

# The Dutch East India Company and Business Diplomacy

*Adam Clulow*

The University of Texas, Austin, USA  
[adam.clulow@austin.utexas.edu](mailto:adam.clulow@austin.utexas.edu)

*Tristan Mostert*

Leiden University, Netherlands  
[t.mostert@hum.leidenuniv.nl](mailto:t.mostert@hum.leidenuniv.nl)

By any assessment, the Dutch East India Company (*Vereenigde Oost-Indische Compagnie* or VOC) was one of the most successful commercial enterprises ever created. Established in 1602, it endured for close to two centuries until its final collapse at the end of the eighteenth century. During this time, it established a sprawling commercial empire that saw it first break into and then seize a share of diverse markets across Asia. The Company's charter authorized it to conduct diplomacy across a vast swath of territory: everything "east of the Cape of Good Hope but also in and beyond the straits of Magellan." Here, VOC representatives were permitted "to enter into agreements and contracts with princes and potentates in the name of the States-General of the United Netherlands."<sup>1</sup> From the beginning, diplomacy was integral to the VOC push into Asia and the Company established relations with a dizzying array of emperors, kings, rulers and lords across the wider region.

Given its status as arguably the world's first multinational company, and the extent of its diplomatic activity, the VOC represents a natural case study for any examination of business diplomacy. Indeed, the definition proposed by Huub Ruël in his contribution to this forum, that international business diplomacy is "the representation and communication activities deployed by international businesses" with the goal of sustaining a "positive relationship" with host

---

1 Van der Chijs, J.A. *Geschiedenis der stichting van de Vereenigde O.I. Compagnie* (Leiden: P. Engels, 1857), 130. Although VOC officials were supposed to submit all treaty arrangements for approval by the States-General, the great distances between the Dutch Republic and Asia combined with the slow pace of transportation meant that the organization was able to act with relative autonomy.

governments in order to “maintain legitimacy and a ‘license to operate’” seems to fit neatly with VOC activities which were designed to secure operational rights to trade in key markets via the deployment of a diplomatic apparatus of ambassadors, envoys and officials.<sup>2</sup>

At the same time, however, modern definitions of business diplomacy or those of related concepts such as commercial and corporate diplomacy often assume the existence of clear binaries, between government and business, or state and company, that were not always present in earlier periods. The Dutch East India Company was a private commercial enterprise created to break into Asian trade but one that wielded a string of powers that are conventionally associated with the state. The organization’s composite nature can be traced back to its foundational document, the 1602 charter, which gave the VOC the right to wage war, to seize territory and to engage in diplomacy. The contradictions between the Company’s state-like characteristics and its more conventional qualities as a corporation means that it is frequently described in terms of dualities. Such categorizations have a long history. In the seventeenth century, for example, one VOC director famously observed that the organization was “a company of commerce but also of state.”<sup>3</sup> More recently, they have become a staple of modern scholarship with one prominent historian labelling the organization a “hybrid state: run as a business concern but acting like a kingdom.”<sup>4</sup>

The Company’s hybrid nature shaped and defined its diplomatic strategy. In the final assessment, the VOC, which has been described as the world’s first joint-stock company or even as the first true corporation, was a business designed to secure profits. As such its diplomatic efforts were frequently oriented along purely commercial lines, securing access to markets, arranging the purchase of goods and so on. But the Company also functioned as a “mixed Asian-European state” that occupied a place alongside other Asian states in regional networks of war and diplomacy.<sup>5</sup> As a result, its diplomatic efforts could also look very similar to what might be called official or conventional state-to-state

2 The wider definition also encompasses interactions with non-governmental representatives. See the essay by Huub Ruël in this issue.

3 Quoted in Gaastra, F. *Geschiedenis van de VOC* (Zutphen: Walburg Pers, 2002), 57. For the pioneering analysis of the VOC’s sister organization as a Company-State, see Stern, P. *The Company-State: Corporate Sovereignty and the Early Modern Foundation of the British Empire in India* (Oxford: Oxford University Press, 2011).

4 Van Goor, J. “A Hybrid State: The Dutch Economic and Political Network in Asia.” In *From the Mediterranean to the China Sea*, eds. C. Guillot, D. Lombard, and R. Ptak (Wiesbaden: Harrassowitz Verlag, 1998), 214.

5 Van Goor, J. *Jan Pieterszoon Coen, 1587–1629: Koopman-Koning in Azië* (Amsterdam: Boom Publishers, 2015), 522.