On Campus

Scofflaw Skippers Tricked East India Co. to Chart First Global Trade Routes

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Researchers at Columbia have linked the origins of modern globalization to the unlawful trading practices of ships' captains of the East India Company.

Emily Erikson '06GSAS and Peter Bearman, professor of sociology at Columbia and director of the Institute for Social and Economic Research and Policy, studied data compiled from ships' logs on 4572 voyages undertaken by the East India Company (EIC) between 1601 and 1833. Their findings, published in the July American Journal of Sociology, suggest that enterprising captains, their ships laden with silver, gold, and manufactured goods, strayed from officially sanctioned trade routes in Asia to conduct off-the-books business, thus establishing new, interconnected markets. "These private traders, free riding on company resources, were engaged in an illegitimate and formally censured entrepreneurial activity in pursuit of their own interests," the authors write. "By using institutional resources for private gain, these private traders laid the foundation for an integrated global market."

The authors further contend that in pursuing their own interests, the rogue captains of the East India Company benefited not only themselves, but the company and, by extension, Britain; and that an increased foreign demand for European goods, largely spurred by this illegal trading, paved the way for the Industrial Revolution.

Erikson, 32, now an assistant professor at the University of Massachusetts, notes that worker malfeasance did not always go unnoticed or unpunished. "By 1620," she says, "captains were engaging in their own private trade, and those who were caught were dismissed and fined. By 1750, when the company was in a dominant position in the Eastern markets, it had the resources to develop new strategies for increasing control over the captains — for example, by documenting which ships overextended their voyages. The idea of a free market benefiting people was only just developing.”

While wayward traders continued to smuggle liquor, guns, and mechanical trinkets such as magnifying glasses in exchange for items like tea, coffee, cinnamon, and cotton, their activity was greatly curtailed by a series of regulatory acts in the 18th and 19th centuries to rein in the East India Company’s power. But the illicit markets, once established, became part of the larger economic picture, an enduring legacy of the symbiosis between the company and its outlaw employees.

“The private traders needed the EIC infrastructure as foundation, just as the EIC needed private traders for expansion and integration,” Erikson and Bearman write. “EIC employment provided captains with distinct competitive advantages through access to greater resources — big ships, money, captive crews, factories, protection from duties, and security on the seas. These advantages made it possible for private traders to get action and make money.”

Erikson, who is currently turning her dissertation into a book, worked in Butler Library as well as in the British Library in London, where she had access to the ships’ logs.

The East India Company was founded on December 31, 1600, by royal charter, and granted monopolistic privileges on trade between England and the Far East. Swiftly surpassing the Dutch and Portuguese for domination over the lucrative South Asian spice trade, the company grew in power and influence both at home and abroad, becoming, for a time, a nation unto itself, ruling over large territories with its own military and administrative apparatus. It was dissolved on January 1, 1873.

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