

S. 8. 3. – Maritime Capitalism: Colonial Companies of Investment, 1600-1800
Chair/Discussant: Cátia Antunes
(Leiden University)

Panel Abstract

Merchant Capitalism stands at the core of development of capitalism as a phenomenon in the Western World. Historians locate the birth of merchant capitalism to the Italian city states of the late Middle Ages and the Renaissance. After the significant contribution Venice and Genoa provided to the development of this phenomenon, followed by the development of long distance maritime firms integrated in the Iberian overseas maritime expansion, chartered companies, turned joint stocks, re-defined the core of what merchant capitalism had been traditionally onto a form of abstract and anonymous source of capital gains and accumulation anchored in the internal dynamics of European colonial empires. This session proposes to analyze what we hypothesize was a third wave of merchant capitalism in Western Europe, that of maritime capitalism.

We define maritime capitalism as the moment in history where businessmen turn their attentions to the maritime sector, not as shipbuilders, commercial companies or joint stock endeavors, but rather as a sector of activity bound to capital accumulation and financial advantages derived of maritime risk alone. Under the guise of maritime investment in trading companies, entrepreneurs in Europe took the opportunity for risk venturing onto maritime investments that would yield higher returns than other business and investment opportunities in their countries. This new form of investment transformed commercial companies into maritime entrepreneurship in- and for itself as their investors became merchants, investors, owners of public debt, state contractors and ultimately maritime entrepreneurs.

The papers in this session address the specific case of the Dutch and Genoese maritime investors in the fleets of the Genoese East India Company (17th century), as well as the transnational investors of the Ostend East India Company (beginning of the 18th century) and the case of the Portuguese companies for Brazil in the second half of the 18th century

Keywords

Maritime Capitalism; Companies; Maritime Investment

Companies of convenience

GIORGIO TOSCO (European University Institute)

Abstract

In this paper I look at the institutional resources that were available to Dutch and Italian investors in overseas trade. In the middle of the seventeenth century, Italian merchants and policy-makers alike were extremely interested in the Dutch chartered companies of trade. In the Republic of Genoa, eventually, two joint-stock chartered companies were established, and in the Grand Duchy of Tuscany similar projects were made. Meanwhile, some Dutch investors looked at the Italian states as possible providers of flags of convenience, and played a crucial role in the establishment of one of the Genoese companies. In addition, some of these enterprises relied on collaboration with the Portuguese Crown. By comparing all these actors and their relationship to their own state institutions, as well as to foreign ones, I intend to investigate the different ways one could cross national borders in order to enter overseas trade.

Biography

Giorgio Tosco is a PhD candidate at the EUI in Florence. He expects to graduate in January 2020.

State, private trade and foreign aid: the case of the Ostend Company (1715-1735)

GIJS DREIJER (University of Exeter)

Abstract

The Ostend Company (also known as the Generale Indische Compagnie or GIC) was a chartered company, established by the Habsburg Emperor Charles VI in the wake of the War of Spanish Succession. Even if its directors were mostly from the Southern Netherlands and the charter formally prohibited colonial settlements, the GIC did not solely function as a normal colonial company. It functioned as an organisational nexus for merchants, investors and supercargoes from Scotland, England, the Dutch Republic and France whose respective chartered companies prohibited risky investments and private trade. The lean structure of the GIC and the quick accumulation of knowledge about the Asian trade enabled the Company to challenge the established Dutch, English and French Companies, mainly so in the tea trade. For the state, local merchants and foreign investors, the establishment of the GIC was advantageous. For the state, it gave them diplomatic leverage, the ability to build up a maritime fleet and tax income; for the local merchants, it gave the opportunity to participate in the flourishing Asian trade, whereas their trade was formerly limited to the trade with Spain; and for foreign investors, the GIC offered an opportunity to continue a lucrative private trade without the interference of the established chartered Companies, as well as offering protection. The combination of these particular circumstances and the combination of motives and skills led to a highly valuable company. Despite its short period of existence, the GIC influenced the eighteenth-century European-Asian trade in multiple ways. This paper will study the complex interplay between the imperial centre in Vienna, the Company's headquarter in Antwerp and the merchants in Asia itself to show how merchant capitalism, state formation and European-Asian trade worked in tandem.

Biography

Gijs Dreijer is a PhD candidate at the University of Exeter. He researches maritime averages within the project AveTransRisk, under the leadership of Maria Fusaro.

The Portuguese financial market in the eighteenth century. The investment portfolios of their investors

TOMÁS DE ALBUQUERQUE (Instituto de Economia e Gestão, University of Lisbon)

Abstract

Recently, there has been renewed interest in the study of the financial market. Studies on the institutions, role of the state, market products and investors are perfuse. Recent studies such as Carlos, Fletcher and Neal (2015) and Smith (2018) analyse the English India Company's shareholders' investment portfolios to further understand their composition and weight of each financial product. Carlos et al (2015), concluded there exists an increase of investments on financial products, but the majority of portfolios aren't diversified. They say that 80% of financial investments are only in the company.

Conversely, financial development is deeply related to the economic growth, and the enforcement of institutions that protect the property rights diminish risk and boost investment. Considering this institutional factors, historians have considered the country's political constitution and have pointed out parliamentary regimes, for checks and balances on the monarch's power, developing earlier capital markets.

However, a comparative study of how markets work between countries with different political framework, is still missing. I propose to study the Portuguese case, based on the shareholders of the Portuguese colonial companies in the eighteenth century.

I will focus on the shareholders with ten or more shares, and build their portfolio investments looking at company shares, short time loans and public debt. I intend to understand the composition of these portfolios and how diversified they were. I expect this comparative approach will tell us which were the critical differences between Portugal and other more developed financial markets.

Biography

Tomás Pinto de Albuquerque PhD candidate ISEG-University of Lisbon, with a project thesis titled - Portuguese Brazilian Chartered Companies, 1755-1780: shareholders, capital and Dynamics of Governance. I intend to know whether or not there was a capital market in Portugal, in the eighteenth century. In this sense, I use a data base created from the stock books of two Portuguese colonial companies (Companhia Grão-Pará e Maranhão e Companhia Pernambuco e Paraíba). I managed not only to identify a group of investors, but also track the cross-reference of the shares, which constituted a secondary market. My goal isn't only proving there exists a market, but understand how it works, looking at the agents, the different skins of financial products, circulation of information and different types of investment strategies.