Rise to Success: An Analysis on the Dutch East India Company

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The *Verenigde Oostindische Compagnie,*[1] the Dutch East India Company, also known as the VOC, was founded in the 17th century and quickly became one of the most influential and powerful trading companies at the time. The VOC dominated the trade market and developed its commercial dealing throughout Europe and Asia. This essay will examine the different factors that contributed to its success such as its loyal crew, ship building prowess, military engineering capabilities, and its diplomatic skills.

The VOC was a widely successful Dutch shipping corporation in the 17th century due to its unhindered monopoly over Dutch commerce. In 1595, a sailor by the name of Cornelis de Houtman sailed to Asia and returned in 1597. Although it was not a very profitable voyage, it showed local Dutch investors that the trip was possible and that the Dutch stood a chance to replace Portugal and other European powers as the principal spice trader to Europe.[2] The rate of return was relatively high on these initial trips, and it was therefore easy to get investors.[3] Between 1598 and 1602 there was a multitude of small companies that popped up, capitalizing on the eagerness of investors and the novelty of these long-range voyages. All these smaller organizations were competing for dominance within the Dutch Commercial world, which weakened the overall Dutch trade against other European powers.[4]

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[1] Parthesius, Robert, Dutch Ships in Tropical Waters: The Development of the Dutch East India Company (VOC) Shipping Network in Asia 1595-1660, (Amsterdam: Amsterdam University Press), 12.
[2] Oscar Gelderblom and others, "The Formative Years of the Modern Corporation: The Dutch East India Company VOC, 1602-1623", The Journal of Economic History 73 (2013), 4.
[3] Ibid., 5.
[4] Ibid., 5.

The VOC was founded in 1602 as a political compromise, to combine many of these smaller shipping companies. It was a decentralized corporation that focused around six chambers, each representing a city: Amsterdam, Zeeland/Middleburg, Hoorn, Enkhuize, Delft and Rotterdam. Each chamber had its own board of directors and the VOC had a general management consisting of 17 directors known as the *Heren Zeventien* or the Gentlemen of Seventeen.[5] The Dutch government granted an official charter, providing the VOC with extensive powers, such as the right to fit ships for trade, make treaties with the rulers of Asia, build fortifications and undertake military operations.[6] The VOC was described as a "private corporation with sovereign powers."[7] The Dutch government granted the VOC monopoly over the Dutch spice trade, which later expanded into textiles from India, coffee from Java and tea from China.[8] After the unity of the VOC, more than 50% of the European ships that passed the Cape of Good Hope, a popular trading route to Asia, were Dutch.[9] The VOC developed colonies from Cape Town, South Africa all the way to Dejma, Japan.[10] To further secure their hold on the Asian spice market, the VOC set up a rendezvous point in Batavia on the island of Java in 1619. Batavia became the heart of Dutch trade, where commercial and colonial interests mixed.[11] There, ships could be resupplied, repaired and the crew could take a break. The VOC set up other outposts as well and participated in intra-Asian trading, which involved trading on a lesser scale between smaller outposts; this allowed the Dutch to establish connections in the spice trade

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[5] Parthesius, Dutch Ships, 34.
[6] Ibid., 35.
[7] Blachford, Kevin, "Revisiting the Expansion Thesis: Internation Society and the Role of the Dutch East India Company as a Merchant Empire", European International Relations 26 (2020), n.p.
[8] Wezel, Filippo Carlo and Martin Ruef, "Cracking the Deck: National Origins and Promotions in the Dutch East India Company, 1700-1796", Organization Studies 45 (2024), n.p.
[9] Parthesius, Dutch Ship, 13.
[10] Blachford, "Revisiting", n.p.
[11] Schnurmann, Claudia, "'Where profit leads us, to every sea and shore…': The VOC, the WIC, and the Dutch methods of globalization in the seventeenth century", Renaissance Studies 82 (2017), n.p.

world.[12] During the 1630's the VOC visited most trading posts and steadily grew in power. The VOC conquered East Africa, the Indian Ocean and Persia, but put a special emphasis on Ceylon, also known as Sri Lanka, for its cinnamon and Malabar for its pepper.[13] From 1630-1660, the VOC's shipping networking intensified, and they continued to fine-tune their operations. By 1650, eastern Asia was secured, and the VOC expanded to western Asia.[14] With the amalgamation of the smaller companies in 1602, the VOC was able to combine its efforts and make a name for itself within the wider spice trade world of the 17th century.[15]

The VOC kept a tight knit crew, which kept things in order and enabled its seafaring success.[16] Within the Dutch sea ships there was a rigid hierarchy system. Each sailor had their assigned set of tasks and crew members above or below them in the hierarchy.[17] On a ship, the lowest rank was a sailor/soldier, who was part of a "quarter" and each quarter contained seven men. These quarters were considered the lowest rank of a ship, partaking in most of the manual labour onboard. Each quarter was managed by a boatswain, or one of his mates, and then a quartermaster and three seamen who were knowledgeable on the rigging of the ship. There was also a master-at-arms aboard who oversaw discipline on the ship. Maintenance was taken care of by different specialists such as the cooper, the carpenter and the master of weapons.[18] All these positions were reinforced by status and a clear division between each job. No sailor did a cooper's work, and no carpenter did a sailor's work. These roles were further reinforced by the

[12] Parthesius, Dutch Ships, 31.
[13] Schnurmann, "Wherever profit", n.p.
[14] Parthesius, Dutch Ships, 32.
[15] Van Duivenvoorde, Wendy, Dutch East India Company Shipbuilding: The Archaeological Study of Batavia and Other Seventeenth-Century VOC Ships, (College Station: Texas A & M University Press, 2015), 16.
[16] Wezel, Filippo Carlo and Martin Ruef, "Agents with Principles: The Control of Labor in the Dutch East India Company, 1700 to 1796", American Sociological Review 82 (2017), n.p.
[17] Ibid., n.p.
[18] Ibid., n.p.

master-of-arms, who would punish sailors for disobeying.[19] The VOC used their hierarchy system to keep sailors from deserting their posts. Deserters were faced with harsh punishments if they were caught, such as jail, banishment from the Netherlands and, in some cases, death.[20] The strict roles and risk of punishment contributed to an overall efficient ship that could travel long distances and complete its task.

The Dutch utilized several different technologies when building their ships and were one of the most well-known shipbuilding countries in Europe. This allowed the VOC to take the lead against other competing European powers. When VOC entered the spice trade market in 1602 other European powers such as Spain, Portugal and Britain already had a hold on many spices and trading routes. Therefore, it was important for the Dutch to establish their own trade routes as quickly as possible to catch up.[21] This meant that the VOC needed several fleets of ships that were sturdy, could carry crew, cargo and weapons, and were fitted for the long journey. Since the establishment of VOC, the company employed ships that were explicitly designed for lengthy journeys to Asia and back.[22] Dutch ships were well-known for being inexpensive to build because the center of Dutch shipbuilding took place in the Zaan region where taxes and the cost of land were significantly lower. This allowed the VOC to build ships at a fraction of the price it cost other European countries.[23] Combined with newer technologies such as the sawmill, bottom-based building and different, more useful ship designs, the Dutch shipbuilding industry was more than able to keep up with the VOCs needs and allowed the VOC to take the lead in the international spice trade.

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[19] Ibid., n.p.
[20] Ibid., n.p.
[21] Duivenvoorde, Dutch East India, 2.
[22] Ibid., 3.
[23] Ibid., 13.

One of the key technological advances that allowed the Dutch shipbuilders to increase overall production was the invention of the wind powered sawmill in 1594. Wood production was increased by 3000% as the mills were capable of sawing 60 beams in 4 to 5 workdays, instead of the 120 days it took by hand.[24] This leap in production also further reduced the cost of shipbuilding because it decreased the amount of manual labour that was needed.[25]

Another way Dutch shipbuilding surpassed other industries was bottom-based building. This is where a ship is built from the bottom up, which is significantly more cost efficient because it reduces the amount of labour and iron fasteners needed.[26] A bottom-based built ship is assembled in a shell-based method, where planks are held together with temporary wooden cleats until the frame floors are inserted. Then the temporary cleats are removed as the ship's framework is installed. After the side planking is fastened to the frames in the new plank on frame method, the ship was completed.[27] The Dutch became masters of this method and produced ships quickly and cheaply.[28]

Another massive step for the Dutch was the invention of the Flute ship in 1595. This ship could carry over 200 tons of cargo around 1600, which quickly rose to 360 tons over the course of seventeenth century. The Dutch could build the Flute for 800 pounds sterling whereas it cost the British 1300 pounds sterling.[29] The Flute was not only cheap and quick to build, but it was also easy to manoeuvre; it took only seven men and one boy to handle it, whereas a common English merchant ship took 20 men.[30] The Flute was large enough to hold space for cargo, crew,

[24] Ibid., 12.
[25] Ibid., 13.
[26] Ibid., 10.
[27] Ibid., 10.
[28] Ibid., 11.
[29] Ibid., 13.
[30] Ibid., 15.

food and water, plus repair equipment for the ship. They were sturdily built for storms and could last for six or more voyages, making it the optimal shipping vessel.[31]

By 1640, over 1000 ships were built in the Netherlands.[32] "The Dutch became the foremost shipbuilders in northern Europe in the sixteenth and seventeenth centuries and exported both finished vessels and labor to other countries."[33] The contribution of these ships to Dutch wealth was so impactful that many artists were inspired to paint or draw them.[34] Dutch ships were considered "seaworthy, capacious, and inexpensive…"[35] With the combination of previously established technologies such as the sawmill, bottom-based building, and the Flute ship, the Dutch were able to maximize their shipbuilding efforts.[36] This all pushed the VOC ahead of other European powers in the race for domination over the spice trade.

After breaking into the spice trade enterprise, it was important for the VOC to keep their position and trade routes through force, which was done through a series of fortifications and military engineering. In the evolution of artillery and arms, the 14th century focused mainly on gunpowder usage whereas the second half of the 15th century was more directed on cast bronze guns and heavy cannons which carried on to the 16th and 17th century.[37] The limited availability of artillery influenced how fortifications were made, especially when it came to naval fortifications within the spice trade.[38] New weapons such as mortars and howitzers significantly affected the fortresses. Engineers had to figure out a way to protect their work from being outgunned and breached from afar, while also trying to shield crucial stores, soldiers and

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[31] Ibid., 3.
[32] Ibid., 11.
[33] Ibid., 10.
[34] Ibid., 4.
[35] Ibid., 11.
[36] Ibid., 10.
[37] Odegard, Erik, The Company Fortress: Military Engineering and the Dutch East India Company in South Asia, 1638-1795 (Leiden: Leiden University Press, 2020), 16.
[38] Ibid., 19.

weapons from mortars.[39] Seventeenth-century fortification works were practical in design and used to fortify newly acquired possessions.[40] Most military engineers added depth to the walls of their designs to fortify against heavy cannon fire, but designs were not set in stone as each newly acquired fort or garrison required a different strategy for its specific dimensions, area and most common threats. This forced the VOC engineers to be adaptable and pragmatic.[41] "The Dutch colonial fortifications were not simply exports of European designs; they were adaptions to different circumstances."[42]

The VOC's territory was composed of garrison forts that were constantly prepared for battle.[43] The VOC used its system of fortifications to dominate commercial traffic and to ensure the company's military control over its acquired lands.[44] Control was ensured in archipelago areas by setting up fortifications around 'chokepoints' in rivers or waterways. This ensured that the VOC had almost complete control over the ships coming in and out of said water areas. Control of the waterways allowed the VOC to raise costs on its competitors for items such as cinnamon from Ceylon or pepper from Malabar because they had a monopoly on the supply.[45] Smuggling was still possible, but it was highly dangerous, and the fortifications discouraged it[46]. "In 1685, the VOC had acquired itself an empire. Apart from being the largest European shipping firm operating on the Cape route, the company operated a large intra-Asian trade and had acquired for itself a position as a territorial power…"[47] Overall, the adaptability and practicality of the Dutch military engineers, combined with strategic fortifications along chokepoints in

[39] Ibid., 25.
[40] Ibid., 28.
[41] Ibid., 28.
[42] Ibid., 257.
[43] Ibid., 67.
[44] Ibid., 85.
[45] Ibid., 88.
[46] Ibid., 89.
[47] Ibid., 55.

water traffic, allowed the VOC to acquire territory and defend it through fortifications, which in turn allowed the VOC to control the supply of different spices on the market and assert their dominance against other European powers such as Portugal and Britain.

The VOC displayed an exemplary amount of improvisation and flexibility through its diplomatic tactics that helped make a name for itself in the international spice trade market. While trying to establish itself within the spice trade market, the VOC often had to conform to local expectations and cultural practices to gain approval from foreign dignitaries to trade.[48] For example, the VOC wanted to trade with the Siam, a group from Thailand, so the VOC company agents had to partake in the rituals of the Siamese court of Ayutthaya. Many agents did not like this as they claimed it was a waste of time and resources, but gaining the trust and respect of people, such as the Siamese, through their traditional cultural practices was vital to gain and retain favor within other cultures, as it showed other ethnic groups that the VOC were respectful to their practices and local customs. This allowed the VOC to grow their network and trade connections.[49] "The making of international treaties was often the result of local improvisation."[50] Another example of Dutch improvisation is that when in foreign courts the VOC would sometimes refer to the 'King of Holland', in front of foreign officials who would be offended by their lack of a monarch. Other times, would not admit to having said monarch, depending on the cultural norm. This was a sign of their improvisational skills because the VOC was chartered under the Dutch government, but it was not a part of the government. The Dutch also had stadtholders instead of a monarch and had no obligation to mention their ruler.[51] "Dutch officials made a conscious decision to avoid offending the foreign rulers who would see the

[48] Blachford, "Revisiting", n.p.
[49] Ibid., n.p.
[50] Ibid., n.p.
[51] Ibid., n.p.

admission of lacking a 'King' as being a sign of living in a state of chaos, lacking customary law or justice."[52] Gift giving was also a common practice to gain international favor, and the VOC would regularly give gifts to foreign rulers as a sign of respect. The Dutch often gave tapestries or paintings, which helped enhance Dutch prestige.

Another instance of the improvisation and flexibility of the Dutch was monsoon season. Monsoons were known for destroying entire fleets of ships and caused delays in trade. Many European powers were forced to halt operations until the monsoon season had passed to avoid monetary and personnel losses but the VOC managed to establish a trading route so that they could avoid much of the delay that came with monsoon season.[53] "In contrast with the European competitors and many local traders, the VOC designed a system of sailing routes that would make them as independent from the monsoon as possible."[54] Avoiding monsoons was a credit to the VOC's flexibility, which it was known for, along with its fast communication.[55]

> What has been called the *Hollands Handelsgeest* (Dutch Spirit of Commerce) often used as a mythical explanation for Dutch success, is mainly based off the access to information. The structural way in which this information was exchanged at all levels of the organization and to the far-off corners of the network must have given the VOC an advantage over their competitors.[56]

However, despite all the important successes, the VOC faced substantial challenges. Its late entry into the global trading network put it at a disadvantage, requiring it to catch up with competitors such as Portugal and Britain. As well, some historians believe "… the VOC suffered from a lack of direction and a clear sense of strategic purpose."[57] These issues, combined with increasing competition and mismanagement in the later 18th century, contributed to the eventual

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[52] Ibid., n.p.
[53] Parthesius, Dutch Ship, 51.
[54] Ibid., 170.
[55] Ibid., 171.
[56] Ibid., 172.
[57] Odegard, The Company Fortress, 257.

decline of the VOC.[58] In essence, while the VOC's innovation and adaptability propelled it to become one of the most influential merchant empires of its time, its inability to maintain direction and unity in its later years revealed the vulnerabilities that accompanied such vast power.[59]

The Dutch East India Company rose to prominence due to a combination of its efficient crew organization, shipbuilding techniques, pragmatic military engineering and diplomatic improvisation. Through its capable crew management, the VOC quickly took the lead as one of the top trading company's during the 17th century. Along with its shipbuilding prowess, the VOC utilized technology like the wind-powered sawmill, bottom-based building, and the Flute ship design to rapidly and cost-effectively produce ships. Its formidable fleets allowed the VOC to outpace competitors and sustain long voyages. Additionally, the company's fortifications and military strategies ensured its control over key trading routes, while its diplomatic flexibility, shown in the ability to navigate foreign customs and political expectations, allowed it to gain favour with local rulers and secure trading rights. All these aspects contributed to the VOC's remarkable success in establishing and maintaining dominance in the spice trade.

[58] Ibid., 258.
[59] Ibid., 259.

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