CHAPTER 10

Early Modern European Mercantilism and Indian Ocean Trade

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History writing in the past decades has witnessed a “global turn”, i.e., a wave of World and Global History where-in many voices and “non-Western” perspectives emerged. After Andre Gunder Frank’s call for Re-orient, many national histories also got written from post-colonial perspectives. Yet, Euro-centric historiography where-in Europe’s history, specially of colonial empires, is treated in national and global histories, with pride and nostalgia rather than self-criticism remains in circulation. The current positive reconsideration of colonialism and colonial empires in national histories is therefore perhaps a reaction to decades of criticism against euro-centrism, especially since the 1990s. In 2002, to commemorate the establishment of the Dutch East India Company (voc), a coffee-table book with illustrations was published. The goal of the book, as stated by the editors, was “to paint in broad strokes a beautiful image of the wheeling and dealing of the Company and the activities of its servants”. Similarly, in a recent popularizing history of the world, the Dutch ‘Golden Age’ which runs parallel to the Dutch Atlantic slave trade, is described as the “result of a finely executed plan”. Histories of early modern European mercantilism in the Indian Ocean region, be it of the Portuguese, Dutch, English, Danish or other Europeans, are often written in terms of conquest and empire: Europe’s dominance over the Americas, Africa and over South and South East Asia starting from the various East India Companies and culminating in complete colonization.

Eurocentric historians tend to interpret the history of Europeans in South Asia as a teleology, which runs smoothly—from the arrival of the first Portuguese ship in 1498 at the port city of Calicut, on the Malabar Coast of the Indian sub-continent, to British imperialism marked in the British Parliament.

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1 Frank 1998.
2 Fergusson 2003 and 2011.
3 Akveld and Jacobs 2002.
4 Frankopan 2015, 258.
by the 1858 proclamation of Queen Victoria, bringing South Asia under the British monarchy. Following the 1857 uprisings against the English East India Company, the Company’s rule came to an end on the 1st of November 1858. Thereafter India was governed by and in the name of the British Monarch through a Secretary of State. In 1876, Conservative British Prime Minister Benjamin Disraeli, in order to control India more closely, decided that Queen Victoria must be proclaimed “Empress of India” i.e., the title of Empress was added to the British crown. In India, the following year, Viceroy Lytton led the celebrations in what is known as the Delhi Durbar. This event marked the birth of the British Empire, with the head of the state holding the title of Empress.

This article aims to analyse the role and histories of various European entities that were active in the Indian Ocean world, especially in present-day India, in early modern times with the aim of characterizing the various powers and outlining the different modes of operations they adopted over three centuries. It aims to engage with the concept of “maritime empires” or “naval empires” used to describe early modern trading networks. It argues against a linear history from nation-based trading companies to “colonial empires”. For this exercise, colonial empire, often written with initial capital letters, is taken to be a region and its peoples in pre-modern times, ruled over by an emperor or empress. It is often, but not always, a territory of greater extent than a kingdom or sultanate i.e., ruled by king or sultan. For example, in masculine form, the Mughal and Ming Emperors in opposition to the Kings of England and France. Within this definition of empire, emerged in the modern times the former British Empire and French Empire, both colonial in nature. Other examples include the Mughal Empire, Ming Empire, Holy Roman Empire, Russian Empire, Byzantine Empire, or Roman Empire. The constant factor being that it is a polity, localised or globalised, under an emperor or empress. Another defining or differentiating feature is that ‘the nation-state tends to homogenize those inside its borders’ i.e., proclaims the commonality of its people artificially. While the concept of empire presumes that different people within the polity will be governed differently. The difference is made explicit under its rule.5 Keeping this political lens as a tool for analysing the Dutch overseas presence, we ask if one can argue for a Dutch colonial empire? This term is often used in Dutch historiography even in histories from post-colonial perspectives.

5 Burbank and Cooper 2013, 8.
South Asian Ports and the Indian Ocean World *circa* 1500

Since antiquity, port-to-port coastal sailing in the east and west coasts of South Asia was practiced, mainly for trading purposes. Overland, Africans and Europeans came to South Asia and travelled beyond. The travels of Marco Polo (born c. 1254; died January 8, 1324, Venice), between 1271 and 1295 and Moroccan Ibn Battuta (born c. 1304, Tangier; died 1368/69 or 77, Morocco) are two such examples. The flow of people, ideas and commodities connected different political economies. Social, religious and economic bonds of interdependency and connectedness were characteristic features of the region.

Knowledge of monsoon winds enabled people to sail in the Indian Ocean region. This had been going on for at least two thousand years. On the west coast of South Asia, Gujarat, Konkan, Malabar, and on the east coast Coromandel and Bengal were the five main regions of the Indian sub-continent that had early modern port cities linking them to political economies across the Arabian Sea and the Bay of Bengal. Gujarat, Konkan and Malabar were linked via sea-routes to the Arab world and east Africa. Coromandel and Bengal, were connected to the Malay Peninsula and South East Asia. Different regions of the Arab, African, Malayan and South-East Asian world were thus connected to the Indian sub-continent through sailing routes. In this way, South Asian ports linked Africa and Arabia to south-east Asia and China. Arab and Gujarati merchants regularly sailed up to the ports of Malabar and Bengal and these were connected to south-east Asia.

In Indian economic and business history, the Arabian Sea in medieval and early modern times has special significance. For centuries, the port-cities and other settlements on the Arabian Sea littoral—Arabia, Africa and South Asia—traded with each other. Indian textiles were exported and horses, armaments, pearls and ivory imported into South Asia. Indian cotton textiles were used on the east coast of Africa and even functioned as a medium of exchange. Indian textiles were also sent overland to Europe via Arabs and Italian merchants for sale in European markets. A complex, trustworthy and sophisticated system of ship-building, head-hiring, shipping and banking had developed and this infrastructure ensured cross-cultural trade for centuries. Both Hindu and Muslim merchants, for example from Gujarat, participated in this maritime trade.

Early modern South Asian and Chinese empires derived their revenues predominantly from agricultural taxation. Taxes and levies on maritime trade

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6 Akbari and Iannucci 2008.
7 Pearson 2015.
8 Tripathi 2004.
were marginal to the treasury. Ports were peripheral places far from the political and economic centres of the interiors. Although revenues from maritime trade were a small proportion of their total revenue, these were nonetheless valuable and permanent sources of income. Both in South Asia and China, several political elites were also prominent maritime merchants. Maritime trade of the Indian Ocean included voyages that took African, Arab South Asian and Chinese merchants away from their home ports for as long as two or more years under perilous conditions. Merchants sailed to various regions based on established networks that ran through generations and had been in place for centuries. There were no armed polities that underwrote their contracts, protected their investments, or guaranteed their safety. Sophisticated nautical technologies were developed wherein large, sea-worthy vessels crossed the Indian Ocean with large amounts of goods and numerous passengers. They were propelled by the dependable monsoon winds and metal free ships. An extensive network of international trade existed and was successful. These were centuries old commercial networks based upon a complex social organization.

The connectedness, sailing techniques and knowledge of the Indian Ocean worlds has best been illustrated by seven epic naval missions undertaken by a Chinese mariner and diplomat of Islamic faith, known to us as Zheng He (born c. 1371, Kunyang, China; died 1433, Calicut, India). Eighty-seven years before Christopher Columbus’s first transatlantic voyage in 1492, Zheng He the greatest navigator of Ming China (1368–1644), led a massive fleet sailing from the South China Sea across the Indian Ocean between 1405 and 1433. His first sailing mission of discovery began in 1405 and ended in 1407. The Chinese fleet under his command visited Champa, Siam, Malacca, Java, Calicut and Ceylon. It consisted of 317 ships, including sixty-two colossal “treasure-ships”, and some 27,800 soldiers, officers, and civilian personnel. Ibn Battuta writes about meeting Chinese merchants at the port of Calicut. During his second voyage, between 1408 and 1409, Zheng He returned to Calicut and visited Cochin and Ceylon. During the third mission, in 1409 he went beyond South Asia and reached Hormuz on the Arabian Peninsula. In 1413, during his fourth voyage, he reached Dhofar and Aden and some members of the fleet sailed to present-day Somalia and Kenya, nearing Mozambique. By 1415, he is reputed to have visited thirty states of South and South East Asia as a diplomat and gathered emissaries from these places to pay homage to the Ming Emperor.

11 Blue et al. 2014.  
12 Blue et al. 2014, xiii.
Yongle (born 1360; died 1424). The fifth voyage between 1417 and 1419 focussed on the Persian Gulf and East Coast Africa. The sixth voyage began in 1421 with the aim to returning the emissaries to their homelands. Zheng He’s seventh and final voyage was in 1431. After visiting the Arab Peninsula and Africa, he died in 1433 in Calicut. This came to an abrupt end when the Ming Emperor Xuande (born 1399; died 1435), grandson of Emperor Yongle, radically ended the voyages.

Zheng He and his fleet, can best be described as voyages of discovery coupled by the aim to extend the hegemony of the Ming Emperor beyond the South China Sea. His expeditions were backed by the Ming Emperor Yongle. Without the Ming Dynasty’s institutional support to cartography and navigation and without imperial financial patronage these voyages would have been impossible. These were networks of trade and sovereignty that Zheng He was trying to establish. The Chinese respected and upheld the idea that the ocean constituted a maritime space open to people of all religions and ethnicities. Admiral Zheng He’s fleet, much larger and stronger than Da Gama’s also anchored in Malabar several times, but did not resort to violence. These voyages were not undertaken in order to create a “naval empire”. The political and economic aims of these voyages have not fully been explored by historians. The economic impact of these expeditions was minimal. If anything, they produced tributes for the Ming Emperor. The novelty lay in the direct contacts that were established between Africa and China. Although there were no Chinese attempts to gain control over the seas, these expeditions were an important chapter in the process of globalization. Zheng He and his fleets were brokers and agents in cross-cultural trade and diplomatic relations bringing into contact different land and sea-based polities with the Chinese imperial seat in Beijing. There is no evidence that the interactions between Ming China and other Asian polities altered the geo-politics of the region. Beyond their own ports, the Chinese had no naval presence in the Indian Ocean world. What is relevant is that the scholarship on Zheng He’s history is not just significant for Chinese, Asian and African history but also for global history as a whole. While conventional Euro-centric historiography lays emphasis on the European “Age of Discovery/Exploration”, which preceded the “Age of Commerce”, Zheng He’s expeditions reveal extraordinary Chinese successes in building complex maritime networks which facilitated trade, migration, knowledge circulation, cultural exchanges, and economic and political relationships between China and

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the states of the Indian Ocean world. In some instances it can be described as “tributary empire”, but Zheng’s expeditions cannot be described as the making of a Chinese “naval empire”.

With the rise of three large empires—the Ottoman Empire centred in the eastern Mediterranean, the Safavid Empire in present-day Iran and the Mughal Empire in present-day India, Pakistan and Afghanistan—the sixteenth century witnessed a flourishing of trade and commerce. These Empires exercised influence on key ports in the Arabian Sea littoral, leading to an increase in the volume of traded commodity. South Asia’s exports included cotton textiles and raw silk, a variety of spices like pepper, cinnamon, cardamom, cloves, nutmeg, mace, ginger, cumin and turmeric. Other export commodities included perfumes, sandalwood, coir, indigo, opium, diamonds and other gems. Elephants, peacocks, parrots, turkey and many more items were also traded.

Since antiquity, merchants, mariners, mercenarys, warriors, slaves, refugees, criminals, pilgrims, pirates, mutineers, explorers and many others connected ports of south Asia with the Arab world, north and east Africa and south-east Asia. Accounts by early travellers alluding to luxuries from the east i.e., spices, specially pepper, gold and gems, was etched in the minds of Europeans and excited their imaginations from Roman times. The Afro-Eurasian world was always connected and Roman coins are often found by archaeologists on the east and west coast of South Asia. Maritime links between India and China existed since the first century BCE. South Asian ports were important transshipment centers for both Chinese and Roman goods. In fact, it has been suggested that the interconnectedness of the Indian Ocean may be much older and contacts through the Persian Gulf date back to the third millennium BCE. This has been explored in detail through interdisciplinary lenses. The connectedness of the Indian Ocean world with the Afro-Eurasian world demonstrates long-standing trading relations. South Asian ports were multicultural pluralistic trading nodes and had been home to traders and settlers from the surrounding regions for centuries. People, cultures, ideas and religions passed through them without hindrance. These port cities were dynamic and porous spaces, where different cultures came into contact with each other, often without much friction. People, goods, ideas and cultural forms flowed uninterrupted in multiple directions around and across the South Asian sub-continent, the Indian Ocean and the South China Sea. They were gateways through which different cultures

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14 Subrahmanyam 1997.
16 Sen 2006, 421–453.
17 Autiera 2016.
permeated into the hinterlands. Prior to Europe's entry onto the scene at the end of fifteenth century, this was already a well-connected and thoroughly navigated space, connecting China and the eastern coast of Africa. Most Indian trade was directed to South East Asia and China. The “globalized” Asian maritime trade network was already in place before the arrival of the Europeans with their powerful artillery fitted on to their ships. The history of the Europeans in the Indian Ocean World from 1498 to 1859 is a complex, fragmented and multifaceted one that cannot be reduced to “maritime empires” with London, Amsterdam and Lisbon as centres and the rest as peripheries.

**European Mercantilism in the Indian Ocean World**

In order to have direct access to Asian products, Europeans, initiated a search for a sea-route to Asia. Christopher Columbus (born 1451, Genoa; died May 20, 1506, Valladolid, Spain) ended up in the Americas and Vasco da Gama (born c. 1460; died December 24, 1524, Cochin, India), became the first European to successfully sail to Malindi on the east coast of Africa where he met traders who had knowledge of the monsoon winds and sea-routes to South Asia. With the help of local sailors in May 1498, he sailed from Malindi to Calicut, on the Malabar Coast, 92 years after Zheng He’s arrival there. With this epochal event, the existing sea-routes of the Mediterranean and the emerging Atlantic world became linked to the centuries-old trading routes of the Indian Ocean world.

In Calicut, a peaceful trading port where ships from many nations docked to collect spices and textiles, Da Gama and his men unleashed violence: robbing the ships and killing the crew, traders and inhabitants of the city, using their cannon fitted ships.

Christopher Columbus and Vasco da Gama, standing on the shores of Portugal and Spain, before embarking on their journey to search for a sea-route to India and China, could surely not have foreseen the level of European political and economic domination that happened at a global scale by the mid-nineteenth century with varied consequences for America, Africa and Asia. They were not setting out to build a “maritime empire”, “merchant empires” or “colonial empires”. They sought wealth in finding alternative trading routes so that they could participate in the lucrative trade in Asian commodities.

18 De la Vassière 2013, 202–207.
19 For a similar critical view of this model see also Antunes in this volume.
20 Subrahmanyam 1997.
21 Burbank and Cooper 2010.
The usage of the sea-route, after Vasco da Gama’s rounding of the Cape of Storms—later re-named Cape of Good Hope—in 1498, introduced a greater number of Europeans visiting the South Asian sub-continent than in previous centuries, yet this so called “Age of Discovery” did not particularly impact the Indian Ocean trade adversely for the first couple of centuries.\textsuperscript{22} Research from South Asia has started to lay bare how the Europeans actually underwent a protracted and often conflicting process of survival in the Indian Ocean world and in the ports of South Asia during the early modern times.\textsuperscript{23}

Da Gama’s charting of the sea-route to Asia did unleashed five hundred years of tyranny whereby Europeans not only exported vast amounts of wealth but also slaves from India. Histories of European nations, Portuguese, Spanish, Dutch, French or be it the British, of the early modern and modern times, get written with a sense of success: how successful were the Iberian kingdoms, the East India Companies and how large and efficient the empires or networks they built. Success is termed in notions of profit made by the companies and later “civilizing” missions undertaken by Europeans. It is often a story of efficiently extracting commodity and profit, without bothering about the expenses of administering the territories. Few accounts are written that record the extreme exploitation of the colonized people and the plundering of their resources in the name of trade, which was undertaken for the sole enrichment of the colonizing nations. A sense of nostalgia and pride in “European expansion” remains.

The arrival, although violence laden, worked, in some ways, favourably for South Asia in the next two centuries. South Asian goods, especially textile and spices, became very popular and created new consumer markets in Europe. South Asian textiles were introduced in West Africa and later in the Americas.\textsuperscript{24} While the Portuguese dominated the sixteenth century trade between Europe and Asia, South Asian weavers, farmer and merchants also benefitted from the increasing demand for South Asian products. The Portuguese had few commodities that were in demand in South Asia and therefore paid for Indian goods in gold and silver.\textsuperscript{25} The Portuguese by this time, were one of the numerous merchant groups operating in the Indian Ocean waters. Similarly Dutch and English merchants and travellers also explored the sea-route to Asia and within it, in search of profitable trade.

\textsuperscript{22} Furber 2004.
\textsuperscript{23} Das Gupta and Dasgupta 2004 and Bose 2009.
\textsuperscript{24} Riello 2013.
\textsuperscript{25} Disney 2010.
Europeans participated in the Indian Ocean trade in three distinct modes. The first mode of operation was the *Estado da India* of the Portuguese whereby the territories in Asia under Portuguese control were considered to be part of the Portuguese kingdom. The second mode of operation was through the chartered companies. Several European nations established East India Companies and declared monopolies on the import of Asian goods into their nations. The third mode of operation was sometimes legal and at other times illegal. Under this mode, one can classify all individual private trade that various European company employees undertook. Individuals rented shipping spaces from the East India Companies. While some companies allowed private trade in some goods, others forbade it. Nonetheless goods were brought into Europe legally or illegally by individuals.

In 1494 the Treaty of Tordesillas had been signed between Spain and Portugal in order to avoid conflict between two the Catholic states. The Pope thus divided the world into two halves. After this, the Portuguese assumed that they had the right to rule over all areas east of Cape Verde. In Christendom, the Indian Ocean was declared as Portuguese territory. They seized Goa and established other enclaves where the Portuguese Inquisition unleashed atrocities. A system of imposing taxes and issuing passes called *cartazes*, was put in place. Non-compliers were labelled as “pirates”.26 The Portuguese thus began their attempts to control South Asian waters. Up till now, no Eurasian sovereign had claimed rights over the seas. Not the Mings, neither the Mughals, Arabs or Africans. They restricted their dominion on the land and on the ports in their territories. The seas were free and for all. Merchants visiting the ports paid to the Shahbandar, a port master. In the beginning, Asian, Arab and African merchants ignored the Portuguese and went about their business as usual, except when held at gun-point and when they were forced to pay and buy the *cartazes*. Portuguese fleet was neither large nor efficient but because they carried canons, and their men were armed, they were able to terrorize the Indian Ocean traders.

Around 1600, various competing European merchant companies established themselves as joint-stock trading companies aiming at monopolizing trade in certain commodities. Thus, the seventeenth century saw the onslaught of many different Europeans in the Indian Ocean world. Different East India companies sought permission to build fortresses in Asia in order to protect themselves from other competing Europeans. In some cases, indigenous rulers like the Raja of Cochin granted exclusive rights, first to the Portuguese

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26 Boyajian 1993.
in 1505 and later to the Dutch in 1663. In other cases, like the Mughal port of Surat and in Bengal, several European companies had their settlements and had to co-exist, sometimes in close proximity. The Portuguese, the Dutch, the French, the Danes and the British had establishments in Bengal. The situation in Surat and Coromandel was comparable. Everyone was trying to get a foot into the Indian Ocean trading world in order to buy commodities for their domestic and colonial markets. They also competed to have an upper hand in the Asian trade. While they had to co-exist and co-operate in order to survive, often competition was very tough and European rivalries were played out in Asia.

In the seventeenth century, the European East India Companies stimulated the South Asian economy by bringing bullion to pay for South Asian commodities. South Asian merchants, meeting the increasing European demands, benefited from the presence of Europeans. Asian merchants were often organized in family firms that had evolved over centuries. They often functioned as money lenders to the European companies.

Thus, various European powers that operated in the Indian Ocean under the umbrella of trading companies. They had monopolies at home for trading in and with Asia. Each company functioned differently but they more or less followed a pattern of metamorphosing from traders to land-lords. By mid-eighteenth century they brought more and more land under their jurisdiction and instead of functioning as traders, they functioned as state: collecting tolls and taxes, administering justice. This is discussed more in detail in the next section. The Estado da India, right from the start had a different mode of operations. They functioned as part of Portuguese kingdom and their officials were servants of the Portuguese crown. The various companies and their activities can best be characterized as early modern trading networks operating in the context of commercial and diplomatic treaties and as warriors and conquerors in the name of commerce. Their activities were backed by their governments and crowns, ideologically, financially and in terms of armies and navies. They used violence to operate in Asia and violence against each other in Europe to protect and compete in trade. In Europe, for example s series of Anglo-Dutch and Anglo-French wars were fought over trade and overseas possessions in the seventeenth and eighteenth centuries. The Seven Years was (1756–1763) was also fought out in Asia. The Dutch East India Company’s activities in South Asia has been described as “merchant-warrior”. With time, they started to

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28 Singh 2010, 45–89.
29 Winius and Vink 1994.
operate as quasi-states, i.e., collecting taxes. What all Europeans—the Portuguese, British, Dutch, French and Danes—had in common was the reign of terror they unleashed in the Indian Ocean world on Asians and Africans, in the name of trade.

In contrast, there were other congruent trans-cultural and trans-religious networks of Africans, Arabs, Gujarati and Chetty and many other merchants operating in the Indian Ocean world that had no state or crown backing. Islam or Hinduism was not forcefully imposed on communities where Asian merchants went to trade. Migrant mercantile communities like the Armenians and Jewish community also played very prominent roles in the Indian Ocean world. These trading communities were not backed by the political elites of the lands they were resident in or originally belonged to. They operated independently with extensive networks based on family and religious ties. They also competed for goods and markets, but violence was not used in the name of trade. Also, their ships were not cannon fitted.

The Portuguese, as well as the other Europeans, were secretive of the information they gathered about commodities, sea-routes, detailed navigational maps, contracts and treaties with Asian powers etc. But one state did not control the sea-routes. The Portuguese Estado da India did impose cartazes but these were limited to ports where they were allowed to settle in. Other ports remained free for all traders, as long as they paid taxes applicable to all.\(^{30}\)

During the centuries under discussion, European men freely married Asian women. Survival depended on day to day interaction with the local population.\(^ {31}\) The Europeans built several institutions to manage the population that was connected to the East India Companies, mostly servants of the companies and their families. Mixed marriages were the norm as European women did not undertake the long sea-journey to Asia. Indo-Portuguese, Indo-Dutch, Anglo Indian communities came into existence and numerous examples of mixed marriages and families have been recorded. The virtual absence of European women is an important aspect of family life in European settlements. Most mothers, sisters, wives and daughters, were women of mixed ethnicity (mestizo) and by default a typical family unit—the natural and fundamental unit of society—was a multi-ethnic one. A vivid depiction of mestizo society can be found in an early description of Nagappattinam, a Dutch settlement on the Coromandel Coast. In his travel account Wouter Schouten states that most of the Dutch people there were married to mestizo women who dressed

\(^{30}\) Subrahmanyam 2012.

\(^{31}\) Malekandathil 2001 and Singh 2010.
according to their own tradition and spoke good Portuguese. With difficulty, they spoke some Dutch. They were also Christians.\textsuperscript{32}

The Christianized population, like the Indo-Portuguese, Indo-Dutch, Anglo Indian communities and the Malabar merchants played an important role in narrowing the distance between those living inside European fortified port-towns of Goa, Cochin, Madras, Bombay etc., and those outside it. There were commercial and personal relations established by individuals living on both sides of the wall. The mestizos had a crucial role in the ongoing process of adaptation on the part of European servants of the Company. Contacts with other merchants, Christian, Muslims, Hindus, or Jews, led to the creation of networks which were economic in nature. Mestizo women created family and social networks and ties for the European and later Indo-European men. The presence of European women and a racially segregated society emerged more strongly after the opening of the Suez Canal in 1869, when European women made the journey to Asia more often. This was also when full-fledged colonialism and imperialism was established from the mid-18th century onwards. The strings of settlements of the various Europeans companies in the 16th and 17th centuries in the Indian Ocean region can be characterized as sovereign backed commercial networks that took to war and diplomacy, but not maritime or naval empires.

\textbf{Trading in Sovereignty: a Transformation from Company to State}

In the eighteenth century, the profit margins of the different European companies started to decline. Their business model was not as profitable as it used to be. New markets opened up and new commodities became popular. They got involved in expensive wars with rival Europeans as well as South Asian powers in the Indian subcontinent. They had built fortified settlements, the upkeep of which was expensive. Rivaling European states, who were involved in the Seven Years War in Europe also fought battles in South Asia through the East India Companies. The Dutch in Java and the English in South Asia took to plantation systems for procuring coffee and tea. They acquired land and started taxing the inhabitants and commodities produced in the regions administered by them. They were also now functioning as providers of raw material for the Industrial Revolution; for example from South Asia, raw cotton and indigo was exported in large quantities.

At this time, ideas of Physiocracy had started to gain currency in Europe. Physiocrats, part of French Enlightenment, believed that land is the source of all

\textsuperscript{32} Schouten 1676, 179a–80a.
Although they also advocated non-interference by governments, most European governments were too involved in the operation of the East India Companies to let them function independently. Thus, when companies started annexing land and collecting taxes, the governments did not interfere. In fact, when needed, governments supported the companies to function as land-lords rather than traders. Thus Britain and the Dutch Republic respectively supported the metamorphosis of the English and Dutch East India Companies.

As profits from trading started to decline and land was valued as a permanent source of income, The European trading companies started to transform from traders to landlords. An analysis of the change that the Dutch East India Company (voc) in Malabar, for example, underwent during the years 1750–84 enables us to redefine the nature of the voc’s activities in South Asia. Analysing voc account books, it becomes clear that there was a remarkable growth in the non-trade income of the Malabar in the first half of the eighteenth century. This was followed by a period of slower growth in the period 1750–1784. From only 5 per cent of the gross profit, in 1697, income from land rose to 31 per cent of the gross profit. In 1779–1780, it added up to 38 per cent of the gross profit. The Dutch Company extended its fiscal administration far beyond the walls of Fort Cochin. By bringing more and more land under the Company’s control and taking over the fiscal administration, they made their presence in Malabar more concrete and extended the Dutch presence beyond the coast. By bringing land under the purview of the Company, the voc’s establishment in Malabar appeared more permanent. With these efforts, income from land became more important than in the seventeenth century. The Company in Malabar thus underwent a metamorphosis from a pacified merchant-wARRIOR to a landlord, imposing and collecting excises, customs and taxes and claiming rights on land.

During this period, the English East India Company (EIC) also emerged as the most powerful European power in the region. After the battles of Plassey in the north (1757) and of Wandiwash in the south (1760), it became clear that other European powers on the subcontinent could not match the EIC’s economic and military might. The EIC in Bengal was also functioning in similar fashion as the Dutch, except that in many ways their transformation was quicker and had taken place earlier.

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33 Steiner 2003.
34 Singh 2010, 88–89.
35 Guha 1996.
enormous transformation from a trading entity to a veritable state. By 1772, the EIC in Bengal had 15 million subjects, 33 thousand troops and was extracting three and a half million pounds in revenues. Figures from other parts of India are separate. In this address to the Directors of the EIC, it was also made clear that the fate of India and England was tied together as one did not know “what that revenue may be hereafter raised to”. This was followed by an invitation to the Company to unite with Parliament. British Government became more and more interested in its modes of operations. The colonial mentality is very clear from here on. Trade was no more valuable; maximum extraction of revenue and raw material for the Industrial Revolution was. The nature of “trade” had changed. The goal of the Company and the British state was amalgamated into one. Their political and economic aims coincided. They start to interact with each other and towards South Asia in a different way. By 1820, the Company’s administration was a fully functional colonial state.

Thus, there was a complete change in the mode of operation. No longer trade, but taxes, which is an extraction, was the new “profitable” business model. Britain henceforth did not aim to further trade through mercantilist policies but blatantly sought to control territories and subjects who could be taxed. Their entire character of operations changes to fuel the Industrial Revolution. How this change came about is complex and connected to both internal and external factors within Britain and South Asia. But the relationship with South Asia is no more as regions from which the EIC collected textiles, spices and other commodities for importing to Europe or re-exporting to Africa and America, but South Asia was seen as a source of limitless revenue extraction. The 1858 and 1877 proclamations of Queen Victoria were important landmarks in the creation of British colonial empire. Other Europeans, including the Dutch also metamorphosed in comparable ways.

Conclusions

Seen from a political structure perspective, empires are large political units, often expansionist and functioning with a distinct hierarchy, headed by an emperor or empress. They are distinct from other early modern political units like kingdoms or sultanates. Colonial empires are distinct from other empires, for example tributary or maritime empires. In the early modern and modern world, empire has a unique and specific political connotation. Louis XIV was

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36 Anonymous MDCCCLXXII.
King of France but the Holy Roman Empire elected Emperors; Napoleon took the title of Emperor and only then begins the French empire. Similarly, Victoria was Queen of England and later in 1877 crowned empress of India. After decolonization of India, the British crown returned to title of King or Queen. So, one can write of a British and French colonial empire, but not of Dutch colonial empire. It would be erroneous to use the varied activities of the VOC and WIC to argue for a Dutch colonial empire. A more specific term would be the Dutch colonial state. It seems that there is a trend in Dutch historiography that since the British and the French had empires, the Dutch must (in historiography) have one too. Such narrations are misleading and perhaps underpinned by nostalgic ideas of grand colonial empire building projects of the past. While writing the histories of Afro-Eurasian connections, maritime or otherwise, using the umbrella term of empire from circa 1500 onwards right up to 18th and 19th century’s colonial empires leads to teleological problems: i.e., efforts of finding uniformity and projecting backward the apparent 19th century political and economic dominance of Europe. This long protracted process spanning 500 years needs to be dissected and characterized based on their unique features. In this article I have leaned on a purely political lens to investigate trade, war and diplomacy in the early modern period and their characterization in historiography. How the East India Companies developed from trading organizations, based in port town and cities, to sovereign like organizations aiming at the control of land for revenue extraction has been analysed. Why the Europeans underwent this metamorphosis in the 18th century and other trading communities did not, remains a matter of debate.

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