This study is about the Karimjee Jivanjee family in Tanzania, whose history we are able to trace back more than 150 years. The Karimjees originally came from Mandvi, a small seaport in Kutch, Northwest India. They are Shia Muslims, more specifically Bohras. They were petty traders with probably some background in agriculture. During the famines and economic hard times in North West India in the early nineteenth century, they were forced to look for new ways to find living. One option was to sail to Zanzibar. The founding father of the Karimjee Jivanjee family, Jivanjee Buddhaboy, arrived in Zanzibar in 1818. At that time the South Asian community in Zanzibar probably amounted to less than 1,000 people – mainly young men – on the island.

The Karimjee Jivanjee family started their modest trading business in East Africa just before the other important South Asian kings of trade and commerce in east Africa, like Tharia Thopan (1823–1891), Sewji Haji (1851–1897), Allidina Visram (1851–1916), and Nasser Veerjee (1865–1942). These merchant princes were among the principal financiers of the East African caravan trade in the nineteenth century. They have, however, now vanished from the economic playing fields of East Africa while Karimjee Jivanjee & Co remains active in Dar es Salaam. In addition, the Karimjees preceded current important South Asian business tycoons in East Africa, like the Mehtas, the Madhvanis and the Chandarias.

The Karimjee Jivanjee family pioneered many aspects of trading and business life in East Africa. At one time, they started as traders and financiers; they diversified to agricultural produce and were among the largest landowners in East Africa, mainly producing sisal, coffee, and tea. Nowadays, they are the authorized distributors of Toyota cars in Tanzania. More importantly, they have run trading businesses not only from Tanzania, but also from India, Mauritius, Dubai, and the United Kingdom. During the last 150 years or so, the
Karimjee Jivanjee family has navigated through major shifts in world history. They arrived in Zanzibar while this was a part of the Sultanate of Oman. During the conference of Berlin in 1884, East Africa was then divided in British East Africa (currently Uganda and Kenya) and German East Africa (current mainland Tanzania, Rwanda, and Burundi). After the Germans lost the First World War, Tanganyika became a British Protectorate in 1919. In 1947, India and Pakistan gained independence and were followed by Tanzania in 1961. In the late 1960s, many businesses in East Africa were nationalized; Idi Amin of Uganda even expelled all the Asians from Uganda in 1972. The Karimjees shared the experience of these painful events, but they were nevertheless able to recover and reestablish their businesses (Oonk 2009).

[A] Diasporic family businesses

During my field research in East Africa between 2002 and 2003 and later in 2008, I often encountered typecast statements about the economic success of the South Asian business families in East Africa. They were seen as the ‘Jews of Africa’ who were ‘far sighted businessmen’ with a ‘strong entrepreneurial spirit’. Some of these general statements explained the success of South Asians by comparing them to African entrepreneurs, particularly by focusing on the role of the family, for example:

When an African makes USD 20, he lives like he owes USD 40.
When an Indian makes USD 20, he re-invests USD 15 in his business. When an African makes USD 20, his brother asks for support, whereas when an Asian-African runs his business, his brother would support him.

While it might be tempting to believe this statement and there might be more than a ring of truth in it, there is, however, very little research to support this statement. Usually, the literature explains the performance of Asians in East Africa with the insight that ‘outsiders’ are in a better position to act in their business context. According to the literature, Asians use their ethnic resources, such as kinship, business skills, networks, and educational experiences, to raise capital and management capacity in a far more profitable way than their African counterparts. It therefore suggests that Africans should improve their networking capabilities, level of education, and indigenous information flows (Stein and Ryen 2002). Development
through education may be an important and useful recommendation to facilitate the growth of the local African business capacity. Nevertheless, I have argued elsewhere that explaining economic success of Asians and Africans in East Africa ‘without history’ and without emphasizing ‘failures’ is – unfortunately – a common inaccuracy propagated by economists, sociologists, and anthropologists. In other words, while the recommendation may be right, the analysis is flawed (Oonk 2006).

The academic literature has shifted its interest and emphasis from focussing on the trading diaspora as political and economic ‘interest groups’ to ‘the relation of cross-cultural traders to their hosts’ and the networks’ functions themselves. Here, I argue that insights from the concept of ‘family business’ may add new insights to the explanation of the choices members of the trading diaspora make.

Abner Cohen first coined the term ‘trading diaspora’ in 1971. He refers to ‘a type of social grouping’:

> Its members are culturally distinct from both their society of origin and from the societies among which they live. Its organisation combines stability of structure, but allows a high degree of mobility of personnel. It has an informal political organization of its own which takes care of stability of order within the one community, and the coordination of activities of its various member communities in their perpetual struggle against external pressure. […] It also has its own institutions of general welfare and social security. In short, a diaspora is a nation of socially interdependent, but spatially dispersed communities (Cohen 1971).

While Cohen stresses the importance of political organization of the overseas community, the world historian Phillip Curtin emphasizes the relationships between cross-cultural traders and their hosts, and the way they organize cross-cultural trade (Curtin 1984).² Cohen and Curtin focus merely on ethnic minority businesses, particularly Chinese in South East Asia, Indians in East and South Africa and the Caribbean, Armenians in the Euro-Asian era, and many others. Edna Bonachich and Christine Dobbin redefine these ideas through the development of a theory of middlemen minorities (Bonachich 1973; Dobbin 1996). Bonacich explains the success of these groups as a result of the orientation of the immigrants towards their place of...
residence, with sojourning at first, and later a ‘stranger’ orientation affecting the solidarity and economic activity of the ethnic group. The sojourner orientation refers to a temporary settlement of the strangers, in order to trade. The ‘stranger orientation’ differs in the sense that the sojourner has become a settler, most notably by inviting his family to stay with him. Nevertheless, he remains an outsider because he does not intermarry locally and keeps his family associations with his family and community members back home, which leads to hostility towards them in the host society that perpetuates a reluctance to assimilate completely, and therefore reinforced the ‘stranger’ status (Bonachich 1973).

There has been renewed interest in the history of ‘cross-cultural trading networks’ over the course of the past ten years. Scholars such as Sebouh David Aslanian (2006), Raj Brown (1996), Avner Greif (2006), Ghislaine Lydon (2009), Claude Markovits (2000), and Francesca Trivellato (2009) have shown how Armenian, Chinese, Jewish, and South Asian trading networks have emerged over time. These works focus on important issues like the development of trust in long-distance (often early modern) trade relations, circulation of capital, men and women, and the maintenance of community networks. What these studies have in common is that they portray diaspora companies as network firms. The network is usually centred around a commercial centre, such as New Julfa in the case of Aslanian’s Armenian networks or Sindh in Markovits’s case for South Asians. Greif focuses on the role of trust and how it is reinforced through informal institutions. This is important as efficient trust relations decrease the cost of transactions. Trivellato rightly argues that diaspora business networks can only function if they also have contact with traders who do not belong to their community.

In the case of the Karimjee family and the South Asians in East Africa, I will use these insights and argue for the concept of a ‘diasporic family firm’. Diasporic family firms are principally family firms in the context of the diaspora. The centre is not so much a region, but the family eldest who is usually the head of the family firm. The family firm may be informally organized, but in the case of the Karimjees it is a registered company. In this case we will see that the family firm’s headquarters shift from Mandvi (India) to Zanzibar and from there to Dar es Salaam. From the headquarters, sons and sons-in-law are encouraged to branch out into other regions and/or sectors. The mother company is the major shareholder in these branches, but the sons are at times allowed to engage in some business on their own account. In some cases, an agent is hired to fulfill economic duties in faraway places. What makes the Karimjee Jivanjee & Co. fascinating is that they were able to flourish in the Empire
of the Sultan of Oman both during German and British Colonial rule as well as under independent Tanzania. This has to be contrasted with the European ‘international’ firms that foremost tended to flourish within the Empire (Casson 1990). It is interesting to note that it was rather recent that the historian Geoffrey Jones brought Western trading companies into the mainstream of international business research. Based on a study of British (registered) trading companies, he defines three types of business groups: First, the ‘unitary’ business groups in which the activities are wholly owned; second, the ‘network’ form consisting of a core trading company with multiple, wholly-owned branches abroad; and third, the ‘loose network’ that has no corporate core beyond family shareholders (Jones 1996, 2000; Bruland and O’Brien 1996). As we will see, Karimjee Jivanjee & Co. mostly resembles the third category. More recently, the Greek historian Gelina Harlafis has followed the lead of Jones, arguing that the trading diaspora can be treated as multinational trading firms, and that under the condition that they hardly entered the equity markets or distinguish ownership from management, they remained foremost family firms (Harlafis 2007). These conditions are also applicable to the Karimjee Jivanjee family firm.

In a recent literature review on the ‘business firm in Africa’, the Africanist Robert L. Tignor argues that there is a tremendous lack of scholarship on the business firm in Africa. The Business History Review, for example, counted only nineteen articles that had the word ‘Africa’ in the full text. Of these, only three dealt with the history of a specific firm and was based on primary sources. He agrees that the shortage of written sources as well a lack of an African perspective may have caused this depressing and definitive result. In his conclusion, he rightly argues that a reading against the grain is the second-best way to compile information (Tignor 2007). Here, I would like to add two more considerations. First, I believe that oral histories – particularly for Africa – may add to our knowledge of business practices in Africa. Second, my emphasis on oral history (despite its difficulties and its secondary place to written primary sources) also implies that we focus on the perspective of the agents themselves. By taking the perspective of agents, we are encouraged to describe the constraints, limits, options, and ideals as seen by the agents themselves. This perspective may help us avoid Eurocentric perspectives. In the following, I present the inside workings of an ideal-type diasporic family household, i.e. the history of the Karimjee Jivanjee & Co. I demonstrate how they emerged and survived in East Africa for more than 150 years. Additionally, I depict how they diversified from finance and trade to real-estate and
agriculture by establishing branches in the UK, Mauritius, India, and various other places in the world. Nevertheless, the success of the Karimjee Jivanjee & Co. is not the whole story of the diasporic family.

[A] The South Asian diaspora in the Indian Ocean region and the emergence of the house of Karimjee Jivanjee

Early contact between the Indian subcontinent and East Africans go back at least 2000 years. The *Periplus of the Erythraean Sea*, written by a Greek navigator in the first century C.E., offers the first undisputed written evidence of these early contacts. When Vasco da Gama arrived in Mozambique, Mombasa, and Malindi in 1498, he was surprised at the number of Arabs and Indians he found there (Pearson 1998; Chaudhuri 1985 and 1990; Bose 2010 Alpers 2009). Direct trade between these regions was maintained by the rhythm of the monsoons. From November to March, dhows sailed from West India to East Africa, and the return journey was made from April to October. The trade in slaves, ivory, and spices was profitable, but dangerous, and many traders did not return home safely. The rough sea, pirates, and various diseases claimed the lives of many traders and early adventurers.

Historical evidence shows that migration is just one of the options families may consider to prosper elsewhere, and while East Africa was a new opportunity for Indian farmers and traders in the late nineteenth century,⁴ they often did not intend to settle permanently. Around 1875, the British Consul of Zanzibar, Sir Barte Frere, emphasized:

They [the Indians, G.O.] never take their families to Africa; the head of the house of business always remains in India, and their books are balanced periodically in India. The house in Africa is merely a branch house, though many of those people will assure you and they give very good evidence of the fact, that they have had branches in Africa for 300 years, and possibly for much more.⁵

In other words, it was often not the head of the family who made the first exploration in East Africa; it was also not the eldest son. Even after they had made several profitable journeys to
and from India, they would not settle in East Africa. A process of circular migration and slow settlement indicates that only those who were successful remained in East Africa to eventually settle with their wives and families. Despite the economic attractions and the cautious process of settlement, many South Asians did not find what they were looking for or failed in East Africa and went back to India (Markovits 1999). From the business family’s perspective in Gujarat, East Africa was a new opportunity that arose in the late nineteenth century. For today’s ‘self made’ Asian African business tycoons, the founding father of the business tycoons was the root of a new entrepreneurial area.

The general migration history of Asian East Africans is well documented. Long before East Africa was ‘discovered’ by Europeans, Zanzibar and the East African coast were well-known trading destinations for Arabs and South Asians. The Indian Ocean served as a connection rather than a boundary between the continents. These existing trading relations were strengthened during the establishment of the British Empire in East Africa. In the period between 1880 and 1920, the number of South Asians in East Africa grew from about 6,000 to 54,000, among them Hindus (including well-known business castes like the Bhatias, Patels, Lohanas, and Shahs), Muslims (especially the Ithnasheries, Bohras, and Ismailis), Sikhs, Goans, and others (Gregory 1993). This process of permanent settlement, however, was the outcome of a process of semi-permanent settlement and circular migration.

The founding father of the Karimjee Jivanjee family was Buddhaboy Noormuhammed. He was a Bohra (Muslim) trader in the seaport of Mandvi in Western India in the early nineteenth century. At that time, Mandvi was connected with western Indian ports in Gujarat and Maharasthtra, such as Porbander, Surat, and Bombay. More importantly, it was also linked to Arab ports like Aden and Muscat and the trading centres of Mogadishu, Zanzibar, and Malindi along the northeastern coast of Africa. Buddhaboy Noormuhammed owned a hardware business in Mandvi in the early nineteenth century. In those days the economic prospects were predominantly dependent on the agricultural produce in the region. At the same time, however, Gujarat was opening up to a wider world. One day, on a visit to Mandvi, the chief Custom Master of the Sultan of Oman in Zanzibar, the South Asian Jairam Sewji, approached Buddhaboy. Sewji was a very rich and influential figure in the Indian Ocean region. He used to travel from Zanzibar to Aden and West India every two or three years and probably talked to Buddhaboy about the economic potential of East Africa and the business opportunities in Zanzibar. As a result, Buddhaboy decided to send his son, Jivanjee, to Zanzibar to explore potential economic options for his family.
Family records reveal that Jivanjee opened his own hardware shop in Zanzibar in 1818, and established his own trading company, Jivanjee Buddhaboy & Co, which exported cloves and copra to India and imported German and American cloth (*Amerkani*), in 1825. Most South Asian migrants arrived in East Africa with little or no money. However, they had access to capital through community networks. As only a few families arrived with significant amounts of capital, it may be plausible to assume that Jivanjee did not arrive with a substantial amount of capital. His father’s connection to Jairam Sewji, however, might suggest that he had at least some moral support and was looked after. The British representative in Zanzibar, Sir Bartle Frere, observed in 1873:

Arriving at his future scene of business with little beyond the credentials of his fellow castemen, after perhaps a brief apprenticeship in some older firms, he starts a shop of his own with goods advanced on credit by some large house, and after a few years, when he has made a little money, generally returns home to marry, to make fresh business connections, and then comes back to Africa to repeat, on a large scale.\(^8\)

This may have been the pattern followed by Jivanjee. He had started a flourishing trading firm and was succeeded by his four sons: Ebrahimjee, Esmailjee, Pirbhai and Karimjee Jivanjee. One family tree reveals a daughter, Fatamben, but there is no additional information about her. The eldest son, Ebrahimjee, may have died early, as his name disappeared from the records in the 1850s.\(^9\)

In 1861, the three surviving brothers, Esmailjee, Pirbhai, and the youngest brother Karimjee, separated their business interests. Whether the separation was for practical reasons or the result of disagreements within the family remains unclear. The two eldest sons, Esmailjee and Pirbhai, continued their father’s business in Zanzibar, and following the death of Pirbhai, the company was renamed the ‘Esmailjee Jivanjee Company’. It developed a wide range of businesses, such as being a major importer of grain and holding the agency for kerosene in East Africa (Playne 1909: 420–423). Esmailjee eventually migrated to Mombasa in 1880, where he was among the first Bohras to settle. Like many of his South Asian contemporaries, he had run his business from East Africa but his longing for India remained. It is likely that he
retired in Mandvi. It is certain that he left a building as charity to be used as a girl’s school in Mandvi in 1902. This is probably one of the first charities in North West India to have been donated by an Asian African (Oonk 2009).

Where Esmailjee and Pirbhai shifted their business interests to Mombasa, the youngest brother, Karimjee Jivanjee (1826–1898), continued his own business in Zanzibar. In the late nineteenth century, he was exporting commodities such as ivory, copra, groundnuts, cereals, beeswax, and cloves from Zanzibar and the East African mainland to India. The Karimjee Jivanjee firm had developed as a truly international company, and shipped direct to Europe where it had its own buying and selling agents. It also conducted business in Mauritius, Madagascar, and the Seychelles as well as with India and Ceylon (now Sri Lanka). The Karimjees, like most South Asians, were not involved in either the slave trade or the inland caravan trade. This was left to the Arabs, who were the major traders to explore the African interiors (Playne 1909).

At the same time he was looking after his own family affairs, most importantly his son, Alibhai’s, marriage. In those days, most Bohra brides were recruited from India, and Karimjee Jivanjee went to India to arrange his only son’s marriage. After he had settled his family affairs in India, he apparently invested all he had in buying goods in India with the intention of selling them in Zanzibar. Unfortunately, he lost his entire investment as the cargo had to be jettisoned during a violent storm on the return journey. He arrived penniless and probably in debt to some of his community members in Zanzibar. As the Karimjees had built up their ‘good name’, Jivanjee was determined to keep that valuable asset within the community. He most likely had to work for some of his creditors to repay his debts. Nonetheless, he was able to build up his own business in a comparatively short period of time. This was due to his tenacity and patience as well as a system of ‘trust’ within the Bohra community where reliable and trustworthy members of the community were able to obtain loans on relatively favourable terms (Oonk 2006). The Karimjee Jivanjee firm is an example where ‘trust relations’ beyond the family firm happened to be favourable for the family.

[B] Diversification and new investments

In the period between 1880 and 1920, the Karimjee family business came to an important crossroads. At this stage, the Karimjee Jivanjee Company was still a trading company, trading in a wide range of products, the majority of which was in agricultural products and textiles.
Goods were imported from a wide range of countries, including the UK, Germany, and India, while East African agricultural products were exported to these same countries, as well as Mauritius, the Seychelles, and Ceylon. The company owned many dhows, which were used for the coastal trade, especially in Pemba, Tanga, Dar es Salaam, Bagamoyo, Kilwa, Lindi, Mikindani, Mombasa, and Lamu. There were trading agents in most of these places.

An important trading directory published in 1909 summarizes the business activities of Karimjee Jivanjee & Company as follows:

Their principal imports are Manchester cotton goods; sugar from Austria, Germany and Russia; rice from India; tea and coffee, beads (Bohemian and Viennese); metal – especially galvanised iron from Birmingham; oil, paints, nails and all kinds of merchandise except hams and bacon which are prohibited owing to their religion. Exports […] local produce, such as cloves, copra, hides, beeswax, rubber, chillies, all kinds of shells, groundnuts, and East African produce. They have a certificate of merit for cloves awarded at the Zanzibar Exhibition of 1905 (Playne 1909).

The classical development pattern from trade to industries was not an option for entrepreneurs and businessmen in East Africa. It was clear to most merchants that the conditions for industrialization in Africa were hardly ideal. The other option to diversify the trading business into a ‘producing’ business was to invest in agriculture. This opportunity manifested when the British auctioned German properties after the First World War. The schedules of properties offered for sale were published in the Tanga Post and East Coast Advertiser and the London Times. At the first sale in May 1921, Indians bought at least fifteen of the forty business lots auctioned in Dar es Salaam. The total amount of money invested by Indians was more than 50,000 pounds sterling of a total of 112,000 pounds sterling (Gregory 1993: 380). Of the Indian bidders, Yusufali Karimjee was the most active, buying a range of real estate and land. The Tanga Post and East Coast Advertiser from 11 June 1920, mentioned twenty lots, fifteen of which were bought by the Karimjees. This included: (1) a sisal and rubber plantation of 292 hectares, situated near Ruvu on the Central Railway (Dar es Salaam, 6,250 pounds sterling); (2) a plot of land of 41 ar. 34sq.m, together with a three-storeyed building of offices and living quarters, a double-storeyed building being used as living quarters and printing
works as well as a range of stabling stores, garages, etc (all in Dar es Salaam for the total sum of 8,500 pounds sterling); and (3) a coconut plantation of 50 ha, situated on the old Bagamoyo Road (650 pounds sterling). The total investments amounted to more than 38,000 pounds sterling.\textsuperscript{10} By 1924, the firm had acquired six sisal estates and eventually became the third largest sisal producer in the world. The extensive nature of Karimjee Jivanjee Estates’ plantation work can be gauged from the fact that it employed a large army of labourers, numbering between 12,000 and 15,000. It also employed forty European managers, assistants, and engineers comprising English, Germans, Greeks, Italian, Dutch, Swiss, Indian, and Sri Lankan internationals.\textsuperscript{11}

The property market and agricultural business, ranging from tea and coffee plantations, kapok estates and sisal plantations, were a novel departure for the Karimjee Jivanjee Co. Ltd. The process of managing capital and labour in a trading company differs significantly from that of an enterprise in agricultural production. In a trading company, the balance between buying and selling goods generates the profits. Throughout the agricultural production of goods, however, a range of constantly changing factors affects the profit margins, including the price of seeds and raw materials, the cost of labour, the price of machines, and changes in government legislation regarding labour, environment, taxes, and the efficiency of management. The process of cutting trees, of developing land, seeds, fertilisers, training a labour force, and many other things had to be developed and managed. For the Karimjee Jivanjee family, Abdulla Mohamedali Karimjee became the estate business’ prime entrepreneur, manager and foreman.

The Karimjees realised that part of the success of the plantation business relied on their relations with workers. The training and control of workers formed one of the major challenges in the estate business. Karimjee Jivanjee Estates Ltd. is said to be probably the first in the whole of East Africa in the care it takes and the solicitude it shows in the maintenance and welfare of its large numbers of labourers. […] On its Soga plantation, the firm has erected a mosque for labourers and its dispensary for them. On the Gomba plantation […] a special hospital has been provided with a European nurse in charge. On the Kidugalo Estate also, a hospital has been built and efforts are being made to provide every one of its plantations with such a hospital.\textsuperscript{12}
This evidence shows that the relations with labourers were highly valued. As the sisal industry expanded, there was a need for the sisal growers to unite and talk with one voice to the Government, the sisal dealers, etc., through such dominant organizations as the Tanganyika Sisal Growers Association (TSGA) and the Tanzanian Sisal Marketing Association (TASMA). Abdulla Karimjee played a prominent role in establishing these institutions. At that time, Karimjee Jivanjee & Co owned estates totalling 10,000 acres and employed 20,000 labourers. Tayabali Essaji Sachak had the second largest Asian firm. Eventually, the two Bohra families established affine relations with the marriage of Anverali Karimjee to Rubabai Sachack.\textsuperscript{13}

Sisal, and therefore Tanga, was booming at the eve of the Korean War (1950–1953). Many countries feared that this could be the beginning of another World War. There was an immediate panic among numerous countries to buy up strategic commodities. They did not wish to make the same mistakes as they had before the Second World War, and began to buy all strategic commodities such as tea, coffee, and also sisal. The price of sisal went up from pound sterling 18 per ton, which was already a profitable price, to almost pound sterling 250 per ton. In this relative short period Tanganyika’s sisal producers became overnight millionaires leading to their nickname of ‘sisal barons’. The boom did not last very long, but it was long enough to create enormous wealth in Tanga and sisal became known as ‘the white gold of Tanganyika’.\textsuperscript{14}

<table>
<thead>
<tr>
<th>Ownership</th>
<th>Production in tons</th>
<th>Percent of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>British</td>
<td>55,228</td>
<td>30.98</td>
</tr>
<tr>
<td>Greek</td>
<td>53,160</td>
<td>29.83</td>
</tr>
<tr>
<td>Asian</td>
<td>45,321</td>
<td>25.43</td>
</tr>
<tr>
<td>Swiss</td>
<td>15,549</td>
<td>8.72</td>
</tr>
<tr>
<td>African (random sisal)</td>
<td>3,979</td>
<td>2.23</td>
</tr>
</tbody>
</table>
In addition to the initial diversification of the estate development, a second phase of diversification included the expansion of the cars, car parts, and petroleum business. This all started with a trading license to sell kerosene. The American-owned The Texas Co. started to export oil to South Africa in 1908. Three years later, The Texas Co. formed a subsidiary based in Cape Town. The Texas Co. (South Africa) Ltd. quickly became a leader in the South African market, advertising its products effectively, building a strong marketing and distribution network, and establishing one of the nation’s first filling stations in 1922. In 1924, The Texas Company decided to start exporting to Tanganyika and, with this in mind, they sent their representative, Mr. Boyac, from their African head office in South Africa to Zanzibar to find a suitable agent. The Karimjeees took up the Caltex license to sell petrol and kerosene in East Africa.15

In those early years, any sale of five or more tins of kerosene or petrol was reportedly personally attended to by one of the family members, where other firms might well have left such sales to their subordinates.16 Abdulhusein Adamjee, a family cousin who had began life as a departmental manager, was very much involved in the early petrol sale years. In the 1920s, Caltex products came from the United States – a giant refinery in Bahrein in the Persian Gulf was built many years later – and was brought to Zanzibar in cargo ships. Dar es Salaam was supplied with petrol, oils, and kerosene by dhows transporting two to three hundred cans at a time. In 1953, however, the sales – excluding those to the Government – averaged 120,000 gallons of kerosene and 250,000 of gasoline monthly. Although Caltex later set up its own branch in Tanganyika, the Karimjeees kept the license for Tanga, the Southern Provinces, and Zanzibar.17


<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Dutch</td>
<td>2,994</td>
<td>1.68</td>
</tr>
<tr>
<td>Italian</td>
<td>1,200</td>
<td>0.67</td>
</tr>
<tr>
<td>German</td>
<td>819</td>
<td>0.46</td>
</tr>
<tr>
<td>Total</td>
<td>178,250</td>
<td>100.00</td>
</tr>
</tbody>
</table>

In addition to the initial diversification of the estate development, a second phase of diversification included the expansion of the cars, car parts, and petroleum business. This all started with a trading license to sell kerosene. The American-owned The Texas Co. started to export oil to South Africa in 1908. Three years later, The Texas Co. formed a subsidiary based in Cape Town. The Texas Co. (South Africa) Ltd. quickly became a leader in the South African market, advertising its products effectively, building a strong marketing and distribution network, and establishing one of the nation’s first filling stations in 1922. In 1924, The Texas Company decided to start exporting to Tanganyika and, with this in mind, they sent their representative, Mr. Boyac, from their African head office in South Africa to Zanzibar to find a suitable agent. The Karimjeees took up the Caltex license to sell petrol and kerosene in East Africa.15

In those early years, any sale of five or more tins of kerosene or petrol was reportedly personally attended to by one of the family members, where other firms might well have left such sales to their subordinates.16 Abdulhusein Adamjee, a family cousin who had began life as a departmental manager, was very much involved in the early petrol sale years. In the 1920s, Caltex products came from the United States – a giant refinery in Bahrein in the Persian Gulf was built many years later – and was brought to Zanzibar in cargo ships. Dar es Salaam was supplied with petrol, oils, and kerosene by dhows transporting two to three hundred cans at a time. In 1953, however, the sales – excluding those to the Government – averaged 120,000 gallons of kerosene and 250,000 of gasoline monthly. Although Caltex later set up its own branch in Tanganyika, the Karimjeees kept the license for Tanga, the Southern Provinces, and Zanzibar.17
In 1927, a subsidiary business was started at Tanga and Dar es Salaam, The International Motor Mart (IMM). The basic aim was to provide East Africa with motorbikes, cars, and spare parts. They needed cars and tractors for their agricultural business and assumed that other plantation owners as well as the small African, European, and Asian elite would be interested as well. Yusufali’s son Abdukarim became the executive manager of this division. Within an incredibly short amount of time, they were able to deal with the most important car and motor dealers in the world. This again is evidence of the importance of maintaining a good name, because, without any previous experience in car sales and spare parts business, that was all they had.

IMM soon became the agents for Triumph Motors, which had now become a vehicle with a cult status among the youth. IMM imported the well-known Nash Cars (founded in 1916 by former General Motors president Charles W. Nash, who also acquired the Thomas B. Jeffery Company). They were also agents for International Trucks, and Francis-Barnett Motor Cycles. IMM soon acted as an agent for the Rootes Group (originally founded in Kent in 1919 by William Rootes as a car sales company), and, furthermore, IMM acted as the representative of International Harvester for tractors and agricultural machinery. This diversification shows a clear progression, whereby the experience in selling oil products and car parts merged with the new estate ventures. At this point, the company needed trucks and agricultural machines, and anticipated that a profitable collaboration with car companies would be to the benefit of the estate business while also boosting the export figures of those companies.

There is no doubt that the diversification benefited from the vertical and horizontal integration within the Karimjee group of companies. For example Karimjee Jivanjee Estates’ agricultural activities benefited from the auto and agro agencies of IMM, as well as tyres. Karimjee Jivanjee Estates would take advantage of Karimjee Jivanjee & Co Ltd’s insurance and shipping services as well as of the Caltex agencies. Tea and sisal would be exported and the Clearing & Forwarding section of the shipping division of Karimjee Jivanjee & Co Ltd. would import machinery parts.

The rapid expansion of new companies resulted in the formal separation of the trading, properties, and agricultural divisions in order to clearly identify legal ownership and management. The parent company remained Karimjee Jivanjee & Co. Ltd, while each company had a similar family shareholding and Board of Directors that consisted mainly of family members. Akberally Adamjee played an essential role in this transformation. He was...
recruited from India in the 1930s to assist the young Karimjees in the management and administration of the business. He was a very capable administrator and quickly became a senior manager. He was the first non-family director in the business. He was primarily employed by Karimjee Jivanjee & Co Ltd, Karimjee Properties, and in handling the insurance and shipping agencies.¹⁹

KARIMJEE JIVANJEE & Co. Ltd
Established in 1825 in Zanzibar

| The International Motor Mart, Ltd. | Karimjee Jivanjee Estates, Ltd. |
| Established in 1929 (Dar es Salaam, Tanzania) | Established in 1939 (Dar es Salaam, Tanzania) |

| Karimjee Trading & Co Ltd. | Karimjee Jivanjee & Co (UK) Ltd. |
| Bombay branch | London branch |
| Established in 1939 | Established in 1949 |

| Karimjee Properties Ltd. |
| Established in 1942 (Dar es Salaam, Tanzania) |

Table 3.2: Company structure of the Karimjee Jivanjee family in 1950

[B] Business networks and political (in)stability from within

Networks with community members as well as outsiders were based on personal relations. Trust was important, not only for commercial purposes, and minimizing entrepreneurial risks and transaction costs, but also for personal security particularly during times of war and
political instability. Historically, trading and travelling were neither safe nor secure: it may come as no surprise that political instability may increase profit margins at the expense of insecurity and commercial and personal risks.

The Karimjees divided responsibilities among various family members. Yusufali Karimjee (1882–1966) was responsible for the European and South- and East Asian part of the business (Playne 1909). In Asia, he built a dense business network with Bohra-community members who had set up businesses in these areas. His favourite journey included Zanzibar, Karachi, Bombay, Colombo, Rangoon, Singapore, Bangkok, Hong Kong, and Kobe in Japan. In all these places, he would visit Bohra friends. In Colombo (Ceylon, nowadays Sri Lanka), he was close to the Akberallys, Nurbhais, and the Esufallys. In Mauritius, Yusufali was close to the Currimjees, the Kakals, and the Ismails. He never had to stay in a hotel as he always had a place to stay with these families. Eventually, the Karimjee family married into the families, further solidifying the connection (Oonk 2009). These links must certainly have diminished the cost of transactions and increased the family’s understanding of global markets as well.

The Karimjees did not rely solely on family and community members as they built close alliances with other people to ensure their business success. Let me present two examples. In the early 1930s, Yusufali got married for the third time to a Japanese woman, Katsuku Enomoto Banoo, when he lived in the country for a few years. No documentation about the reason for this marriage can be found and no references to the business or market can be found in the letters that remain from that period. The records show that she came from a high class background and that they met at a hospital where she worked and Yusufali happened to be a patient. The relation with Japan became important after the Karimjees closed their deal with Toyota (see further in this article).

The Karimjees were able to escape from the Second World War in East Africa, as some family members stayed in Mauritius, others moved to live in Kashmir and kept a low profile at their businesses and branches until the war was over. The family was unable, however, to escape political instability entirely, despite their personal networks and international relations. The three decades that followed Tanzania’s independence were overshadowed by growing political and economic insecurity among Asians in the country. The Zanzibar revolution in 1964 eventually led many Asians to migrate to the mainland, and Asians who remained in the country were heavily impacted by the Arusha Declaration in 1967 and the nationalization of properties in 1971 and its economic consequences. While the nationalization of these economic sectors as well as of schools and buildings was not directed against the Asians...
specifically, they were nevertheless extremely affected by these policies, and this led to a major exodus of Indians in 1971. Some observers have estimated that 150,000 persons of Indian origin left the country, which reduced the country’s Indian population by 60 percent (Gregory 1971; Oonk 2004).

The Acquisition of Buildings Act of April 1971 hit the Karimjee Jivanjee family profoundly as it nationalized the houses and properties in Tanganyika. Although their sisal estates were not nationalized, numerous Karimjee buildings in Dar es Salaam and Tanga were, and the family lost more than 35 buildings and houses almost overnight in Dar es Salaam alone. In many cases, the Karimjees became tenants of the Registrar of Buildings or the National Housing Corporation. They had to rent their ‘own’ buildings. Furthermore, the new landlord was unable to maintain the buildings to the most basic standards and some buildings fell into disrepair within months. The administrative procedures to manage the nationalized properties were complex and multifaceted. Ironically, in some cases the Office of the Registrar of Buildings requested the Karimjee Jivanjee family assist with the process, for example on the responsibilities for tenants and owners.\(^{20}\)

During this turmoil, the Dar es Salaam head of the family was Abdulkarim Karimjee (1907–1977). He advised his family members to leave the country – especially those with younger children. He felt that, for the time being, the future of the Karimjees was not in Africa as he foresaw difficult times ahead for Asians in East Africa. Although he himself remained in East Africa to look after the local businesses, mostly in the position as Managing Director of IMM, most of his family members went to the United Kingdom to work for other companies or establish themselves as professionals. Some started new businesses.

Abdulkarim Karimjee’s most important contribution to the family business was acquiring trading licenses for Toyota, which remains one of the Karimjees’s most important money makers. The deal with Toyota is a good example of three important pillars of successful businessmen coming together: i.e. (a) ‘having a good name’; (b) using your entrepreneurial instinct; and (c) ‘being there at the right time and the right place’. The Toyota story began in Rhodesia when Prime Minister Ian Smith issued a Unilateral Declaration of Independence (UDI) from Great Britain in 1965. The British Government was offended by this one-sided approach and decided to impose economic sanctions on Rhodesia, including a blockade on shipments to Rhodesia especially through Beira, Mozambique. At that time the Toyota agent in Rhodesia was Lonrho (London and Rhodesian Company established in 1909). Toyota had sent a ship full of Toyotas to Beira, Mozambique for delivery to Rhodesia and due to the
British blockade, the ship eventually landed in Dar es Salaam under strict conditions not to transship to Rhodesia.21

Thus, Lonhro was looking for an agent in Dar es Salaam to sell these cars locally and prevent them from further losses. Interestingly, Lonhro owned vehicle agencies in Tanzania, which were agents for Ford and Renault, namely Motor Mart and Riddoch Motors (not to be confused with International Motor Mart Ltd, which belonged to Karimjees). Both Motor Mart and Riddochs refused to take the Toyotas. In those days, Japanese products were considered ‘cheap products’ like cheap Japanese toys. Lonrho eventually approached International Motor Mart with the request to take the vehicles and sell them. Abdulkarim consulted his right-hand man, Pitamber, who was formally his secretary but acted in many ways as the executive manager. IMM agreed to take the vehicles on consignment basis whereby they only would pay Lonrho after they sold the vehicles.

Karimjees found that the Toyota cars were very popular even though the cars were not as good as American and British cars. They were, however, fully loaded with accessories and attractive gadgets, like radio with electric antenna, cigarette lighters, wing mirrors, etc. These accessories were available at an extra charge in British cars but were standard on Toyotas. As a result, the first consignment sold very rapidly. Karimjees may have foreseen that British cars were on their way out due to rising cost of production and British Trade Unions’ increasing interference, which made British cars too expensive and the companies that produced them were unable to provide customer service. Eventually, the Karimjees applied for and received the Toyota agency from Toyota Motor Corporation. International Motor Mart became Toyota’s third agency in sub-Sahara Africa after South Africa and Rhodesia. This license has remained important for the family up to today.

Despite that fact that the head office of Karimjee Jivanjee & Co Ltd. is still in Dar es Salaam, the family itself has scattered over the world. During the turmoil of the Asian expulsion from East Africa, only three family members stayed back to look after the local affairs. Most of the family members went initially to the United Kingdom, and currently reside in the United Kingdom as well as in Tanzania, Kenya, Uganda, Mauritius, Canada, USA, Australia, India, Pakistan, and Dubai. Some family members own residencies in more than two countries, while others stay at one place only. Most family members are citizens of the countries where they live.
In 2007, I spent some time in London visiting the trading office of Karimjee Trading & Co Ltd. One day a week I visited the trading office in the financial district. Usually, I sat next to the director watching him making phone calls, writing e-mails, and instructing his secretaries. He was born in East Africa, but joined the London office in the 1960s. His son was born and raised in London. In fact, I was sitting at his son’s desk as he had just left to open an office in Dubai. The father happened to phone his son at least once a day to enquire about the daily affairs and coach him in running the Dubai-business, which focused on shipping vegetables from various places in the Indian Ocean Region to destinies in East Asia, East Africa, and Western Europe. The company never owns the cargo; they finance the shipment of bulk agricultural products, a field in which they have more than 120 years’ experience. What we see here is very interesting, because it includes 200 years of history and experience. They know how to discuss the varieties, quality and various names of the products in various languages. Furthermore, the family still recruits their own sons to open new trading branches in emerging markets or profitable places, like Dubai. This is a globalized business family in a globalized world.

[A] Conclusion

The Karimjees have been a strict family firm for over 150 years now. The Karimjee Jivanjee & Co. Ltd and its dependencies are fully owned and managed by family members. In addition, the Karimjee Jivanjee & Co Ltd has owned properties and businesses in more than one country, and they have traded with South and South East Asia and Europe. They usually deal with (Bohra) community members or relatives as agents in these places, but at times they have established firm relations with local representatives. At one time, they had more than 20,000 people working for them. They currently hold licenses to import Toyota cars into East Africa.

Nowadays, the family members themselves have been scattered around the world and hold properties, assets and citizenship wherever they are. In this article, I have shown that this firm can best be described as a diasporic family firm. They rely on trust and trade in long distance relations, from Japan to London. In addition, I have highlighted the importance of (transnational) marriage patterns, the role of the family eldest, and succession.

The history of the Karimjee Jivanjee family firms shows that they were able to survive some major setbacks by using typical ‘diasporic’ resources. When Karimjee Jivanjee’s son, Alibhai,
lost his entire investments in 1860, he was able to rebuild his fortune because of his ‘good name’ and the fact that Bohra community members in Zanzibar supported his recovery. During the expulsion of Indians from East Africa and the nationalization of buildings and industries (1968–1972), the senior member of the family sent most of his family out of the country, keeping only three family members including him in the country.

This article illustrates that the Karimjee Jivanjee family and firm remained in Zanzibar and Dar es Salaam while dynasties, empires, and nations emerged and changed. The Karimjee family started in Zanzibar during the reign of the Sultan of Oman. They witnessed the emergence of the German and British colonial regimes and the inclination of each to exploit the region and develop it for their own needs. They observed the origins of the Tanzanian independence movement and played a role in it as Abdulkarim Karimjee presided the ceremony and the family’s largest charity was the Karimjee Hall, which served as the Tanzanian parliament for more than forty years. Karimjee Jivanjee & Co Ltd cannot, however, be aligned with Tanzania, India, or the United Kingdom alone. The current shareholders (all family) hold citizenships in eight different countries, and some have dual citizenship. This may be a new element in the diasporic family firm that needs more exploration in terms of consequence and magnitude. Most historical studies on transnational trade and business tend to focus on Western companies, which are, more often than not, part of the European empires, most notably the British Empire. In this study, I focused on a firm with its origins in the Indian Ocean and the ability to develop not only without the support of empire or state, but, in fact, despite of it.

[A] References


---

1 Gijsbert Oonk is Associate Professor in the Department of History, Erasmus School of History, Culture and Communication, Rotterdam, The Netherlands. He was the Alfred D. Chandler Jr. International Visiting Scholar in Business History at the Harvard Business School in 2011-2012. This paper is written as part of being Honorary Affiliate of the Centre for Indian Studies in Africa (CISA), University of the Witwatersrand (Wits), Johannesburg, South Africa. In 2006, the Karimjee Jivanjee family assigned me to write their family’s business history. Private businesses are not renowned for their willingness to lay bare their insights to researchers. However, for the purpose of that research, I was given free access to all the available sources, records, and correspondence related to the business history of the Karimjee Jivanjee family. They shared their invaluable business insights and experience with me at various occasions between 2007 and 2009. This paper is based on this biographical research, as published in G.Oonk, Karimjee Jivanjee, Merchant Princess of East Africa 1800-2000, Pallas and Amsterdam University Press 2009 and G.Oonk *Settled Strangers. Asian Business Elites in East Africa (1800-2000)*, Delhi, London, Los Angeles, Sage 2013.


3 Aslanian argues on similar lines for the New Julfan Armenian Network. He shows that Armenian trading networks were able to flourish within the Moghul, Ottoman, and British Empires. This argues against the Eurocentric and state/empire-centred approach that is so dominant in the history of European expansion and the economic histories of emerging nation states, empires, and regions.

4 Many of the early settlers had a background in agriculture. However, it is likely that migrants from the Indian rural areas underwent an ‘initiation period in the Indian ports’, where they – under the guidance of family and community members – learned something of overseas trade (see Sheriff 1971).
5 Bartle Frere, Extracts from the evidence taken before the select Committee of the House of Commons, Colonial Office, 1887. See also Burton (1872: 329-335). The first volume of Cynthia Salvadori’s (1996) fieldwork account We Came in Dhows contains a few oral testimonies of families that kept trading branches in Bombay and other places in India as well.

6 See also the next paragraph for examples of South Asians who went bankrupt within the first ten years after arrival in Zanzibar. Earlier, Claude Markovits (1999) made a strong case against the idea of permanent settlement. He argues that the majority of Indian migrants in the nineteenth century were not permanent migrants, but temporary migrants.

7 I learned about the connection between Buddhaboy Noormuhammed and Jairam Sewji in an interview with Anverali Hassanali Noorani, who was the great grandson of Jivanjee. He was born in 1901 (interview published in Salvadori 1996: 100-101). Information related to Jairam Sewji can be found in the Colonial Office, Memo by Sir Bartle Frere, Correspondence 1856, p. 10. Recently an interesting study appeared based on the family records of Jairam Shivji (note, different spelling due to transliteration, but it is the same person). See also Goswami (2011).

8 Memo by Sir Bartle Frere, Correspondence 1856, p.101 (Colonial Office).

9 In an undated typed written document by Fazlebas Esmailjee Jivanjee it is said that he may have drowned during one of his trips from India to Zanzibar (family archives, Dar es Salaam). The bulk of the family archives are in Dar es Salaam. The company records are in the head office of the Karimjee Jivananjee & Co. Ltd and most of the family records are with the current family eldest, Hatim Karimjee, and his brother, Mahmood Karimjee. Nevertheless, I have seen records with family members in Mauritius, London, and Karachi as well. All the records have been scanned and are in the author’s possession.

10 Newspaper sources were used to balance the information from oral histories. In this article, I have used papers published from Dar es Salaam and Zanzibar. They can be found in the Zanzibar Archives and The National Library of Tanzania, Dar es Salaam. The papers include: The Tanga Post and East Coast Advertiser; The Tanganyika Herald; The Zanzibar Voice; The Tanganyika Opinion and The Age. In addition, I have seen the Jubilee numbers of the newspaper Samarch (1929 and 1936) in the company’s archive in Dar es Salaam. For an overview of the Karimjee Jivanjee investments in land see: The Tanga Post and East Coast Advertiser, 11 June 1921, p3.

11 Samarch Silver Jubilee number 1929, p47.

12 Samarch Silver Jubilee number 1929, 47.

13 For more intermarriages, see my family tree of the Karimjee Jivanjee family (Oonk 2009). Please note that intermarriages are not always instrumental for business reasons.

14 The Age, 11 October 1956; Tanzania Affairs, 1 January 1991. For an excellent study on the marketing and competition between sisal growers and the Empire, see Westcott (1984).


16 Ibid, p 5.

17 Ibid.

18 Francis-Barnett was a British motorcycle manufacturer founded in 1919 by Gordon Francis and Arthur Barnett.
In this context, I would especially like to mention Hatim Karimjee, Latif Karimjee, and Mahmood Karimjee, who all sat through the series of long searching interviews between 2007 and 2008 in various places, like Dar es Salaam, London, Mauritius, and Zanzibar.

Correspondence between the Government of Tanzania and the Karimje Jivanjee Co, Ltd, Family archive.

Richard Hall, the biographer of Tiny Rowland, the founding father of the Lonrho company, stated in 1987: ‘Tanzania has always been Rowland’s “dead” area in East Africa’ (Hall 1987: 240).