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The Drought Years: The Forgotten Economic Transformations in Gulf History**

سنوات القحط: تحوّل اقتصادي مَنسي في تاريخ الخليج

Abstract: This article discusses a transformative phase in the history of trade in the Gulf and the Indian Ocean, as a result of the expansion of World War II into the passages and ports of the Indian Ocean. The countries in the region suffered from British policies which introduced austerity measures to mitigate the widespread economic and social instability at that time. These British interventions challenged the economic system in the Gulf and the Arabian Peninsula, marking a turning point from pearl to oil-based economies. This transformative period spans approximately a decade, from the mid-1940s until the early 1950s.

Keywords: Gulf; Indian Ocean; World War II; Austerity Measures; Pearling.

الملخص: تناقش هذه الدراسة مرحلة تحوّل لافتة للانتباه في تاريخ التجارة في منطقة الخليج والمحيط الهندي. وقد تشكّلت هذه المرحلة نتيجةً لامتداد الحرب العالمية الثانية إلى ممرات المحيط الهندي وموانئه، حيث عانت دول المنطقة من سياسات التقشف البريطانية، التي سعت لإدخال هذه السياسات في محاولة للحدّ من حالة عدم الاستقرار الاقتصادي والاجتماعي المنتشرة آنذاك. ومثلت هذه التدخلات البريطانية تحديات للنظام الاقتصادي في الخليج وشبه الجزيرة العربية، وكانت نقطة التحوّل من اقتصادات اللؤلؤ إلى اقتصادات النفط. واستغرق هذا التحوّل قرابة العقد من الزمن؛ من منتصف الحرب العالمية الثانية إلى بداية خمسينيات القرن العشرين.

كلمات مفتاحية: الخليج؛ المحيط الهندي؛ الحرب العالمية الثانية؛ سياسات التقشّف؛ اقتصاد اللؤلؤ.

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Introduction

In late 1942, British political agents in the Gulf introduced a nation-based rationing system for the first time in the region's history. Accordingly, ration cards were issued to each household for rice, flour, and sugar, extending later to tea, coffee, and then to textiles. A wartime necessity, rationing was a desperate response to the region's deteriorating economic and social conditions even before the outbreak of World War II. Far from alleviating the economic crises, the rationing system placed the region on the brink of famine.

The rationing system was part of the extensive British austerity policy in Gulf Sheikhdoms during the 1940s. It was more a reflection of British agents' general understanding of economies across the Middle East than a plan tailored to the region's economic activities and resources. The policy failed to compensate for several shortcomings of the regional political economy, intensified the economic and social crisis, and disrupted the economic cycle and its trade patterns centred in the Indian Ocean.

Austerity policies were a constant strategy of the British Empire, which introduced them to the region during World War II. Few studies have explored these measures and their historical legacy in the political economy of the Gulf. In fact, scholars tend to assume that Gulf Sheikhdoms, as the protectorates of the British Empire, were exempted from many of the British policies or schemes imposed on its colonies. That is why, most studies focus on the role of British withdrawal plan either from the region, or on British anti-piracy schemes and its wars with the Qawasim.¹ Still, studies that do focus on the role of the British Empire in the region do little to explore the effects of these measures on the local economic, social, or political structures.²

By looking specifically at the experience of the Gulf sheikhdoms under British influence during World War II, this article examines the circumstances that brought a decade of widespread hunger and depression to the region, known to its residents as the *Drought Years*.³ Understanding this phase of the Gulf's modern history would partially explain the critical shift Gulf countries weathered from traditional pearling to modern oil-based economies.⁴

This article draws upon material from the British National Archives, local archives, and travellers' memoirs to evaluate the economic and social conditions in the Gulf during the 1930s and 1940s. A complete display of the archival records on the economic conditions of each of the Gulf states is beyond the scope of this article. Rather, it provides a glimpse of the general conditions across the region, mainly because the British wartime measures were designed as a regional policy not confined to one individual states. The severity of the conditions and crisis also varied across the Gulf, and more work is needed to develop a comprehensive case by case account.

This article argues that British austerity measures during World War II failed because they ignored the significant shortcomings of the regional economic system. Apart from their limited economic and

¹ See, for instance: Jill Crystal, *Oil and Politics in the Gulf: Rulers and Merchants in Kuwait and Qatar* (Cambridge: Cambridge University Press, 1995); Rosemarie Said Zahlan, *The Making of the Modern Gulf States: Kuwait, Bahrain, Qatar, the United Arab Emirates and Oman* (London: Routledge, 2016).

² See, for example: James Onley, *The Arabian Frontier of the British Raj: Merchants, Rulers, and the British in the 19th Century Gulf* (New York: Oxford University Press, 2007); Khaldoun al-Naqeeb, *Society and State in the Gulf and Arab Peninsula: A Different Perspective* (London: Routledge, 1990).

³ *Sanawāt al-jirīsh* translates to "years of wheat". It refers to the "age of wheat" because people replaced rice with wheat during World War II. Another name for the same phase in Gulf history is *Sanawāt al-Biṭāqa*, which translates to the "age of the card"; the card here is the ration card distributed in the region during World War II. The period is also called *Sanawāt al-Qaḥṭ*, which refers to the drought years. Some locals indicate *sanawāt al-jirīsh* only lasted seven years during World War II, while as this study indicates, this phase started a decade before with the collapse of the pearling economy.

⁴ Due to the limited scope of the study, analyses concentrate exclusively on the economic and political conditions related to the British wartime measures in the Gulf, other political and economic transformations that happened around the same time such as oil discovery, political movements, and nationalization are not covered.

social prospects, these plans did not offer alternative livelihoods or resources for locals to supplement the declining pearling and entrepôt economies. Instead, they stalled the economic cycle, which never truly recovered until the discovery of oil, inflicting harm on the Gulf economy.

The Gulf's Economic Cycle

Located on the middle route between Asia and Europe, with its mainland linking the Indian Ocean, the Red Sea, and the Mediterranean, the Gulf Sea was a thriving commercial channel for the Oceanic economy.⁵ Given the lack of agriculture and industrialization, the people of the Gulf historically had little beyond the commercial networks of the Indian Ocean. With the arrival of British steamship and telegraph services in Gulf ports in the mid-19th century, a new commercial network around the Indian Ocean started to form.⁶

The date-harvesting season marked the beginning of the region's commercial cycle.⁷ In August and September, Gulf merchants and owners of date farms travelled to the Gulf oases of Basra and al-Ahsa to supervise the harvest. Once the dates were harvested, they were loaded onto large ships for the long journey across the Indian Ocean, to trading houses and agents at the Indian subcontinent ports such as Goa and Colombo, and to the East African ports such as Zanzibar and Mombasa.⁸

Upon their return to the region, Gulf ships usually imported commodities such as timber, general commodities, foods, and textiles from India, while importing mangrove poles and coffee from East Africa.⁹ Many of these imported goods travelled far into the region through either land routes or smaller ports. For example, small ports such as Doha and Lingah were usually supplied by the ports of Bahrain, Kuwait, and Dubai.

By spring, Gulf ships had arrived after date season and began preparing for the beginning of the pearling season, marked by the Great Dive.¹⁰ Between March and May, Gulf merchants started provisioning pearling fleets of thousands of crewmembers and hundreds of dhows with sails, rigging, lateen yards, and anchor rope, along with dietary staples such as rice, dates, and coffee.

Oil industry started to enter the economic cycle of the region after oil in commercial quantities was discovered in Kuwait, Bahrain, Saudi Arabia, and Qatar during the mid-1930s.¹¹ In Bahrain particularly, due to early oil discoveries, the oil company started hiring locals from across the region to work in Bahrain.

⁵ The Gulf as a water channel that served the Indian Ocean before the discovery of the Cape of Good Hope is well documented. For example, it was described by German mathematician and cartographer Carsten Niebuhr, on his travels through Arabia as "That trade, when once brought within this channel, continued to flow through it, under the Ptolemies, the Romans, the Greek Emperors, and the Caliphs of Egypt". See: Carsten Niebuhr, *Travels through Arabia and Other Countries in the East 1733–1815*, vol. 2 (Edinburgh: R. Morison and Son, 1792), p. 9. Similar remarks could be found on: Ludovico di Varthema, *Travels of Ludovico Di Varthema in Egypt, Syria, Arabia Deserta and Arabia Felix, in Persia, India, and Ethiopia, A.D. 1503–1508* (London: Hakluyt Society, 1863), p. 89; Pedro Teixeira & John Stevens, *The Travels of Pedro Teixeira: With His 'Kings of Harmuz' and Extracts from His 'Kings of Persia'*, Donald Ferguson (ed.), William Sinclair (trans.) (London: Hakluyt Society, 1802), p. 23.

⁶ For further discussion on the emergence of the new Gulf-Indian Ocean networks in the middle of the 19th century, see: Matthew Hopper, "The Globalization of Dried Fruit: Transformation of the Eastern Arabian Economy, 1860s-1920s," in: James L. Gelvin & Nile Green (eds.), *Global Muslims in the Age of Steam and Print* (California: University of California Press, 2014); Matthew Hopper, "Debt and Slavery among Arabian Gulf Pearl Divers," in: Gwyn Campbell & Alessandro Stanziani (eds.), *Bonded Labour and Debt in the Indian Ocean World* (London: Pickering & Chatto, 2013).

⁷ For details regarding the Gulf seasonal cycle, see: Dionisius Agius, *Seafaring in the Arabian Gulf and Oman: The People of the Dhow* (London: Routledge, 2005).

⁸ Alan Villiers recorded his experience at one of the Kuwaiti dhows during their trading journeys across the Indian Ocean. He also provided good details of the routes and nature of these trading voyages. See: Alan Villiers, *Sons of Sinbad* (London: Arabian Publishing, 1940).

⁹ Several maritime records detailed the nature and scope of this commercial network. See, for example, the letter exchanged between Fyez Khames to Mohammed bin Matrook, presented in: Mohammed al-Matrook, *Min Tijārat al-Māqī: Min Arshif al-Haj Muhammad bin 'Abdallah al-Matrūk* (Kuwait: n.p., 2016), p. 65; and al-Mulla logs presented in: Abdulrahman al-Khulaifi, *al-Ghawṣ 'alā al-Lu'lu' fi Qaṭar* (Qatar: Katara Publishing, 2012), p. 685.

¹⁰ For an extensive study of the Gulf pearling economy, see: Robert Carter, *Sea of Pearls: Seven Thousand Years of the Industry That Shaped the Gulf* (London: Arabian Publishing, 2012).

¹¹ For further discussion on the role of the British companies in the Gulf, see: Kiren Aziz Chaudhry, *The Price of Wealth: Economies and Institutions in the Middle East* (Ithaca, NY: Cornell University Press, 1997); Ali Khalifa al-Kuwari, *Oil Revenues in the Gulf Emirates* (Boulder: Westview, 1978).

Company workers enjoyed stable incomes and better working conditions than the pearling system. Hence, many Gulf locals from Qatar and Saudi Arabia, for example, flocked to Bahrain for employment in the oil industry. However, about a decade after the oil discovery, World War II interrupted the growth of the oil industry.

Gulf economies were firmly woven into the networks of the Indian Ocean through a well-managed economic cycle. However, as soon as the pearling economy started to decline and World War II approached the region, the Gulf entered nearly two decades of economic and social stagnation that did not end until oil production resumed after World War II in the late 1940s and early 1950s.

A Pearling and Re-Export Crisis Uncovered During World War II

In 1924, Saeed al-Maktoom (1912-1958), the ruler of Dubai, received a telegram from India informing him about cultured pearls mixed with natural pearls being purchased from Dubai. After a thorough investigation, al-Maktoom found that an estimated Rs. 200,000 worth of cultured pearls had been sold in his market during the 1924 pearling season.¹² Soon afterward, locals found cultured pearls mixed with the season's purchases across the Gulf from Kuwait to Muscat. The shocking news from India about the Gulf's pearls was a blow to the pearling markets, in which local pearling merchants realized that the market for natural pearls is losing its prominence.

It is most likely that demand for Gulf pearls had started waning earlier, around World War I. In 1917, Gulf merchants noted that the pearling season had been weak, and many returned from India without selling their pearls. Five years later, in 1922, some Gulf merchants reported that they had to reduce the price of their pearls due to flagging demand in India; some even took their pearls to Marseille and Paris, on the assumption that the weak demand for natural pearls was confined to Indian markets.¹³ Reports from Bahrain noted that there was an increase in revenues during the 1916 pearling season to Rs. 5,466,000, compared with a decrease that reached Rs. 2,193,700 in 1924.¹⁴ By then, British officials suggested drafting a pearling law in order to improve the diving system and prevent a social upheaval.¹⁵

With the assistance of British agents in the region, the rulers of Gulf Sheikdoms began drafting a pearling law.¹⁶ This was the region's first attempt to regulate economic life, especially pertaining to the relationship between merchants and labourers. While pearling laws differed slightly across the region, the provisions were similar. Most importantly, the new laws abolished all hereditary debts, and the government would strictly control the amounts advanced to the divers to encourage them to continue in the profession.¹⁷

By the early 1930s, the widespread distress in the pearling market had only intensified after the worldwide depression of 1929. Reports indicate that Gulf pearl exports fell to 30-50% of their value in the 1920s.¹⁸ Gulf merchants began losing their financial stability, and their ability to continue their support for the pearling season. The pearling merchants began demanding relief from their lenders, most of whom were wholesalers. The rulers could not slow the snowballing economic crisis and lacked the financial resources

¹² "Letter from the Residency Agent in Sharjah to the Political Resident in the Persian Gulf," 15 July 1924, Coll 25 / 9 Orders in Council: Bahrein: King's Regulation No. 1 of 1930: Traffic in Cultured Pearls; King's Regulation no. 3 of 1936: Possession and Traffic in Arms, IOR/L/PS/12/3312, QDL; For further discussion of the incident, see: Carter, p. 262.

¹³ Saif al-Shamlan discusses in detail three stories about pearl merchants who travelled to Paris and Marseille between 1923 and 1932 in an attempt to find markets better than those of India and Bahrain. See: Saif al-Shamlan, *Tārīkh al-Ghawṣ 'alā al-Lu'lu' fī al-Kuwayt wa-l-Khalīj al-'Arabī* (Kuwait: That al-Salasil, 1976), pp. 265-300.

¹⁴ See: Carter, pp. 259-284.

¹⁵ "Administration Report of the Persian Gulf," IOR/R/15/1/713.

¹⁶ Mohammed al-Fares, *al-Awḍā' al-Iqtisādīyya fī Imārāt al-Sāhil (Dawlat al-Imārāt al-'Arabiyya al-Muttaḥida Ḥāliyyan) 1862-1965* (Abu Dhabi: The Emirates Centre for Strategic Studies and Research, 2000), pp. 90-94.

¹⁷ For further discussion on the pearling law, see: Moza al-Jaber, *al-Taṭawwur al-Iqtisādī wa-l-Ijtīmā'ī fī Qaṭar 1930-1973* (Beirut: Arab Institute for Research & Publishing, 2020), pp. 37-39.

¹⁸ Carter, pp. 259-273.

to do so. By then, prominent Gulf merchants started declaring bankruptcy and claiming insolvency, let alone the ability to fund pearl diving.

To make matters worse, when World War II started, the British merchant fleet was placed under the control of the Ministry of Shipping.¹⁹ Hence, the quality and quantity of the shipping lines to and in the region suffered greatly, and land freight, the lifeblood of the region's markets and supplies, underwent a steady decline. In addition, a soaring number of local entrepôt ships were attacked and sunk by German U-boats en route from the Gulf to India,²⁰ with entire crews and consignments lost. Consequently, some merchants developed relationships with British customs officers in an effort to protect their ships. In contrast, other Gulf merchants became reluctant to invest in entrepôt ships, fearing that they would lose the invested funds.

Due to the increasing difficulty of shipping to and in the region, merchants struggled to maintain their entrepôt activities. Some consignments to the Gulf were delayed for weeks, if not months, in Indian customs houses while merchants tried to obtain shipping space on a British steamship or a local boat. Many shipments were damaged by the weather or inadequate storage spaces in Indian customs houses, resulting in a significant loss of value and utility upon their arrival in the region.

Another critical dimension of the crisis was the lack of reserve stockpiles across the Gulf.²¹ Due to the rotating economic cycle, local merchants rarely had several seasons of reserve stockpiles. In fact, merchants working within the rotating seasonal economy used to build their stockpiles based on the demands of the pearling season and the date harvest. Hence, many merchants started to reduce their imports during the pearling crisis and became almost wholly dependent on the date harvest.

Given the lack of reserve stockpiles, it was only a matter of time before shortages developed in the region and inflation hit the markets. Indeed, by then, poverty was already widespread across the Gulf region due to the lack of economic resources, the decline of the pearling economy, and the weakening of entrepôt activities. Local people found themselves in need of financial resources and imports.

These dire conditions prompted British intervention to save the region from socioeconomic collapse. Although the Gulf was far from the front lines, British officials feared a social uprising forcing the Gulf rulers to change their positions during the war, therefore harming British arrangements. As a consequence, British interference was deemed necessary to safeguard Britain's prestige and strategic interests in the Middle East.

Britain and Wartime Measures in the Gulf

Trenchard Craven Fowle (1932-1939), Britain's Political Resident in the Gulf, voiced his concerns regarding the Gulf's position during the impending World War II. He sought to broaden the scope of the political agents' authorities in Gulf Sheikdoms to protect British interests during the war.²² Hence, the British political agents had to obtain the right to punish any individual within the territories under their supervision who sympathized with British enemies during the war. This policy aimed to prevent locals from providing housing, supplies, or financial support to foreign individuals across the region, fearing

¹⁹ See: Catherine Behrens, *Merchant Shipping and the Demands of War: History of the Second World War* (London: Longmans, Green, 1956).

²⁰ al-Khulaifi, pp. 572-582.

²¹ "Letter from the Political Agent in Bahrain to the Adviser to the Bahrain Government," 17 September 1941, File 34 / 3 Imports and exports, IOR/R/15/4/13, QDL.

²² "Letter from the Political Resident in Bushire to the Political Agents in Bahrain, Kuwait and Muscat," 8 April 1939, File 28/34-(i) War Emergency Legislation, IOR/R/15/2/726, QDL.

that Gulf ports would be used to assist Axis Powers or that public opinion would be incited against the British presence in the Gulf.

At the same time, Fowle argued that Gulf rulers were less likely to contain any public dissent due to the lack of financial resources. Usually, rulers will seek financial support from their traditional allies, the merchants or British officials. However, due to the ongoing economic crisis, no one was able to provide them with the essential resources they desperately needed. As a result, they will seek the support from the Axis Powers, which directly harm the British interests in the region.²³

Over the long term, Britain risked losing its commercial advantage in the region, which threatened its strategic power.²⁴ Offshore and onshore operations were underway before the outbreak of the war. However, these operations were suspended during the war. While Gulf rulers signed long-term binding concessions with British companies to develop and operate their oil discoveries, there remained a chance that the anti-British propaganda would fuel a movement to nationalize the oil industry.²⁵

Eric Beckett, legal adviser to the Foreign Office (1945-1953), and Fowle alarmed the British Committee of Imperial Defence of the quickly deteriorating conditions in the region. In their letters to the committee, they lobbied for elevating the Gulf states' position in the British wartime policies, asking for the Gulf to be treated as "belligerent territories participating in the war in the same way as British territories in general" instead of merely minor states.²⁶ They argued that the Gulf "has to be framed now" as "the Suez Canal of the air as well as the sources of most important oil supplies".²⁷

As their demands were met, London agreed to take further measures to protect British interests in the Gulf. At this time, wartime measures in the region were limited to financial and policy support, which amounted to £4,000.²⁸ They also upgraded the Gulf Sheikdoms to belligerent territories during the war, opening a window for postwar support to the Gulf Sheikdoms and facilitating the broadening of austerity measures later on.

These concerns were also well received by the India Office in London, which liaised with the Publicity Officer in the Bahrain to keep an eye on the public opinion regarding the British position on the war.²⁹ The propaganda campaign consisted of two main sections. First, a systematic reporting of the public opinion among locals across the Gulf regarding the British position on the war, and second, a propaganda campaign to influence and have a better grasp over public opinion. The Publicity Office aimed to reduce any harm to British prestige among the public that could fuel future upheavals.³⁰

The British government succeeded in adopting the Gulf Sheikdoms Emergency Law (1939), through which British political agents, together with local rulers, imposed laws, regulations, and legal penalties on individuals, extending their authority to include both internal³¹ and external affairs of the region. Punishments ranged from fines and imprisonment to death sentences. British officials at this early stage

²³ "Letter from the Political Resident in Bushire to the Secretary of State for India," 28 April 1939, Coll 30/160(S) C.I.D. Sub Committee for Questions Concerning Middle East: Measures to Influence Minor Powers and Arab States Whose Assistance Might be of Value in Time of War, IOR/L/PS/12/3896A, QDL.

²⁴ IOR/L/PS/12/3896A.

²⁵ See: "Memo by Admiramade with Covering Note by Sir R. Wemys: Petroleum Situation in the British Empire," 30 July 1918, GT 5267 War Cabinet, CAB 24/59, CAB.

²⁶ "Minutes by Eric Beckett about War Emergency Legislation," 10 November 1937, Coll 30/160(S) C.I.D. Sub Committee for Questions Concerning Middle East: Measures to Influence Minor Powers and Arab States Whose Assistance Might be of Value in Time of War, IOR/L/PS/12/3896A, QDL.

²⁷ Ibid.

²⁸ IOR/L/PS/12/3896A.

²⁹ "Letter from India Office in London to the Political Agent in Bahrain," 26 May 1940, File 28 / 7 I War: Propaganda: Local Opinion, IOR/R/15/2/687, QDL.

³⁰ For further discussion, see: File 28 / 7 I War: Propaganda: Local Opinion, IOR/R/15/2/687, QDL.

³¹ IOR/R/15/2/726, QDL.

of the war aimed to prevent Britain's enemies from using the Gulf lands or its ports, thus preventing them from crossing and settling in the region.

On the policy side, political residents were asked to monitor the regional shortages and trade to guarantee a better supply of civilian imports. Political residents started a reporting system recording the total amount of supplies in tons needed for each of the Gulf ports, the amount that was set for distribution on the smaller harbours and villages, details of the importing ports and customs houses, and finally, the name of the consignor and consignee by steamer and by dhow.³²

The reporting system was never successful. Many political residents who were to implement the system knew little about regional social and economic affairs, local language and culture. For instance, many of these residents did not see the difference between the food consumed by the public and the palace. They also did not understand the number of dependencies per village leader or tribal ruler, which could run into the hundreds. That is why the political residents, several times before submission, amended much of the information received from local merchants, rulers, and local customs houses for reporting.³³ As a result, many reports used to draw the British austerity measures were inaccurate.

However, the British government continued to implement this system. British agents were allowed to introduce a shipping space serving each of the Gulf Sheikdoms. Each Gulf Sheikdom received a quota that complemented the records. British agents also prevented regional re-exports, cutting Gulf ports from their regional re-export.³⁴ The purpose was to hold rulers responsible for the local market's imports and to prevent exports to neighbouring commercial ports.

A nation-based quota system was introduced to supplement the port space. Local merchants were required to acquire special licenses for civilian imports before shipping their consignments to the region.³⁵ The licenses covered almost 2000 commodities from Ceylon, Burma, and India. However, these licenses were burdensome for many local merchants, who had to wait for days, if not weeks, for their consignments to pass the customs houses. Many merchants even complained that this system, besides limiting their supply channels to three regions from the Indian Ocean, required payment of extra tariffs and sometimes bribes to get their licenses. Others complained that the weather ruined the consignments languishing in the customs houses. These complaints were not heard by the British representatives in the Gulf, and the matter quickly turned into a wide regional crisis.

These British measures, particularly the rationing of Gulf imports and exchange between regional ports, exacerbated the crisis already afflicting the people of the Gulf, due to the cessation of the commercial fleet operating in the Indian Ocean. Not all ports surrounding the Gulf Sea had access to Indian Ocean markets and ports. Many of the smaller and less fortunate Gulf ports and harbours had limited storage space and old docks and lacked customs offices. Some Gulf sheikdoms were entirely dependent on the pearl trade economy, with a minimal level of re-export. For example, a large number of merchants in al-Ahsa used the regional port of Bahrain, before the development of the port of Ujair. Similarly, the small islands of Hengam or the villages of Fars, for example, were supplied by the larger Gulf ports of Dubai, Muscat, and Kuwait. Thus, once the British agents stopped regional re-export

³² "Letter from the Ministry of Economic Warfare to the British Consulate General in Bushire," 27 January 1941, File 34 / 3 Imports and Exports of goods, IOR/R/15/4/14, QDL.

³³ "Memorandum from the Political Agent in Sharjah to the Political Agent in Bahrain," 1 May 1942, File 34 / 3 Imports and exports, IOR/R/15/4/13, QDL.

³⁴ IOR/R/15/4/13.

³⁵ "Telegram from the Political Agent in Bahrain to the Political Resident in Bushire," 3 January 1944, File 29 / 22 I Cereals for Sharjah and Dubai, IOR/R/15/2/781, QDL; "Memorandum from the Political Agent in Bahrain to the Advisor to the Bahrain Government," 17 September 1941, File 34 / 3 Imports and exports, IOR/R/15/4/13, QDL.

operations, these merchants were unable to supply their villages, and locals suffered from shortages of supplies in their markets.

A British Manmade Crisis

Regardless of the dire implications of these regional policies, British agents measured their successes without considering the welfare of the region's populations. That is why, by the end of 1942, all of the regional distribution channels were blocked. British commercial and political reports from the Gulf from 1941 to 1944 did not mention regional trade. That was a good indication for the British officials that the local port spaces were prepared and organized: they were ready to proceed with the planned rationing system.

In late 1942, the Gulf States became part of the Middle East Supply Centre (MESC) to guarantee supplies to the region and economic transformation after the war.³⁶ Under MESC supervision, Gulf rulers were asked to issue ration cards to each household under their port space. These cards included a written total quantity of rationed foodstuffs that the household was entitled to purchase; each adult was the equivalent of two children. People were then asked to acquire their supplies from any authorized local shop. Although the plan seemed plausible, British agents soon discovered that even basic rations were hard to guarantee during the war. Gradually, the rice, the most essential item, was replaced with mixed cereals, which ended with the limited supply of wheat mixed with barley and millet.³⁷

Still, the political agents were ready to introduce the last of the wartime measures with the food companies. By the end of 1943, local rulers, with the support of British agents, established food companies in the region.³⁸ The idea was to allow the ruler to control the civil supplies and maintain their port spaces even after the war. The assumption was that if the ruler was the sole buyer and supplier of essential foodstuffs, competitive bidding and the resulting price rises could be avoided, and the imports would be better managed.³⁹ The ruler had to appoint suppliers for each food company item and a distributor from the community. These suppliers and distributors were then given the purchasing order from the ruler. Initially, the food companies covered grain and sugar; later they also offered tea, coffee, fats, and textiles.

After the war, the people in Gulf Sheikhdoms experienced little if any improvement in their socioeconomic status. It was becoming evident that the British austerity measures had failed to have a long-term impact, or even, alleviate the region's prolonged economic decline. In contrast, locals claimed that it was the worst economic downturn in the region's history.

A large part of the austerity shortcomings in the Gulf was the fact that the British officials planning these policies overlooked or ignored the deteriorating socioeconomic conditions beyond the war. They did not consider the economic problems that had caused regional disasters in the first place. By the time austerity was to be implemented, the Gulf was already reeling from the collapse of the pearling economy. Hence, after austerity was implemented, locals lost income due to the decline of the pearling economy and wartime shortage of supplies.

³⁶ "Telegram from the Secretary of State for India to the Political Resident in the Persian Gulf," 12 January 1944, Ext 329 / 43 Shipment of Food to Persian Gulf States, IOR/L/PS/12/786, QDL. For further discussion, see: Paul Kingston, *Britain and the Politics of Modernization in the Middle East, 1945-1958* (Cambridge: Cambridge University Press, 2002), pp. 12-27.

³⁷ "Intelligence Summary of the Political Agent in Bahrain," October 1943, Coll 30 / 52 (2) Persian Gulf, Diaries: Bahrain News and Intelligence Reports, IOR/L/PS/12/3768, QDL.

³⁸ "Notes by the Political Resident in the Persian Gulf in Bushire," 12 February 1944, File 29 / 3 I Food Supplies – Food Control and Rationing and General, IOR/R/15/2/766, QDL.

³⁹ Eckart Woertz, *Oil for Food: The Global Food Crisis and the Middle East* (Oxford: Oxford Academic, 2013), pp. 35-62.

Another shortcoming was that austerity measures were unsuited to the region's economic activities and resources. The MESC policy was designed for the large Middle Eastern countries of Egypt, Palestine, and Syria, which enjoyed considerable agricultural and industrial output. Hence, it managed supplies by creating a commercial space in each country and encouraging domestic self-sufficiency.

However, when the MESC was to be implemented in the Gulf, British officials were surprised to learn that there was barely any agricultural or industrial output. The vast deserts of the Gulf were not meant for agriculture, and even the dates grown on plantations were exported. The limited labour force, trained to serve as divers or sailors learned very little about industrialization. People in the region imported almost all of their supplies, including staples like rice and sugar. As a consequence, the idea of a strict commercial space was unrealistic for a region whose people had historically crossed and recrossed the sea and land in search of resources and opportunities.

Another great difficulty was the lack of understanding of local affairs among the British officials who implemented these policies. Historically, Gulf economic and political relations were founded on networks of social and kinship ties. Rulers and tribal leaders had always leveraged their financial resources to maintain power. That is why the networks of dependency formed the backbone of Gulf economies and political stability. So, when local rulers ruled their port space, they constantly considered all of their dependencies, even if they lived hundreds of kilometres away or in a different jurisdiction.

However, many of the British officials were uncomfortable with the fluid nature of Gulf economies because it limited the reporting system and their ability to have an accurate quota system, both of which were threats to their strategic power. In fact, many of the quota reports were amended, cutting off a vast number of dependencies from each Sheikdom. Thus, many locals were left without any supplies, causing a decline in socioeconomic conditions among the inhabitants of the small villages across the Gulf.

Due to these shortcomings of austerity in the region, the economic cycle was halted with no functioning economy. As early as 1942, locals reported dreadful food shortages. Although these food shortages were less serious in the large port cities of Kuwait and Muscat, they were acute in the small ports of the lower Gulf. Residents of small villages and islands reported famine, which a British official confirmed. A report issued by a British agent in Bahrain described people "eating grass" and "dying of starvation", while another report cited famine in at least seven Persian villages that had benefitted from trade with the larger ports.⁴⁰

Some locals claimed that, beyond 1942, they were surviving on nothing but dates.⁴¹ Other food items were unavailable via commercial routes, and many grains were only available for the palace. Even the tiny quantities available for public consumption were sold at inflated prices, meaning that locals who had lost their pearling incomes could seldom afford them. Eventually, the people ended up with rationed wheat, a grain that nobody in the region knew how to prepare, much less had the equipment to do so. A British report called the mixture of cereals "almost unpalatable" because the people in the Gulf did not consider millet suitable for human consumption.⁴²

After the war, many Gulf merchants that had historically established themselves as intermediaries between the Gulf and Indian Ocean ports were squeezed out of this role. The Gulf port space and the ban on regional re-exports across the ocean curtailed their role as local brokers. They were also banned from

⁴⁰ "Memorandum from the Political Agent in Sharjah to the Political Agent in Bahrain."

⁴¹ al-Fares, p. 85.

⁴² "Intelligence Summary of the Political Agent in Bahrain."

the distribution of commodities due to the newly formed food and textile companies. In short, wartime measures lacked long-term plans for the region, largely because they were focused on securing supplies, not on strengthening the economic system. That is why, once the war ended, supplies did not return to prewar levels and the people of the region could not escape the economic crisis.

Conclusion

World War II was a phase of hardship in Gulf history. For many locals, the hardship associated with the *Drought Years* was limited to the years of the war, when Britain introduced austerity measures. For others, it began with the collapse of the pearling economy in the 1920s. From a broader perspective, it was a phase of economic transformation that pronounced the end of an economic era in the region.

With the onset of World War I, Gulf societies began witnessing a difficult economic transformation that announced the end of an economic era in the region's history and the beginning of another that transformed them from being agents of the Indian Ocean pearling and trading activities to being directly engaged in the global economy through modern oil-based industries. The hardship associated with the economic crisis and the collapse of the pearling economy, which never recovered, accelerated the nascent transformation toward modern oil industries.

In fact, the collapse of the pearling economy coincident with the commercial decline during World War II presented one of the most important pillars of this large economic transformation. It is also related to the complex networks of dependencies that formed the Gulf economies and enabled the transmission of this crisis to the entire economic system. Hence, even after the war, Gulf merchants failed to resume commerce, and locals were reluctant to participate in traditional economic activities.

Nevertheless, British advisers strongly fortified the economic crisis. While their overarching aim was to secure British interests in the region during the war, one cannot ignore the fact that British officials interfered in the region's internal affairs through modernization reforms in the economic system, controlling port operations, market supplies, and people's movement, as well as initiating state institutions.

Throughout the war, British officials failed to engage with the local rulers and merchants to design a policy framework that corresponded to the region's internal dynamics. Instead, they dealt with the war in terms of modern economic institutions replacing what they believed were primitive dependency networks. It appears that Britain drew uniform austerity measures across their spheres of influence, regardless of the local dynamics of each territory. In a sense, British agents in the Gulf transmitted many policies developed by British agents elsewhere without any amendments. Consequently, these policies failed simply because market conditions for self-sufficiency in economies that must import vital commodities such as grain, textiles, and labour – as the Gulf did – do not exist.

Still, this study offers glimpses into the links between the global history and the Gulf. We can relate the experience of Gulf people and trading houses during the war with their counterparts at Africa or East Asia. That is because during the war many nations suffered from the British austerity measures and the Indian Ocean wartime difficulties.

Austerity also had specific implications in the Gulf. Among the many regions that underwent austerity measures during the war, the Gulf was one of the few that witnessed no increase in self-sufficiency. Gulf economies remained dependent on imports, with no agricultural or industrial output surge. Part of the failure of Gulf countries to achieve the intended objectives of British policies was the lack of agricultural production and the scarce population in the region. Locals were neither trained nor ready to engage in new

economic activities. Hence, many were excluded from economic engagement and depended on British rationing cards throughout the war.

In short, studies on Britain's role in shaping the Gulf's modern history have often neglected austerity as a topic. Further studies are needed to investigate how austerity shaped the Gulf's experience with the British Empire and to compare the experiences of the Gulf with those of other regions across the Indian Ocean like west Africa and India. Local and British resources present a wealth of knowledge regarding the Gulf's history, which remains under investigated – just like the *Drought Years*.

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