

In a 1650 painting, Aelbert Cuyp depicts a merchant of the Vereenigde Oostindische Compagnie (VOC) overlooking the Port of Batavia, alongside his wife (Figure 1). The scene is idyllic but also bustling, as ships prepare to dock or depart. The merchant's stick directs the viewer's eye to the ships, serving as an apparent acknowledgement of the source of the merchant's wealth. In contrast, Frans Jansz Post's painting of a plantation owned by the Geoctrooieerde Westindische Compagnie (WIC) depicts a very different image of Dutch trade (Figure 2). The depiction of Brazil is no less beautiful than Cuyp's work; however, the image is considerably calmer. There is little action besides the subtle movement of the river. While also a representation of the extent of the Dutch mercantile empire, the painting does not explicitly depict wealth. These two paintings can be seen as an artistic representation of the difference



Figure 1<sup>1</sup>

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<sup>1</sup> Aelbert Cuyp, 'A VOC Chief Merchant with His Wife and an Enslaved Servant,' oil on canvas, c.1650-c.1655, Amsterdam, Rijksmuseum.



Figure 2<sup>2</sup>

between the two Dutch trading companies. One, the VOC, appeared to easily obtain wealth, and the other, the WIC, did not. The essay that follows will explain why this was the case. It will provide the context for the difference, as well as explain why the success of the VOC was not replicated by the WIC. The nature of the Atlantic trade (specifically its resources and distance), the inability to maintain a monopoly, and failures to obtain the required manpower and monetary resources combined to prevent the Dutch West India Company from having financial success comparable to that of its sister company, the Dutch East India Company.

Despite having similar purposes, the VOC and the WIC employed different strategies to expand trade abroad. Both companies have been described as ‘the brain-children of one culture dominated by merchants, their capital, and their far-reaching commercial interests’; each trading

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<sup>2</sup> Frans Jansz Post, ‘Landscape in Brazil,’ oil on canvas, 1652, Rijksmuseum, Amsterdam.

company was structured to make a profit for its investors and challenge the trading supremacy of the Iberian powers, and later Great Britain.<sup>3</sup> This similarity of purpose is reflected in the trading companies' charters, which provided the companies with almost identical powers abroad. Each company could employ a military, make international agreements with both indigenous and European powers, and capture foreign ships or cargo.<sup>4</sup> It is for this reason the two companies have been viewed as structural mirrors of each other.<sup>5</sup> However, in practice, the VOC and the WIC had very different strategies. From its foundation in 1602, the VOC was aware that traditional colonization – the use of violent subjugation as exemplified by the Spanish and Portuguese – was not an effective method of expanding trade in Asia; Asia was too populated and it would be far too costly (in terms of both finance and manpower) to defend any Dutch settlements against indigenous populations.<sup>6</sup> For this reason, the VOC, at least during the Golden Age, was primarily a mercantile empire. Unlike other European empires, it did not depend on large colonies or plantations to conduct trade; rather, the VOC relied on a series of coastal trading posts across West Africa, Persia, India, China, Japan, and modern-day Indonesia.<sup>7</sup> (See Figure 3 for reference). Further, while the VOC Charter bestowed some judicial and political

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<sup>3</sup> Claudia Schnurmann “‘Wherever profit leads u, to every sea and shore...’: the VOC, the WIC, and Dutch Methods of Globalization in the Seventeenth Century,” *Renaissance Studies* 17:3 (2003), p.493.

*Ibid.*, p.475.

<sup>4</sup> *Ibid.*, p.480.

Charter of Dutch East India Company (1602), translated by Peter Reynders, edited by Rupert Gerritsen, sourced from Australasian Hydrographic Society, p.6.

Charter of the Dutch West India Company (1621), art II, taken from Lillian Goldman Law Library, Yale Law School, New Haven.

<sup>5</sup> Michiel van Groesen, ‘Global Trade,’ in Helmer Helmers and Geert Janssen (eds.), *The Cambridge Companion to the Dutch Golden Age* (Cambridge, 2018), p.170.

<sup>6</sup> Pieter Emmer and Jos Gommans, *The Dutch Overseas Empire 1600-1800* (Cambridge, 2020), p.126.

<sup>7</sup> *Ibid.*, p.3

Groesen, ‘Trade,’ p.170.

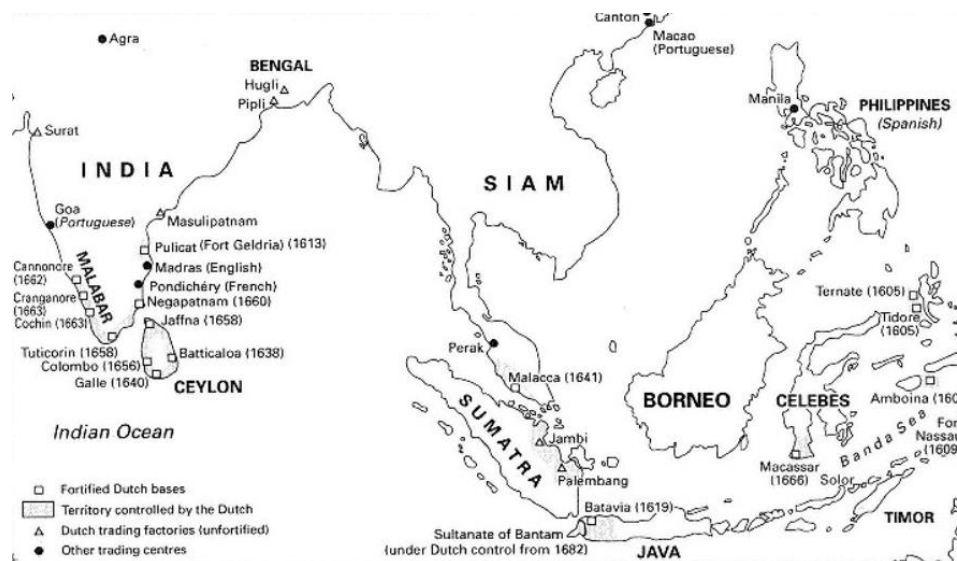


Figure 3: Map of VOC Empire around 1688<sup>8</sup>

power on the Company's leadership, it discussed such authority only briefly; rather, the Charter suggests that matters of trade were more important to the Company's investors by extensively describing the process of ship arrivals, alterations to taxes, and the standardization of measurements.<sup>9</sup> Artistic representations of the VOC reflect this emphasis and structure, often depicting members of the VOC trading specific goods or conducting shipping business, rather than dominating indigenous populations. (See Figure 4 as an example). During the Golden Age, the VOC's dedication to trade meant that its overseas territories were largely confined to small port towns – the massacre on the Banda Islands was a rare example of complete colonial domination.<sup>10</sup> Even Batavia, the so-called capital of the VOC empire, remained little more than a 'traffic control centre' for a majority of the seventeenth century and only expanded inland later.<sup>11</sup>

<sup>8</sup> Jonathan Israel, *The Dutch Republic: Its Rise, Greatness, and Fall 1477-1806* (Oxford, 1995), p.937.

<sup>9</sup> Charter of the East India Company, p.3  
*Ibid.*, pp.6-8.

<sup>10</sup> Maarten Prak, *The Dutch Republic in the Seventeenth Century: The Golden Age* (Cambridge, 2015), p.119.

<sup>11</sup> Robert Parthesius, *Dutch Ships in Tropical Waters: The Development of the Dutch East India Company (VOC) Shipping Network in Asia 1595-1660* (Amsterdam, 2010), p.51.  
Israel, *Republic*, p.324.



Figure 4<sup>12</sup>

In contrast, as expressed in its 1621 Charter, the WIC was dependent on a traditional colonial design to facilitate trade: the Company ‘must advance the [Dutch] peopling of those fruitful and unsettled parts’ to the degree ‘profit and increase of trade shall require’.<sup>13</sup> Practically, this meant that the WIC established plantations and settler colonies at various locations in the Atlantic region, from which goods could be produced, manufactured, and bought. Crucially, the WIC’s greater judicial and administrative authority over a large land area differed from its predecessor, whose trading posts required less governmental control.<sup>14</sup> Artistically, this difference translates to depictions of the WIC on plantations in Brazil and the Caribbean or of conflicts with other European powers, rather than conducting matters of shipping or other explicit manifestations of trade. (See Figure 5 for an example) While not necessarily causing the failure of the WIC, the Company’s alternative structure provides context for its lack of success. Specifically, the WIC’s colonial ambitions demanded greater physical and monetary resources

<sup>12</sup> Abraham Storck, ‘The Island of Onrust near Batavia’, oil on canvas, 1699, Amsterdam, Rijksmuseum.

<sup>13</sup> Charter of the Dutch West India Company, art II.

<sup>14</sup> C.R. Boxer, *The Dutch Seaborne Empire, 1600-1800* (London, 1965), pp.24-5.



Figure 5<sup>15</sup>

than the small trading posts utilized by the VOC. When combined with the nature of the Atlantic trade, these demands brought about a cyclical series of problems that prevented the success of the WIC: without enough money to pay for soldiers, the WIC could not significantly challenge its European competitors or establish a monopoly, which, in turn, further discouraged investment.

The comparative failure of the WIC began with its lack of financial resources, which prevented it from successfully challenging other European powers. In its attempt to establish plantations, settlements, and colonial outposts, the WIC was constantly at war with indigenous populations and other European colonizers. However, the WIC differed from its European competitors, who had significant financial backing, because it consistently struggled to gain significant investment from the Dutch populous.<sup>16</sup> Without sizable domestic investment, the WIC became largely dependent on the profit obtained through the Atlantic trade, which, as discussed below, was insufficient. The lack of funds left the WIC colonies exposed to

<sup>15</sup> Salomon Savery, after Frans Jansz, 'Fourth Battle of the Portuguese Fleet at the Rio Grande, 1640,' etching, 1645-7, Amsterdam, Rijksmuseum.

<sup>16</sup> Emmer and Gommans, *Overseas*, p.129.

competition by preventing them from employing extensive armies or constructing suitable fortifications, making them economically advantageous targets for European challengers.<sup>17</sup> In North America, for example, the under-funded WIC navy was unable to properly defend against its well-financed British counterpart, leading Pieter Stuyvesant, the Director of New Netherland, to surrender the colony.<sup>18</sup> Similar issues emerged in Brazil when Portuguese forces challenged WIC colonizers, leading to the financial collapse of the WIC colony in 1645 and total surrender in 1654.<sup>19</sup> The unequal financial relationship between the WIC and its European competitors only worsened over time, preventing the WIC from prospering in the Atlantic trade.

The very nature of the Atlantic trade negatively contributed to the WIC's financial position as well. In Asia, and for the VOC, ready-made luxury goods, such as porcelain, silks, and spices, were consistently available and the primary source of trade. Crucially, these goods were considered highly valuable to European buyers, and therefore produced larger profits. However, in the Americas, there were minimal – if any at all – luxurious resources or products, leading the Dutch, and other European powers, to rely on the Americas solely for raw materials, which when transported to Europe in bulk, could become profitable.<sup>20</sup> North American furs, for example, did not return a large profit – even if obtained in bulk – until made into European-style garments.<sup>21</sup> While the Dutch, unlike their European competitors, had experience in bulk trade through the Baltic Sea, the Atlantic bulk trade remained a challenge for one important reason: lack of proximity.<sup>22</sup> The Baltic trade was largely profitable because the short distance to the Dutch Republic allowed the transformation process from raw material to valuable goods to occur

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<sup>17</sup> *Ibid.*

<sup>18</sup> Prak, *Dutch*, p.116.

<sup>19</sup> *Ibid.*, p.115.

Israel, *Republic*, p.935

<sup>20</sup> Emmer and Gommans, *Overseas*, pp.126-7.

<sup>21</sup> *Ibid.*, p.138.

<sup>22</sup> Jonathan Israel, *Dutch Primacy in World Trade, 1585-1740* (Oxford, 1989), p.9.

consistently and quickly. Such speed was not possible for the WIC because it took many months to transverse the Atlantic Ocean. While the VOC traded at an even greater distance from the Dutch Republic, it was able to overcome this challenge through participating in inter-Asian trade, in which goods could become profitable without leaving Asian waters.<sup>23</sup> A comparable structure did not exist in the Atlantic when the WIC was chartered. While the WIC did attempt to establish an inter-Atlantic trade system through its 'grand design' (linking Brazilian plantations to the colony at New Netherland), it was unable maintain this network because it lacked the necessary labor and financial resources to defend it.<sup>24</sup> Without such a network, or other efficient trading method, the nature of trade in the Atlantic prevented the WIC from producing a profit efficiently or consistently, leaving it financially unstable.

Due to its comparative financial weakness, the WIC was unable to sustain a monopoly in the Americas. During the Golden Age, the majority of Dutch merchants believed that the most certain way to have stable finances was through monopolies over certain goods or areas.<sup>25</sup> In the Asian trade, the VOC was able to obtain such monopolies, in part, because it was established at a time in which other European trading powers were 'distracted' by continental wars or religious conflict, minimizing competition.<sup>26</sup> Further, the preexisting and extensive nature of the Asian trade network meant the VOC was able to 'plug-in' and use force to exploit existing networks to gain a monopoly.<sup>27</sup> As a result, shortly after arriving in Asia, the VOC acquired monopolies in the nutmeg, cinnamon, mace, and clove trades.<sup>28</sup> In addition to obtaining a goods monopoly, the

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<sup>23</sup> Niels Steensgaard, 'The Growth and Composition of the Long-Distance Trade of England and the Dutch Republic Before 1750,' in James Tracy (ed.), *The Rise of Merchant Empires: Long Distance Trade in the Early Modern World 1350-1750* (Cambridge, 2011), p.124.

<sup>24</sup> Pieter Emmer, *The Dutch in the Atlantic Economy, 1500-1800: Trade, Slavery, and Emancipation* (Aldershot, 1998), p.77.

<sup>25</sup> Emmer and Gommans, *Overseas*, p.4.

<sup>26</sup> Groesen, 'Trade,' p.172.

<sup>27</sup> Emmer and Gommans, *Overseas*, p.249.

<sup>28</sup> Steensgaard, 'Growth,' p.119.



Company also had success in forging a territorial monopoly by preventing other large European ships from entering the ‘Spice Islands’.<sup>29</sup> Conversely, due to its financial difficulties, the WIC struggled to gain a monopoly. Unlike the VOC, the WIC had substantial competition from Spain, Portugal, and Great Britain, all of whom had developed a foothold in the Atlantic by the time the WIC was chartered.<sup>30</sup> In other words, in order to obtain a monopoly, the WIC needed to directly challenge its strong European competitors. Originally, the WIC did not view such a task as impossible, believing it could become financially prosperous through a territorial monopoly in Brazil.<sup>31</sup> While the Company was successful in conquering parts of Brazil, this progress was only temporary, due to the rebellion of Portuguese farmers, which exposed the WIC’s financial weakness and allowed Portuguese forces to end Dutch involvement in Brazil.<sup>32</sup> Without a commodity or territorial monopoly, or an easy way to obtain either, the WIC struggled to produce a consistent profit from the Atlantic colonies, thus continuing the cycle of financial strain.

Without financial strength provided by a sustained monopoly, the WIC struggled to acquire the necessary manpower to maintain its colonial structure. As described above, the WIC was designed to implement a colonial structure based on plantations, a plan which required substantial human investment, including upper and lower class settlers in addition to slaves.<sup>33</sup> The WIC never had any difficulty with obtaining colonies – it had settlements at Fort Nassau in West Africa, along the Essequibo River in Brazil, Fort Orange in North America, and others –

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<sup>29</sup> *Ibid.*, p.121.

<sup>30</sup> Prak, *Dutch*, p.116

<sup>31</sup> Emmer and Gommans, *Overseas*, p.238.

<sup>32</sup> Groesen, ‘Trade,’ p.171.

Prak, *Dutch*, p.115.

<sup>33</sup> Emmer, *Atlantic*, p.86.

however, it struggled to sustain its colonies because it was unable to sufficiently populate them.<sup>34</sup> This failure was due to the nature of the Dutch Republic itself. Unlike competing colonial powers (Spain, Portugal, Great Britain, or France), the Dutch Republic was stable, allowed for greater religious tolerance, and provided resources for its population to become economically prosperous.<sup>35</sup> In other words, there was no motivation for potential settlers to leave the Dutch Republic. Without enough colonists, the WIC could not maintain colonial governments, defense, or trade. Acquiring manpower was also an issue for the VOC, but the strain was less apparent in the Asian trade because the structure of the VOC required significantly fewer people. Trading posts throughout Asia were consistently populated with fewer Dutchmen than the colony of New Netherland (for example), but the Asian settlements were rarely on the verge of collapse because the demands on their infrastructure were minimal, only requiring enough labor to facilitate trade.<sup>36</sup> For the WIC, however, the fact that Dutchmen only accounted for three percent of the total European population in the Americas was disastrous because it meant Dutch colonies were not sustainable.<sup>37</sup> While the WIC could, and did, recruit settlers from other European countries such as Sweden and the German principalities, it was not enough to maintain its colonies, effectively forcing the WIC to concede power and, by extension, profit to other European powers, which continued its downward spiral of financial collapse.<sup>38</sup>

On the eve of the Fourth Anglo-Dutch War, the Dutch were the fifth largest European power active in the Atlantic, after Great Britain, Spain, Portugal, and France.<sup>39</sup> This lack of Atlantic authority was entirely due to the WIC and exemplifies why historians often call the WIC

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<sup>34</sup> Emmer and Gommans, *Overseas*, p.143.

Groesen, 'Trade,' p.176.

<sup>35</sup> *Ibid.*, p.176.

<sup>36</sup> Prak, *Dutch*, p.119.

<sup>37</sup> Emmer and Gommans, *Overseas*, p.240.

<sup>38</sup> Groesen, 'Trade,' p.176.

<sup>39</sup> Emmer and Gommans, *Overseas*, p.240.

a failure. The Company constantly moved through a cycle of financial strain, difficulty in the bulk trade, inability to obtain a monopoly, and lack of required labor resources, leading to more financial issues. However, to call the WIC a complete failure is an exaggeration. Firstly, despite being political and financially subservient, the Dutch culture remained prominent in the Atlantic region through the nineteenth century.<sup>40</sup> Secondly, the WIC was not alone in its financial struggles, as the VOC went through similar – but crucially less noticeable – cycles of monetary issues.<sup>41</sup> Thirdly, while financial strain caused the original WIC to collapse in 1674, the Dutch people felt so passionately about the Atlantic trade that a more modest West India Company was established in its place.<sup>42</sup> This allowed the Dutch to remain somewhat influential in the Caribbean through smuggling and the coffee and slave trades.<sup>43</sup> Finally, the decision to reinvest in the Atlantic trade shows why the WIC, and the VOC, were culturally, intellectually, and politically comparable: both companies represented mercantile pride, the uniqueness of Dutch power abroad, and the opportunity of a New World.<sup>44</sup>

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<sup>40</sup> Schnurmann, 'Globalization', p.490.

<sup>41</sup> Groesen, 'Trade,' p.178.

<sup>42</sup> Prak, *Dutch*, 116.

<sup>43</sup> Emmer and Gommans, *Overseas*, p.239.

<sup>44</sup> Prak, *Dutch*, p.121.

Arthur Westeijn, 'Empire of Riches, Visions of Dutch Commercial Imperialism, c.1600-1750', in Rene Koekkoek, Anne-Isabelle Richard, and Arthur Westeijn (eds.) *The Dutch Empire Between Ideas and Practice, 1600-2000* (Cham, 2019), p.51.

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