

## The Company-State: Corporate Sovereignty and the Early Modern Foundations of the British Empire in India

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Douglas Peers

Despite the flurry of works over the past 20 years or so which have explored the course and consequences of colonial rule in India, and increasingly the impact that such rule had upon British society, the period before the Battle of Plassey has remained for the most part insulated from questions about the ideologies and operations of territorial governance. Historians have largely focused on the obvious manifestations of Britain's expansion in India, which for many begins around 1757. This is not to say that the previous 150 years are *terra incognita*: scholars such as Holden Furber, K. N. Chaudhuri, M. N Pearson, and Om Prakash (to name but a few) have produced detailed and influential studies of the trading operations of the East India Company and its competitors. However, in detailing the intricate commercial networks which prevailed in the Indian Ocean, their works implied that the period prior to Plassey was one dominated by trade, and one where questions of sovereignty and authority were largely absent, or at best were secondary considerations. Historians interested in probing the relationship between empire and sovereignty instead looked to what has become known as the Atlantic World – the colonies established by the British in the Caribbean and North America. A territorial empire in the Atlantic came to be juxtaposed against a trading empire in Asia.

*The Company-State* challenges these longstanding characterizations and opens up fascinating new vistas on the pre-Plassey period by shifting the focus from trade to territory, and provides compelling evidence that the ideologies and structures of territorial expansion were already in play before the big breakout after Plassey. Well illustrated, and drawing on a diverse range of sources, *The Company-State* weaves together political and intellectual history to demonstrate that defining sovereignty was of concern to the East India

Company long before its victories at Plassey and Buxar yielded them control over Bengal. Stern challenges the longstanding idea that the East India Company only hesitantly, and barely consciously, became an imperial power. The East India Company that emerges from these pages is no longer the 'strange absurdity' once described by Adam Smith. Stern locates the Company within a very fluid world of early modern political formations in an era when the state had not become normalized. From the outset, the Company exercised authority over its employees and properties in ways similar to that of a government. Analogies are drawn with other corporate bodies in this era, such as municipalities, universities, guilds, and other chartered bodies. Stern pointedly and fittingly reminds us that, 'As proprietors, colonial governors and councils were in this sense like manorial lords, who could alienate land, administer justice, exact fines, and control populations within the bounds of their estates' (p. 24).

Broadly organized along chronological lines, the first section of *The Company-State* consists of chapters that illustrate how the Company came to enjoy considerable autonomy in its operations in India, St Helena, and Southeast Asia. By the late 1680s, the Company was at war with Siam as well as the Nawab of Bengal, and was dealing with what it viewed as challenges to its authority from European (including British) interlopers. It had only recently put down a rebellion at Bombay. Within its settlements, the Company had experimented with British municipal forms and in 1687 it introduced an incorporated council into Madras, modeled after Plymouth, with a mayor and 12 aldermen who began to chafe against the authority imposed by the governor. The symbolic manifestations of these claims to sovereignty are documented in detail. Pomp and ceremony were critical ingredients: Company officials in Madras, for example, declared who could carry an umbrella and who could not. The coinage struck by the Company served as proof of the sovereign claims made by it, yet its hybrid iconography illustrates that such claims drew upon diverse authorities, a reminder of just how fluid the contemporary political context was.

The second section, taking as its point of departure the Glorious Revolution of 1688, and ending with the Battle of Plassey, considers how the Company's autonomy increasingly came into conflict with the growing ambitions of the British Parliament. The fact that the Company's foreign policy did not necessarily align with, much less mimic, the foreign policy of the British government is further evidence of the overlapping sovereignties. The arrival of William of Orange on the throne of the soon-to-be United Kingdom should have put an end to the often violent rivalry between the Dutch and the English East India Companies. At the same time the legacy of increasing parliamentary clout following the Glorious Revolution meant that the East India Company's pretensions to a degree of constitutional autonomy was out of step with, and at times ran counter to, parliamentary trajectories. Critics of the Company depicted it as exhibiting many of the despotic traits associated not only with Asia but also the Stuarts – and in so doing implied that the Company was a threat to parliamentary authority. Actions such as administering capital punishment at St Helena or setting up Admiralty Courts which could seize property from British subjects were held up as examples of actions undertaken by an institution that undermined the supremacy of Parliament. Yet the Company could not always go it alone, and in ensuring the safety of the sea lanes to its factories in India and Southeast Asia, the Company had to secure the assistance of the Admiralty. Stern reminds us that the Company was first and foremost a maritime power, but in fending off challenges to its position from various pirates, interlopers and eventually European competitors, the limited resources possessed by the Company were quickly exhausted. In turning to the Admiralty, the East India Company had to relinquish some of its autonomy. Moreover, by the late 1690s a broad coalition of individuals and interests opposed to the Company had converged, and formed a new Company, one which notably was not anchored in a Royal Charter but was instead ushered into being through an Act of Parliament. An eventual merger of the two English companies was orchestrated in 1709.

*The Company-State* offers insights that transcend the temporal and spatial boundaries under analysis and suggests important new ways of thinking about sovereignty in the early modern world. As Stern aptly puts it, 'Approaching the Company as a form of state and sovereign, which claimed final jurisdiction and responsibility over people and places, suggests that the history of state formation and of political thought, only relatively recently extended to include the ideas and institutions of empire, might be extended even further, beyond the national form of those states and empires to apply to a range of corporate communities'

(p. 14). Plassey was not the rupture that it is often seen to be, and individuals like Clive and Hastings are positioned within a genealogy of political discourse stretching back to the 17th century. The volatility of the later 18th century becomes more comprehensible: the coup which toppled George Pigot, the governor of Madras (who mysteriously died in custody), or General Richard Smith's chequered career in India – court martialed yet allowed to return to India – are episodes that make much more sense when set within the context of the shifting and contested foundations of sovereign authority in India.

Stern's fine study also opens up new perspectives on the so-called 18th-century crisis in South Asia. The Company is no longer seen as an aberration nor can the rise of British power be seen as coincidental. Similarly, within India, the eclipse of the Mughals exposed a wide range of sometimes competing and sometimes overlapping political formations. The Nizam of Hyderabad, on one level the number two in the Mughal hierarchy, also acted in many ways as an independent sovereign. Ultimately, the *Company-State* imaginatively and persuasively positions the East India Company within a constellation of early modern constitutional forms, thereby calling into question the prevailing if often unconscious assumption underpinning liberal historiography, namely that the nation-state is the natural, some might even say inevitable culmination of political organization. When *The Company-State* is read alongside Jane Burbank's and Frederick Cooper's *Empires in World History: Power and the Politics of Difference* (1) which also refuses to take the nation-state as the paradigmatic form of political organization, the potential for a fundamental rethinking becomes tantalizingly real. It should therefore come as no surprise that *The Company-State* was awarded the American Historical Association's Morris D. Forkosch prize. It is hard to think of a more deserving winner.

## Notes

1. Jane Burbank and Frederick Cooper, *Empires in World History: Power and the Politics of Difference* (Princeton, NJ, 2010). [Back to \(1\)](#)

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