

**A SEA OF DEBT:  
LAW AND ECONOMIC LIFE IN THE  
WESTERN INDIAN OCEAN, 1780-1950**

Fahad Ahmad Bishara  
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Reviewed by Matthew S. Hopper

When ‘Azzan bin Qais al-Busa’idi stormed Muscat in 1868, deposed his cousin the sultan and declared a short-lived, austere Ibadi imamate in Oman, he appointed the jurist Sa’id bin Khalfan al-Khalili as his governor and chief qadi. British colonial authorities assailed al-Khalili as a “fanatical lieutenant” who threatened the commerce of the port city with his zealotry. But completely missed by these critics (and many historians since) was the fact that this same jurist spent much of the preceding decade penning fatwas that defended and encouraged the legal instruments of debt that greased the wheels of expanding global commerce in the Indian Ocean and enriched British Indian subjects. In a path-breaking new book by Fahad Bishara, al-Khalili and his contemporaries—jurists, sultans, merchants, lenders, and producers—form the center of a dynamic economy in the western Indian Ocean at the moment when the forces of emerging modern capitalism were most powerfully felt. Bishara brings this moment to life using new sources to describe an interconnected economy made up of complex webs of obligation. *A Sea of Debt* powerfully reshapes our thinking about the economic history of the western Indian Ocean.

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Fahad Bishara is assistant professor of history at the University of Virginia and was formerly a Prize Fellow in Economics, History, and Politics at the Center for History and Economics at Harvard University. Research for this book required extensive archival work in Bombay, Muscat, Zanzibar, and London with advanced reading knowledge of Arabic and Swahili and encyclopedic knowledge of economics, Islamic law, and the law of British India. It is hard to imagine anyone else equipped to write such a book—or write it so well.

*A Sea of Debt* is deeply theoretical, yet easy to follow and accessible to a wide readership, and it should therefore have a significant impact on the growing field of Indian Ocean studies. The book is ostensibly about debt, but it is also about much more. If for many readers the title will imply a metaphor of “drowning in a sea of debt,” later chapters will bear this theme out—debts accrued during times of plenty became enormous burdens by the 1930s. But earlier chapters demonstrate how debt first served as the lubricant of commerce and wealth creation in the Indian Ocean, particularly in the boom years of expanding global markets for cloves, ivory, copra, and dates.

Bishara explains how South Asian financiers, firms, and factors enabled the movement of South Arabian and East African products to global markets through moneylending and customs farming. For the rulers of Muscat and Zanzibar in the nineteenth century the customs farm was the most important revenue source, and for merchants in both places, South Asian financiers were the principal conduits through which “the forces of emerging modern capitalism flowed” (53).

This capital flowed into Arabia and East Africa through a particular legal instrument: the *waraqqa*. Bishara demonstrates how each *waraqqa* contained an acknowledgement of debt (*iqrar*) that both inscribed legal personhood and generated obligation on the part of the debtor under the aegis of Islamic law. While eschewing usury, Ibadi jurists such as Sa’id bin Khalfan al-Khalili (b. 1811) adopted flexible perspectives on forms of debt obligation that effectively sanctioned the lending practices that would allow growing numbers of individuals to capitalize on the value of their properties (large and small) to take advantage of the opportunities afforded by the expanding global economy—whether financing ivory caravans into the interior of East Africa or expanding date gardens in Arabia or *shambas* (farms) in Zanzibar. These debt obligations became the “magnetic core around which a range of

different actors clustered to bring order and certainty to the world around them” (62). Bishara skillfully mines the legal opinions in al-Khalili’s *Ajwibat al-Muhaqqiq al-Khalili* to demonstrate how Indian capital came to finance the participation of consumers in Africa and Arabia—including slaves and freed slaves—in expanding commerce. Al-Khalili emphasized the importance of honoring debt obligations to both Muslim and non-Muslim lenders, and *katibs* (scribes) took pains to translate non-Arab names of individuals and even foreign firms to inscribe the natural personhood necessary for contracts to have legitimacy under Islamic law (71).

By far the most popular and most important debt instrument in Oman and East Africa was the *khiyar* sale, which served as a vehicle for loans and permitted debtors to raise capital for commercial ventures or money for consumption by leveraging property for cash loans. During the nineteenth-century boom in agricultural and luxury exports, the forces of emerging capitalism pushed jurists and merchants to see the *khiyar* sale as an option for a debtor to pass the rights of the produce, yield, or rents of a property to a lender for a specified time to secure a cash loan (92). But these arrangements also created mutual bonds that were highly desirable to lenders: they would bind planters into ongoing relationships of mutual obligation that would secure the flow of their produce while keeping the ledgers of the lender open to the borrower (95).

The second half of the book traces the evolution in the use of these *waraqas* as Indian merchants increasingly came to rely on British colonial courts to enforce them. The flexible debt instrument that permitted so many individuals to engage in the growing economy was completely reinterpreted by British colonial courts as an inflexible “mortgage” contract. In chapter 4, Bishara shows how merchants and financiers “unwittingly set into motion a long process of imperial legal expansion into South Asia and East Africa” (126). The slow process of transformation began with the registration of *waraqas* in courtrooms in places like Zanzibar.

In Bishara’s hands the seemingly mundane act of registering legal documents comes to life as part of the process of reshaping the Indian Ocean economy and “making Africa Indian” (150). As only registered documents were admissible in colonial courts, the former debt instruments—the *rahn* and the *khiyar*—came to be reinterpreted as a “mortgage” and a “time sale” and were increasingly made to conform to legal categories from British

India. Growing numbers of Indian lawyers and Arab qadis tested the legal limits of property rights in colonial courts, and the registrar came to play a central role. East Africa became the scene of a “legal sea change” that “almost completely fastened the East African legal landscape to British India by the end of the century” (152).

The construction of the Uganda Railway and attendant migration from India to East Africa presaged legal tests in the 1890s that set precedent for the jurisdiction of Islamic law and British Indian law. A decades-long debate played out in East Africa over “what Islamic law was and what it meant for *waraqas*, land and economic life” (168). By the time law in Zanzibar was formalized, former hopes for continual growth of valuable exports had faded, and large debts accumulated in expectation of healthy returns on investments in cloves, coconut, and ivory were dashed as prices depreciated. As Indian lenders sought to foreclose on “mortgaged” property, colonial courts increasingly looked to Indian law for guidance, and British colonial officials were inclined to “stave off the threat of foreclosure” and maintain “ongoing relationships of economic obligation” by citing Indian interpretations of Islamic law and giving this law fixity in Zanzibar through published law reports (186).

In this new economic and judicial environment, colonial officials struggled to balance the political expedience of maintaining an Arab planter class in Zanzibar with legal precedent. Meanwhile, East Africa became “overrun with lawyers and judges” (202) and felt the impact of powerful new Islamic reform movements just as Oman experienced a boom in date exports financed by merchants such as Ratansi Purshottam—who even employed al-Khalili’s son as a middleman (bringing the story full circle). In chapter 7, Bishara draws on ‘Abdullah bin Humayyid al-Salimi’s *Jawabat al-Imam al-Salimi* and the Purshottam papers to show how the date trade was financed until it collapsed in the 1930s. Chapter 8 addresses the aftermath of the collapse of clove and coconut markets, which left Zanzibar’s planter class “in a virtually irreversible state of debt” (219), while Oman faced new political and economic challenges.

In the 1920s and 1930s, courts enforced foreclosures leading to political instability interpreted in increasingly racialized ways (and foreshadowing the Zanzibar revolution). With the emergence of Indian nationalism, British colonial officials—after decades of investment and cooperation—began to

question the reliability of Indian financiers in the imperial project. In the end, the *waraqā* became “an instrument through which the governmental bureaucracy could actively intervene in everyday transactions” (240). Bishara argues convincingly that “the same set of economic forces that brought about the Indian Ocean contractual culture—the region’s integration into world markets—also brought about that culture’s quiet demise” (245).

*A Sea of Debt* is excellent history. It brings a new focus and new sources to Indian Ocean studies and pushes the field in new directions. Readers do not need specialized knowledge of the Indian Ocean, economics, or Islamic law to appreciate this book: Bishara masterfully explains each key concept clearly and thoroughly. The book is ideal for upper-division and graduate courses in the history of the Indian Ocean. Thoroughly researched and thoughtfully written, *Sea of Debt* is essential reading for all scholars with an interest in Islamic law, imperialism, and the spread of global capitalism in the Indian Ocean.

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