (from their own countries or region) and limit any engagement with other parts of the city or with its people (Li 2008: 393). These limitations on their movement and with profitability becoming more elusive (Ibid: 394), a number of Zanzibari traders highlighted that for them, coming to China remains a necessity, but their long term goal remains to engage in trading activities in Dubai and through it, other places.

⁴ Malians and Nigerians make up the largest nationalities among African traders in Guangzhou (Le Bail 2009: 6)

The significance of Dubai and the revival of trade with Arabia

Many traders from Zanzibar look forward to trips to Dubai to buy new goods (Pfaff 2010: 351). Dubai is perceived by Africans as a modernized city, with its ultramodern appearance, developed infrastructure and visible prosperity (cf. Pelecan and Tatab 2009: 232), where they can experience high level of mobility. As one Zanzibari respondent indicated, “one can go anywhere in Dubai and do anything there, and it is not a problem.” This contrasts the limited movement enjoyed by Africans when they travel to China. However, getting to Dubai for many Africans, including Zanzibaris, remains problematic, as migrants require considerable start up money, as living costs in UAE are high (Ibid: 237). A single entry visa alone can cost up to 500 Dirhams⁵ and acquiring a visa is not possible without a local sponsor, who can either be a citizen or UAE or a resident.⁶ One avenue available for Zanzibaris has been to utilize their networks in Oman, but given that Dubai has become the center of trading in the region, many Omanis themselves come to Dubai to trade.

As a ‘city of merchants,’ trade commerce remains an integral part of the conservative capitalist nature of Dubai (Al-Sayegh 1998: 101). This Growth and prosperity of Dubai have been encouraged by city’s tax system, where custom duties in never exceeded two percent, and in the Jebel Ali free Zone, they are non-existent (Al Sayegh 1998: 99). Emerging as a center of commerce, finance, shipping and entrepot, Dubai serves the Gulf region, South Asia and East Africa (The Bulletin 1992: 50) more efficiently than other cities in the region. Over the past ten years, increased frequency of flights between Dubai and sub-Saharan Africa, served extensively through Emirates airlines, have also brought more Africans to conduct their business in Dubai (Chenneau-Loquay 2008: 5). Consequently, Dubai increasingly serves as a stopover for buyers between China and Africa, as there are no direct flights between China and Africa (Le Bail 2009: 11).

One of the major attractions Dubai offers to traders from Africa is that it has developed as a prominent location for goods transit and re-export, efficiently facilitating re-distribution of goods throughout the region (Le Bail 2009: 10). With import duties further lowered to one percent, the free zones offer a place for goods to be warehoused tax free for orders in the region or to expedite transport by sea (The Bulletin 1992: 50). By spending time in Dubai en route to other parts of Asia, traders are able to purchase and store goods in well stocked and cheap warehouses (Le Bail 2009: 10). The near absence of value added tax also makes prices moderate and costs are negotiable for bulk acquisition (cf. Pelecan and Tatab 2009: 236). The costs of goods become comparable to what they would pay for them in China. Furthermore, in contrast to China, where they have to ship good immediately upon purchasing them due to storage and other logistical costs there, trading in Dubai allows these traders to store their goods, patiently develop their commercial networks and complete other purchases before going back home on the return journey from China (Le Bail: 15).

⁵ US\$1 = 3.67 Dirhams (AED)

⁶ Another way to acquire a visa for UAE is through the free zones or through a hotel or airlines, but there is a surcharges for those services.

Majority of the African traders that come to Dubai from Zanzibar and other parts of Africa do so in order to purchase goods for their domestic market. While the goods that traders from Africa acquire in Dubai are often made in China (cf. Pelecan and Tatah 2009: 236), the cost factor and the efficiency of the supply chain in purchasing, storing and shipping goods are often cited as the benefit of conducting trade activities in Dubai. Many manufactured products, often Chinese made, imported to Africa – pharmaceuticals, construction materials, vehicles (new, second hand, stolen), fuel, spare parts, soap, household goods and electronic appliances, electronic goods, office equipment, cigarettes and alcohol increasingly come from Dubai (Ellis and MacGaffey 1996: 20). Dubai also offers markets in fake name brands products, designer fabrics and clothes sold at bargain prices (Elsheshtawy 2010: 197), which are often seen as prized commodities for Zanzibaris. Additionally, Dubai also has a large second hand market (Lyons and Brown 2010: 776) for second hand computers, peripherals and other electronic products (cf. Chenneau-Loquay 2008: 5) and clothes which is of great appeal to African traders. Given these advantages available in Dubai, traders from China have been forced to set up wholesale markets, like Dragon Mart, among many others, for purposes of selling their products to traders from Africa who may no longer be willing to travel to Guangzhou to acquire goods for their domestic markets. In the case of Dragon Mart, situated at the outskirts of Dubai, on the road to Oman, some of the traders who frequent it are Zanzibaris who make their way to Dubai from Oman.

However, despite the fact that most goods acquired from Dubai originate from China, a common perception prevails among African consumers that goods from China are cheaper and accordingly of lower quality which last for a short period, but goods coming from Dubai are of higher quality and last longer (cf. Lyons and Brown 2010: 777). This view was common iterated by more affluent Zanzibaris who often went out of their way to purchase more expensive goods arriving from Dubai. One commodity in which this view is prevalent is in the purchase of mobile phones. With new and good quality phones primarily coming from Dubai and Europe⁷ (cf. Chenneau-Loquay 2008: 7), Zanzibaris want to ensure that the mobiles they possess or are seen in possession of do not associate their social status in any negative light (see Pfaff 2010).

In order to acquire these goods, traders coming to Dubai have to be in a position where they can purchase their goods with cash (The Bulletin 1992: 50). This creates a problem for many African traders as the start up costs of coming to Dubai is considerably high, further heightened by the higher cost of living in the city (Pelecan and Tatah 2009: 237). Consequently, a trader who does not possess sufficient foreign exchange is unable to finance new imports and begin a new cycle of transactions. To initiate this process, they require sufficient amount of an internationally negotiable ‘hard’ currency, normally dollars, (cf. Ellis and MacGaffey 1996: 33). Many Zanzibaris who yearn to trade in Dubai but do not have the finances required, face this dilemma. Furthermore, with international travel regulations restricting an airline passenger from carrying more than US\$10,000, the limitations introduced by this law make it problematic for traders to travel with large sums of money without risking it being confiscated by authorities at different points in their journeys. Overcoming this barrier requires alternative means to transfer the funds to Dubai without traveling with them and then being able to use them there to purchase the

⁷ Accessing goods from Europe is often problematic for Zanzibari traders as acquiring a visa to travel there is quite problematic. In instances where European goods are acquired, they have been purchased from either Dubai or acquired through the assistance of family networks based in Europe.

goods. It is in addressing some of many of these concerns that trade networks in Dubai play a vital role in facilitating trade with their African counterparts.

Given that Dubai has derived its fame and prosperity from trade, shaped by the active involvement of small merchant communities occupying the city, these merchants, and through them, their networks, remains vital in the continuation of commerce activities that connect Dubai to the world (Al-Sayegh 1998: 87). Accordingly, for many Africans, Dubai remains lucrative primarily because of its merchant networks and their connections to the rest of the world (cf. Le Bail 2009: 10-11). Through trade in Dubai, African traders try to integrate themselves into existing clientelist networks and business association in the emirate in order to maximize their advantage in import-export business (cf. Ellis and MacGaffey 1996: 37). The advantage that many Zanzibaris have over other African traders in accessing these networks in Dubai is the history of interaction between the Arabian Peninsula and East Africa through Indian Ocean trade (discussed above). While Zanzibaris became a part of the diaspora in the region through centuries of trade, most recently in memory, in the 1970s and 1980s, thousands of Zanzibaris found refuge in Dubai when Sheikh Rashid granted them abode in Hamdan colony, in Karama Dubai (Elsheshtawy 2010: 223-24). These Zanzibaris in Dubai became a vital link for reviving trade with Zanzibar after the liberalization of the Zanzibar economy since the late 1980s. Integrated within the network of local merchants, Arabs, Indians and Persians, these Zanzibari traders expanded the access available to Zanzibaris who wanted to engage in trade with Dubai. While Oman still remains prominent for many social ties to Zanzibar, many Zanzibaris are turning to Dubai and the networks there in pursuit of economic prosperity. However, this avenue has been accessible only to those Zanzibaris that have family or social ties with the Zanzibari diaspora in Dubai.⁸ For everyone else, the aim remains to eventually trade in Dubai and become integrated into these networks, but in order to do so, one is forced to first turn to China or become involved in illegal activities through which an alternative form of access can be developed to access the various social networks that link Dubai to Zanzibar (discussed below).

The role of trans-national networks is vital for trade between Zanzibar and Dubai. For many Zanzibari traders that travel to Dubai, the pursuit of their economic activities is integrated within the framework of social relations with individuals in Dubai. Increasingly, it is difficult to distinguish between the two, as one directly impacts the others. These networks, shaped by either kinship relations, political patronage, and/or religious affiliations have evolved for decades, if not centuries of social interaction, and provide these Zanzibaris unique access to resources in Dubai, which many other Africans find difficult to acquire to facilitate their trade activities. These networks were vital in enabling Zanzibar to access outside markets when Zanzibar liberalized in the late 1980s, making petty traders into wealthy businessmen (Bissell 1999: 471). A requirement to enter this trade include hard currency to secure access to item which can be exported and can serve as a source of imports (cf. Ellis and MacGaffey 1996: 37). Furthermore, a trader who possesses no foreign exchange is unable to finance new imports which

⁸ For many Asian and Arab Zanzibaris, these social ties are often based on kinship or interaction with trans-national religious organizations (see Keshodkar 2010), and for Swahili Zanzibaris, developing these ties is often primarily through marriage with Arabs and Indians, which while historically common between Arab men and Swahili women, is not a common practice between Swahili men and Arab/Indian women, but is slowly changing on the basis of socio-economic status (see Keshodkar 2009 for further discussion on this issue)

would allow them to begin a new cycle of transactions (Ibid: 33). The networks made of the Zanzibari diaspora in Dubai enabled some Zanzibari businessmen to acquire the capital necessary to build their road to economic prosperity. As trade has continued between the two regions, the greater economic prosperity enjoyed by these Zanzibaris has subsequently reflected their movement up the local social hierarchy back in Zanzibar (see Pfaff 2010).

In contrast to the experience of lone Zanzibari traders traveling to Guangzhou, the movement of traders from Zanzibar to, through and out of Dubai in pursuit of their trade activities is facilitated through this specific access to the Zanzibar diaspora in Dubai. These networks start by first providing the visa sponsorship required for their Zanzibari associates to come to Dubai. As the cost of living in Dubai is quite high, these networks also play a vital role in providing accommodation and hospitality to their counterparts while in Dubai. Often, Zanzibari traders live with their hosts for up to few months at a time, if required. Though this does not happen often, as traders visit for a very short period, usually a week or two, traders may extend their visit for up to three months during the annual Dubai Shopping Festival. While visiting Dubai, these Zanzibari traders also have the flexibility to move around Dubai, visiting the malls, wholesale markets, clubs and other venues without any reservations, contrary to the experience of African traders visiting China. With expatriates making up more than ninety percent of the Dubai population, Zanzibaris do not stick out any more than the other expats in the city. Since Zanzibari men often come by themselves, though sometimes they may bring their families (particularly if there are family ties in Dubai), the freedom of movement in Dubai also offers them open access to discrete activities for their indulgence. For example, rather than having to go out searching for prostitutes, they visit specific homes, often either owned by or arranged by their associates, where such services are provided for them. Such discretion may often be inaccessible and undesirable back in Zanzibar, but in Dubai, where human trafficking is prominent (Davidson 2008: 277), it allows these traders to mix pleasure with their business. Zanzibaris can also acquire a taste of home cooking in some areas of town, particularly in the Naif Souq area of Deira, where many African wholesalers come to acquire their goods, with many restaurants in the area catering to the needs of these migrants (Elsheshtawy 2010: 199).

While these pleasures of doing business provide an appeal to the traders, the most important factors facilitating trade through the networks is the ease with which movement of money takes place between Zanzibar and Dubai, often outside the control of authorities, to carry out trade activities. For Zanzibaris to do business in Dubai, they need cash with them, and in light of international travel restrictions they often have to find other ways to move money between the destinations. Interview with respondents suggest that many affluent Zanzibaris keep their money outside of Zanzibar. While they earn money in the local currency, they often have it converted into a hard currency which is internationally recognized, often US dollar, and subsequently transferred off shore. In Zanzibar, as throughout many parts of Africa, residents engage in capital flight due to economic and political instability (cf. De Boyrie et al 2007: 476).⁹ Many Zanzibari traders primarily rely upon the Hawala system for moving their money out of

⁹ Trade misinvoicing can be used as a tool to move capital in and or out of Africa for purposes of tax evasion, duty reduction, money laundering (De Boyrie et al 2007: 476). It is often used as a means for evading custom duties, avoid paying taxes and fees, avoiding quotas, smuggling and launder illegally obtained money (De Boyrie et al 2007: 475)

Zanzibar and to Dubai. This system depends strongly upon religious or social networks built on a system of trust between the parties involved (Razavy 2005: 279). The system involves no physical movement of money (Ibid: 280). In the case of Zanzibar, a Zanzibari that wants to transfer money out of Zanzibar gives the desired sum to a middle man in Zanzibar, along with a small commission, who then contacts their associate in Dubai, and when the trader travels to Dubai, he/she collects the money from the associate. Given the scrutiny one could face for carrying large amounts of dollars, particularly after 9/11, this system allows the trader to deposit US dollars with the Hawala middle man in Zanzibar and then collect Dirhams, the UAE currency in Dubai.¹⁰ The benefit of this system, many traders suggest is that it allows them to move around Dubai with millions of Dirhams and deposit them in local banks, if required without any scrutiny, primarily since the currency they are Dirhams and not US dollars. They could run into problems if they tried to deposit large sums of US dollars, but often, depositing large sums of local currency is not problematic. This then allows them to engage in their trading activities without any problems. Subsequently, through trade mis-invoicing (cf. De Boyrie et al 2007) and by bribing local officials in Zanzibar, if required, they are able to move their goods easily. This is facilitated by the fact that many shipping companies in Dubai exploit loopholes in other countries' trading regulations or actively evading foreign customs enforcement services (Davidson 2008: 278-79).

These processes would not be possible to carry out without the extensive use of individuals and contacts to facilitate every stage of moving the money and goods for promoting trade. As a prominent center of commerce, Dubai has attracted attention of both international criminals and terrorist organizations, many of which have exploited the emirate's laissez – faire attitude and impressive physical infrastructure to set up various smuggling, gun running, human trafficking and money laundering operations (Davidson 2009: 432). Movement of some of the money and goods between Zanzibar and Dubai falls within the umbrella of activities of these organizations. When the Zanzibar economy was liberalized in the late 1980s, Zanzibar thrived off a pirate economy, with electronic items from Dubai smuggled into mainland Tanzania (Lorch 1993). Zanzibar officials also claim that as a result of trade between Dubai and Zanzibar, one of the commodities increasingly moving through the islands are drugs, such as Heroin and Cocaine, which are acquired from Dubai en route to elsewhere via Zanzibar (US Dept of State 2010).

Zanzibaris often recalled stories of local young men who made an attempt to engage in trade to Dubai, but due to their financial position, engaged in some of these illegal activities, were caught and are now serving jail time in Dubai. Given the significance of trade in Zanzibar, Zanzibaris who do not have access to engage in it at a trans-national level are always seeking out new routes to participate in it. One route used by Zanzibaris who do not have access to networks in Dubai and want to become integrated with them at some level, is to work as couriers to acquire the hard currency required to get started in trade (cf. Ellis and MacGaffey 1996: 37). The use of such couriers is common within the Hawala system, which is also sometimes used for money laundering. In instances when high amount of uncleared debt remained for a long time with one

¹⁰ The system of Hawala has often been used in Dubai for purposes of money laundering (Davidson 2008: 277) and has been cited by the US government as a major vulnerability in the UAE, claiming UAE is susceptible to money laundering due to its geographic location as the primary transportation and tradition hub for the Gulf States, East Africa and South Asia (US Dept of State 2010).

party, couriers are used to carry cash or other commodities (gold, art) to balance debts with the owed party (Razavy 2005: 280). One Zanzibari trader recounted how starting off as a courier to Dubai allowed him to tap into the networks that facilitate trade activities in Dubai. On the one occasion that he served as courier, he claimed to be carrying US\$5 million worth of cash in his travel bag between Zanzibar and Dubai. For taking this risk, which could have resulted in him being arrested and imprisoned for an extended period, he received a commission of 0.5 percent of the amount of money he was carrying, which in this case, amounted to US\$25,000. Upon successfully delivering the money, he was introduced to various individuals in Dubai, with whom, he subsequently developed ties and used his commission to initiate business activities. While this trader was successful in accessing trade networks in Dubai by virtue of the risk he took, the situation of the numerous Zanzibari men now in prison who were unsuccessful in this endeavor highlights the extent to which individuals are willing to go in order to acquire capital to engage in and access trade networks in Dubai today.

Conclusion

The history of Indian Ocean trade between the Arabian Peninsula and East Africa has been shaped by the movement of people and goods between the regions and role that networks have played in transforming ideas of belonging for people in both places. For Zanzibaris, orientation of trade has always been linked to elsewhere, but at the same time, it has had a pronounced influence in shaping notions of memory and the politics of belonging back in Zanzibar. Trade has been a determining factor for shaping ideas of status. While in recent centuries, Oman played a significant role in shaping questions of identity in Zanzibar, the shift to Dubai over the past few decades, particularly with the assistance of the Zanzibari diaspora and migrants there, now increasingly facilitates how the wealth from trade and the association to elsewhere inform one's status in Zanzibar. Those that have access to various networks in Dubai today continue to benefit in improving their wealth and social status back in Zanzibar. However, for those that do not, engaging in trade with elsewhere has led them to China with mixed success. While these individuals now have wealth, the position of their status remains unresolved, as historical orientation of Zanzibar has always been towards the Arabian Peninsula. A number of these Zanzibaris hope to trade more with Dubai in the future, but to what extent they can develop trade relations with Zanzibaris in Dubai and benefit from those trade networks will determine what implications their efforts will have in constituting their future social status in Zanzibar.

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