

INTRODUCTION

CORPORATE GOVERNMENTALITY

In July 2018, the British government leveled its largest fine ever on social media giant Facebook for breaches of the Data Privacy Act; the £500,000 fine (equal to approximately five and a half minutes of the company's revenue), resulted from its role in selling the personal profile data of 50 million of its users to Cambridge Analytica, whereupon it was used to influence the Brexit referendum vote and the 2016 U.S. presidential election. A year later, the U.S. Federal Trade Commission applied a \$5 billion fine for the same offense. Singling out Facebook, however, obfuscates the larger issue. Facebook, Google, Amazon, Apple, and Microsoft are the five largest corporations in the world by market capitalization, and all operate on a similar model: that of the surveillance of their active users, the silent shadowing of their activity as they traverse the wider web, and the use of this data in behavioral targeting to subtly influence their market choices and—as the Facebook fine underscores—their political views. It is this combination of individual surveillance with the subtle behavioral swaying of populations, of managing the “conduct of conduct” that French philosopher Michel Foucault argued was the core principle of “governmentality,” a Western form of instrumental rationality that buttresses modern forms of power. This strategy is not restricted to technology corporations, I will argue, but is inherent in the very genealogy of the corporate form itself in the nineteenth century.

One of the most transgressive aspects of the concept of governmentality, or “governmental rationality,” is the underlying assertion that the Western state is not the “origin of government” but that at a specific moment in time the “state was governmentalized.” The focus on governmentality was Foucault's way of drawing our attention away from the state and its structure to the plethora of independent agencies that shared its strategies of social control in order to regulate the health and prosperity of a population; agencies that I argue should include corporations. At a critical juncture in the early nineteenth century, the state began to connect itself to a series of groups “that in different ways had long tried to shape and administer the lives of individuals” rather than simply extend the absolutist state's repressive machinery of social control (Rose, O'Malley, and Valverde 2006: 87). Foucault focused attention on the manner in which both the state and these civil organizations came to share a set of programs that were applied to a population as a whole in order to secure “the improvement of its condition, the increase of its wealth, longevity, health.” Governmentality educates

desires and instills habits by artificially arranging the disposition of things so people “do as they ought” (Foucault 1991: 100). As the Facebook example underscores, since people remain unaware of how their conduct is being shaped, or why, the question of consent never arises.

By focusing on a new area of concern, corporate governmentality, I shift attention from the state to the corporation, one such social technology for implementing these governmental programs of improvement; “the practice of chartering corporations can be thought of historically as state-building at one remove—the building of a ‘franchise state’” (Ciepley 2013: 151).¹ As delegations of state sovereignty, early corporations were frequently indistinguishable from states themselves; trading companies like the East Indies Company, for example, acted like a “company-state” or “a state in the disguise of a merchant” (Stern 2011). These companies exercised territorial rule and were able to wage war and sue for peace, raise taxes, and administer justice. As they developed in the early nineteenth century, corporations continued to serve as delegations of state sovereignty to favored subjects for public purposes, usually municipal, educational, or religious. They were, in other words, quasi-state enterprises accountable to all in the public sphere rather than private businesses as conceived today. Even Adam Smith concluded that corporations were incapable of efficient management and should only be created to handle highly capitalized, low-profit projects (Smith 1999: 700; Pearson 2002). “In all cases, while private profit was served, what justified the delegation of state powers were the public benefits resulting from incorporation” (Taylor 2006: 4).

Following Foucault’s lead, the focus of this book shifts attention from the formal apparatus of the state to those corporations that contributed to the governmentalization of society. Despite a clear tie between capitalism and the development of liberal governmentality, little attention has been focused on the role of the corporate form in that development (Nadeson 2008: 55ff.). The co-emergence and codependence of the modern nation-state and the corporation needs to be underscored, especially at the moment of their ideological differentiation in the mid-nineteenth century. It was only later that corporations “shifted from a quasi-public agency—in principle accountable to all, embedded within an institutional structure that served the public sector—into a private agency, protected from government accountability by individual rights and legally accountable to no one but its owners” (Roy 1997: 41). In that shift, corporations did not lose their governmental functions; they continued to manage the early nineteenth-century market transition by means of a concomitant corporate revolution. Corporations were a political strategy that delegated state (not specifically “economic”) tasks to ancillary jurisdictions.

Foucault’s earlier work focused on the enclosed spaces of total institutions where every departure from the norm elicited an automatic corrective disciplinary intervention. It was consideration of the disparate nature of the nineteenth-century global market transition that led Foucault to move beyond this earlier theoretical concern

for disciplinary institutions like the prison, asylum, and clinic to governmentality, so as to deal with the enormous growth in national and international markets and the development of capitalism under liberalism. Governmentality invoked a regime of power that works on a broader scale, on populations as a whole, through an “apparatus of security” where the risks of such an intervention must first be calculated (Foucault 2007: 44–45). I thus shift attention from the state to its “franchise,” the corporation, as one such apparatus of security for implementing governmental programs of market improvement.

By emphasizing the governmental aspects of corporations, their perceived relationship to the market is altered. They are no longer the simple market participants of economic theory but, in Alfred Chandler’s (1977) inversion of Adam Smith’s classic metaphor, they act as the “visible hand of the market” displacing market transactions with more efficient hierarchical administration; like Facebook, they act by instilling habits, educating desires, and “artificially arranging things so that people, following only their own self-interest, *will do as they ought*” (Foucault 1991: 100). This new form of governmentality defines a population—whether of “the poor” or “the native”—and enframes it in these “mechanisms of security” such that these populations could be managed in an “economic” way.

The idea of an “economic government” has, as Foucault points out, a double meaning for liberalism: that of a government informed by the precepts of political economy, but also that of a government which economizes on its own costs: a greater effort of technique aimed at accomplishing more through a lesser exertion of force and authority. (Gordon 1991: 24)

Chandler’s insight thus underscores a paradox: just as nineteenth-century liberals were preparing a legislative program to create *laissez-faire* markets, those markets came to be replaced by a newly emergent corporate order hierarchically organizing economies of scope and scale. As liberal capitalist regimes developed, in which those states that “governed least,” and therefore most economically, “governed best,” the transfer of that economic government to corporations was one such means of “economic governance” in this dual sense.

I explore these themes through the example of the royal corporations in the realm of the Dutch merchant king, Willem I, through which he economically governed an empire over the course of the nineteenth century. The Netherlands had been an early creator of the corporate form, and of the world’s first stock market. At the start of Willem’s reign, the Netherlands was a rural backwater with little industry, high unemployment, and a hard-won and costly colonial empire inherited from an earlier golden era, as likely to succeed in the competitive industrial revolution as Portugal (Zanden and Riel 2004: 85–120). Over the course of his reign, a series of royal corporations led the empire’s market revolution, organizing global commodity chains that enriched the state, fostered the market, and disciplined recalcitrant peasants and

paupers into a disciplined working class imbued with “productive virtue.” This transformation is the product, I will argue, of “corporate governmentality.”

Assembling the Corporate Order

Foucault’s approach to governmentality envisioned it as an “assemblage” (*dispositif*): as “the ensemble formed by the institutions, procedures, analyses and reflections, the calculations and tactics that allow the exercise of this very specific albeit complex form of power” (Foucault 1991: 102). In his analysis of government, he was less concerned with questions of who or why, and more with the overriding concern of *how*; what social technologies, what sets of ideas and practices were deployed in order to meet a pressing governmental challenge? (O’Malley 1996). This assemblage has “as its target *population*, its principal form of knowledge *political economy* and its essential technical means *apparatuses of security*” (O’Malley 1996). Foucault referred to such technologies of rule as an “apparatus of security” to distinguish this form of power relationship from his earlier concerns with individualizing disciplinary regimes in total institutions. An apparatus of security is, in other words, a “human technology” with aspirations to shape conduct and produce desired effects while calculating and averting associated social risks at a societal level. As delegations of state sovereignty, corporations utilize many of the same technologies of rule, and may be an integrated part of a larger governmental assemblage.

In pointing to an “ensemble” or “assemblage” (*dispositif*) of institutions, practices, and tactics, the concept of governmentality decenters the state and directs us toward the ways in which social control is exercised through dispersed forms of “power/knowledge,” that is, forms of authorized knowledge that enable specific programmatic forms of intervention, like psychiatry, public health, or medicine; the discourse of liberal political economy serves this role in governmentality studies. The analytic focus of governmentality studies thus shifts from the state apparatus to the historical processes by which social problems are formulated as objects of intervention, and the specific technologies of rule are drawn in to address them. These new forms of social control operate more efficiently in that individuals are induced to govern themselves through them; they hence become “technologies of the self” through which the “free” liberal individual constructs, regulates, and normalizes their identity. Foucault’s work on the development of “bio-power” analyzed the plurality of authorities who developed the programs deployed to optimize the health, welfare, and life of populations; this was a productive rather than repressive power. Foucault’s earlier studies on the panopticon-like regulatory strategies of these agencies are thus enfolded within a larger, encompassing concern to trace the linkages, the underlying governmental logic, shared by the assemblage of independent agencies and the state in executing programs to ameliorate social problems.

In order to address an “urgent need” and invest it with strategic purpose, a heterogeneous and shifting assemblage of “discourses, institutions, architectural forms,

regulatory decisions, laws, administrative measures, scientific statements, philosophical, moral and philanthropic propositions” were cobbled together in a bricolage of existing practices; these are not the grand visionary schemes of high modernist social planning but the mundane practices that come to hand of everyday rule (Foucault 1980: 194). However, there has been a tendency since to essentialize such assemblages and avoid the question with which Foucault began, of *how* they emerged and were cobbled together in particular programs of intervention (O’Malley 1996: 310). Given his concern with the *rationality* of government, it is not surprising how little attention Foucault in fact paid to the ways by which mechanisms of rule circulated between sites, “save for occasional asides whose credibility depends more on rhetorical resonance than analytical rigor” (McKinlay 2010: 1019). This is due to the fact that the circulation of programs and their social technologies was “not a process in which rule extends itself unproblematically across a territory, but a matter of fragile relays, contested locales and fissiparous affiliations”—of politics, in other words, rather than a rationality of government (Rose 1999: 51; O’Malley, Weir, and Shearing 1997: 510).

Li emphasizes that it is crucial to return to these *how* questions: how, in the face of such fissiparous tensions, can alignments be forged between those authorities with the will to govern and the personal projects of individuals and organizations who are subject to that government? She underscores that “assemblage” as a theoretical concept “flags agency, the hard work required to draw heterogeneous elements together, forge connections between them and sustain these connections in the face of tension” (2007b: 264). She emphasizes the verb form of *assemblage* to underscore that the *practice* of assembling should remain the center of analysis. We should not treat such an assemblage as a *fait accompli*, as a set of sites laid out for examination. In order to do so, she argues that we need to introduce a different analytic approach—of histories and sociologies of rule—into governmentality studies without collapsing the two (2007a: 26). Such histories and sociologies of rule help answer *how* questions and expand governmentality studies without loss of focus. Such an approach to politics “would examine the ways in which creativity arises out of the situation of human beings engaged in particular relations of force and meaning, and what is made out of the possibilities of that location”—including class—in the process of assemblage (Rose 1999: 279). It is a politics that addresses resistance, and the ways in which it can alter programs of intervention; something Foucault asserted was endemic, but which studies of the rationality of government fail to address (O’Malley 1996).

With an eye on the question of *how* such alignments are forged, it is thus important to address the politics of corporate strategies and examine how they were intended to engage both domestic and colonial elites in the state-building project. A sociology of rule must address the specific relations between individuals, corporate projects, and the larger apparatus of security they conditionally craft; a move beyond the *mentalité* of those with the will to govern to a critical understanding of “the realization and deployment of resources, tactics and strategies in the relations of contest

themselves” (O’Malley, Weir, and Shearing 1997: 510). A sociology of rule complements the “mentalité of rule” approach by pointing to those who also seek to resist and subvert them, leading to real limits in governmentality. A sociology of rule in this case must focus on the interests of a unique social class of regents in the Netherlands expected to implement these governmental programs, and on providing an analysis of the actual social and cultural relations comprising the patrimonial state form in the greater Netherlands; governmentality is not a cross-cultural universal feature, but one highly specific to each state formation. This analysis situates the political class of regents that implemented state policy, or alternately its own ends through state institutions, within the national and international context of its emergent colonial empire.

This dual analytic approach has important methodological implications; the set of genealogical tools appropriate to the analysis of governmental rationality requires supplementation with class analysis. My primary theoretical project, the application of theories of governmentality to the corporate sphere, is thus supplemented by an analysis of Dutch and Javanese governing elites. The secondary project of this book is thus an exploration of the particular social and economic form of “gentlemanly capitalism” that emerged through the application of corporate governmentality in the Dutch context. By focusing on this class of “merchant kings” I underscore how the political process of incorporating enterprises was a means by which the governing elite of the Netherlands was able to appropriate royal sovereignty and establish a separate sphere—the “economy”—beyond the Crown’s reach by which they could maintain their traditional, hereditary rights to rule. This class analysis attends to relations of production within corporate enterprises but addresses them with a concern for their governmental implications.

Corporatization

In discussing the specific sociology of rule that undergirds corporate governmentality in the early nineteenth-century Dutch empire, I introduce the concept of *corporatization*. Corporatization refers to the legal and political processes through which the corporate form is strategically used to solidify or fix in place the disparate elements of the messy assemblage of a governmental program in order to lend it institutional consistency, efficiency, and permanency. Once institutionally frozen in this way, the format of the assemblage can be circulated through the creation of new corporations; and these corporations can be tied into larger assemblages through overlapping boards of directors who ensure the further circulation of new practices between them. Focusing on corporatization is a means of addressing how particular governmental strategies circulated within and between corporations and the state despite resistance in order to create a networked assemblage capable of managing global commodity chains.

Corporatization specifically refers to two key technologies of rule utilized in order to solidify assemblages: the use of contracts, and of accounting, by which they hierarchically organize and manage their personnel and internal economies. In focusing

on the sets of governmental practices that are used to manage corporations, I put minimal emphasis on the typical legal features of the corporation by which it acquires its delegated state sovereignty, such as separate personality and limited liability, that are at the core of most business history. Corporatization, as a process, thus refers less to “incorporation” than to a set of practices that circulate through a broader range of enterprises and is thus of wider analytic usefulness (see table 0.1).² Corporatization thus covers a range of public institutions in the period, from municipal corporations to “societies,” as well as businesses that had a recognized legal identity granted by the Crown. In this book, for example, I analyze how corporate practices originating in the Society of Benevolence circulated within the Netherlands Trading Company, and later in the unincorporated family partnership of G. & H. Salomonson, “governmentalizing” it. Thus, I am less interested in the evolution of the institutional form of the corporation in a legal sense, and more with the substantive practices (the *mentalité*) by which corporations organize production and sales to create economies of scale. In approaching these extensively discussed *practices* I underscore the political work

Table 0.1. Partial List of the Capitalization of the Largest Dutch Corporations in the Early Nineteenth Century.

Royal Corporations (NV) ¹	Founded	Royal capitalization (ƒ)	Total capitalization (ƒ)
General Netherlands Society for the Patronage of Industry	1822	33,000,000	50,000,000
Netherlands Trading Company	1824	2,000,000	37,000,000
Netherlands Bank	1814	1,200,000	5,000,000
Java Bank	1828	1,000,000 ⁵	1,000,000
Nonincorporated State Companies²			
Amortization Syndicate	1822	55,000,000	55,000,000
Dutch Rhenish Railway ³	1838	24,000,000	24,000,000
Royally Supported Companies⁴			
Society of Benevolence	1818		
Royal Factory	1826	100,000	200,000

Notes: ¹Royal corporations include those founded by the state, with charters (NVs, *naamloze vennootschap*).

²Nonincorporated state companies were an integrated part of the state apparatus, but granted separate personality. ³The Nederlandsche Rhijnspoorweg-Maatschappij was built by the state and privatized as a chartered company in 1845. ⁴Royally supported companies received significant support from the Crown but maintained nominal independence. ⁵Capitalization of the Java Bank was divided equally between the state and the Nederlandsche Handel-Maatschappij (NHM).

Sources: Algemeene Maatschappij voor de Volksvlijt (Société Générale), Riemans 1935: 65–68; Nederlandsche Handel-Maatschappij (NHM), Mansvelt 1924: 72–75; Nederlandsche Bank, Jonker 1996: 171; Javasche Bank, Furnivall 1976: 102–3; Amortisatie-Syndicaat, Riemans 1935: 72–98; Nederlandsche Rhijnspoorweg Maatschappij, Broeke and Meerkerk 2001: 5–6; Koninklijke Fabriek van Stoom- en andere werktuigen Paul van Vlissingen & Dudok van Heel, Jonker 1996: 75.

they do. I take seriously Alfred Chandler's argument that the corporation *replaces* the market through the hierarchical administration of economies of scope and scale and *displaces* less efficient market-based processes organized by the price mechanism; this organizational approach is taken in order to counter the reductionist individualistic economic arguments of the New Institutional Economists (Bratton 1989: 1473).

As Chandler first emphasized, the competitive advantage of corporations lies in their "administrative coordination" through which they are able to engineer "greater productivity, lower costs and higher profits than coordination by market mechanisms"; to this I would add the more explicitly political function of administering a restive working class. In his words, this hierarchical administrative coordination makes corporations the very *visible* hand guiding the market (1977: 6). In contrast, the New Institutional Economists, led by Jensen and Meckling (1976), reduced *all* market transactions to reciprocal *individual* contracts instead, and considered the corporation as a "nexus of contracts" with an "internal market" that remains organized by the price mechanism; they thus equate individualized anonymous market exchange with the hierarchical administration of accounting transactions within the corporation (Eisenberg 1999: 822–23). Such an approach explicitly ignores the *hierarchical* nature of corporate administration, and hence the very politics of contracting between unequals within an organization rather than on an open market where all parties can simply walk away. By invoking the Chandlerian metaphor of the corporation as the visible hand of the market, the hierarchical administrative role of the corporation in replacing the market with sets of accounts and contracts in the political management of colonial commodity chains is emphasized (1977). By invoking Foucault's neologism, governmentality, the continued disciplinary aspect of this corporate economic administration, is emphasized; the account books that replaced actual market transactions were a means of holding producers accountable (Miller 1994, 2008).

Corporatization as a political process can be illustrated by the imposition of the Cultivation System on Java beginning in 1830, a core subject of this book. The Cultivation System is usually described as a system of *forced cultivation* in which Javanese peasants were induced to farm export crops like coffee, sugar, and indigo for the Dutch. However, the Dutch conceived of this extortionate system as a "market exchange," as codified in contracts between the colonial state and local villages. These contracts fixed in place the institutional complex through which the Javanese were obliged to farm export crops and framed their "sale" as a contractual obligation enforceable by law; it was an "apparatus of security" governed by a particular form of governmental rationality. The contracts allowed the state to one-sidedly determine the amounts to be grown, the way in which they were to be grown, and the price to be paid; they thus went beyond mere sale to incorporate management of production itself. This is therefore a form of governmentality that manages "the market" by arranging the disposition of things in order that Javanese farmers "do as they ought." As I will later explore, these kinds of contracts invoke a "liberal illusion" in order

to hide “monetary exchange asymmetries” (Reddy 1987) as market exchanges. The contract is a way of establishing consistent, efficient deliveries at administratively set (not market) prices; and accounting is used to record these “sales” and manage the resultant commodity chains tying these villages to the larger colonial empire. It is in these ways that corporations achieve their hierarchical efficiencies of scope and scale. The analysis of corporatization takes seriously the framing of administrative exchange as a market while exposing the disciplinary technologies being brought to bear to fix this assemblage in place.

Accounting, in this model, serves a key role in transforming contractual hierarchies into “internal markets” through which workers are managed. The disciplinary role of accounting systems as a panoptic tool in shaping the management of the labor process in corporations has been widely explored in contemporary settings, although its genealogy has only begun to be fully explored (Miller and Rose 1990; Miller 2008; Hoskin and Macve 1986, 2000). These approaches focus on the means by which accounts discursively represent a numeric reality, and the means by which these can be used to hold people accountable. Accounting, it has been noted, is a way of exercising “control at a distance” through the use of “inscription”; it allows for centralized comparative inspection that offers both global and individualized perspectives (Rose and Miller 1990: 10). While not innately panoptic, such accounts are crucial to the “reciprocal hierarchical observation” and “normalizing judgement” at its disciplinary core (Hoskin and Macve 1986). That is, accounts provide an “objective” measure of individual performance from a global perspective, allowing for them to be graded on a normal curve, and offering the rationale for the application of individualized discipline to address their failures.

Disciplinary accounting systems were used to shape and mold the Dutch and Javanese working classes in a specifically corporate order. These class identities cannot be read off of their structural place in the labor process alone. Theorists such as Nikolas Rose and Peter Miller have argued that,

from the perspective of government, work was as significant as a site of subjectification as it was as a site of economic exploitation, and economic life, from the workplace to the national economy, was crucial in programs for social government. And those gray and tedious sciences of economics, management, and accounting could be seen once again—as they had been by Marx, Weber, Sombart, and many other theorists of capitalism—as crucial for making up and governing a capitalist economy. (Rose, O’Malley, and Valverde 2006: 95)

Indeed, organization theorists have argued that Foucault has replaced Marx and Braverman as the anointed heir of labor process theory, which is now largely subsumed in critical management studies, as well as having broad impact in the related fields of critical accounting, industrial sociology, and economic anthropology (Carter, McKinlay, and Rowlinson 2002: 515). It could be argued that there is a potentially

significant degree of overlap between Marxist studies on the constitution of working-class subjectivity in the labor process on the factory floor and neo-Foucauldian studies of management and accounting in the shaping of the calculative subjectivity of “economic man” in the business enterprise.³ This overlap is not accidental. In his texts, Foucault elided the Marxist sociology of rule that shaped the broad structure of his own analysis. Foucault, like this book, simply accepted Marxist political analysis of the market transition as his starting position (McKinlay 2006: 88). However, unlike Marxist analyses, the Foucauldian literature on disciplinary practices does not attend to the ways in which the corporation became a key site of the normalization of “worker” (and hence class) identities, a fault that I will address here through the analysis of corporate governmentality.

Nineteenth-century Dutch academic economic texts were obsessed with the moral overtones of labor, viewing it as the source not only of wealth but also of the order and virtue necessary of a citizen (Boschloo 1989: 60–61), which Dutch historian Siep Stuurman refers to as the discourse of “productive virtue.” Governmental programs administered through corporations thus sought to address questions of ideal citizenship through work.

Productive virtue . . . called for a minimal amount of economic autonomy based in the capacity and the will to contribute to the productive effort of the national community. A sharp distinction was therefore drawn between those who performed labor (usually skilled) because it was their trade and their pride, and the more lowly proletarians (usually unskilled) who had to be put to work by severe discipline and the fear of starvation. (Stuurman 1997: 34)

The need for reformed worker subjectivity was demonstrated by the social and political tensions that were tearing the new empire apart. By 1830, the tense relations between the Northern and Southern Netherlands had exploded with the secession of Belgium, and an expensive war in Java against Dutch rule that left two hundred thousand dead had just been brought to a conclusion. The indolent paupers behind these revolts needed to be transformed into socially responsible “industrious workers” through these governmental discourses of “productive virtue.” According to Simon Vissering, one of the foremost Dutch liberal economists of the period, “it was a grave error to identify economic liberty with selfishness: on the contrary, it was by engaging in productive activities that men came to appreciate the value of co-operation, and more generally the moral nature of the social bond” (cited in Stuurman 1997: 42).

In reviewing the importance of governmentality in the shaping of these class subjectivities, this book remains focused on the *how* questions; what technologies of rule were applied? I draw on Hoskin and Macve’s conclusion that “the genesis of modern business is not the result of economic or technical innovation in the usual sense. Instead the significant first technologies of change are *invisible* technologies: technologies that work first on humans, not on machines” (1993: 29). These strategies

are explored in the Netherlands Trading Company (among others), which managed the millions of producers entrapped in colonial commodity chains, as a governmental program. The company was not driven by profit motives alone, nor was it driven by the unmitigated logic of capital; it was given the task of managing the political dangers of pauperism and of the development of proletarianization in an economic(al) manner. The Netherlands Trading Company rejected the most technologically advanced forms of production precisely because its primary consideration was the management of people and the prevention of class conflicts such as they saw at the root of the Belgian secession of 1830. To forestall a revolutionary consciousness in their workers, they delayed the industrial revolution and encouraged a transformation in business organization so that they could better police the economy and its economic actors.

These examples thus exemplify Foucault's argument that corporal disciplines constituted the dark side of

formal judicial liberties. The contract may have been regarded as the ideal foundation of law and political power; [but] panopticism constituted the technique, universally widespread, of coercion. It continued to work in depth on the juridical structures of society, in order to make the effective mechanisms of power function in opposition to the formal framework that it had acquired. The "Enlightenment," which discovered the liberties, also invented the disciplines. (1979: 222)

Panopticism, that uniquely modern form of coercion, is predicated upon the continued surveillance of its subjects by an unseen anonymous viewer, leading them to self-censor their behaviors and thereby transform themselves into their own subjugators. Panopticism is a metaphor for a range of surveillance techniques that accomplish this end, including that of management accounting. It was Facebook's use of this "Big Brother" strategy with which we began.

In tracing the genealogy of the corporate use of account and contract making in the Cultivation System, I begin with the Colonies of Benevolence, a royal corporation that deployed a disciplinary accounts system in order to manage paupers. I use this example to extend Foucault's analysis of Bentham's panoptic strategies in prisons to the related panoptic strategies Bentham advocated for use in "charity companies" (Schrauwers 2020). The Colonies of Benevolence were an early example of this panoptic use of accounting; they used accounts to assess inmate productivity, to level fines for misbehavior, and to reward those adjudged sufficiently virtuous, all in terms of monetary units of account that reduced incommensurate phenomena to a single monetary scale. Designed to securitize the state from a rebellious pauper class, these colonies appropriated land and labor in a grand project of social engineering, a "charity company" that used money as a "unit of account" in order to create a disciplined working class, an "economic man" motivated by something grander, that is "productive virtue." Tracking and managing the range of behaviors and the comparative grading of pauper families created a system of accounts that kept workers

accountable. It is these techniques that continue to be the focus of organizational theorists of business accounting today. In tracing their genealogy back to the Colonies of Benevolence, I underscore the forms of hierarchical “benevolence” driving Dutch governmental efforts through corporations to manage the pauper, the working poor, and the laborer.

As a theoretical framework, governmentality can thus provide a balanced approach to class formation. Class must be approached as more than a simple mechanical reading derived from the worker’s position in the labor process; it must incorporate the broader “structured totality” of relationships fostered by both production *and* social reproduction, including governance, through which worker subjectification takes place (Kalb 1997; Burawoy 1983, 1985). Such an approach examines class formation through the broader array of management techniques deployed both inside and outside the factory floor; a governmental approach focused on an apparatus of security. To paraphrase Foucault, this approach is thus focused on “the ensemble formed by the institutions, procedures, analyses, and reflections, the calculations and tactics that allow the exercise of this very specific albeit complex form of power, which has as its target [*workers*], its principal form of knowledge political economy and its essential technical means apparatuses of security” (1991: 102, my interjection). By approaching class through the lens of an “apparatus of security” (*dispositif*), such as the royal corporation, we can incorporate governmental programs like the Benevolent Colonies that sought an “economical” means of instilling productive virtue in criminalized paupers into our analysis of class formation, and then further trace how the sets of management practices developed there circulated more broadly through other corporations like the Netherlands Trading Company operating in both the Netherlands and its colonies. In the remainder of this work, I trace how the disciplinary practices of this accounts-based system circulated through other projects of rule, including its introduction to factory sugar production in Java in the Cultivation System and then the cotton-weaving industry of the eastern Netherlands by the Netherlands Trading Company.

The “Visible Hand” of the Market

The sociology of rule approach detailed above requires a class analysis of a specific political-economic class of “gentlemanly capitalists” that emerged in the process of corporatization in the Netherlands. In the remainder of this book, I trace the origins and development of corporate governmentality from its roots in the “enlightened absolutism” of the “merchant king,” Willem I, through the mid-nineteenth century “Liberal revolution” when the corporation assumed its modern, private form under the leadership of this class of gentlemanly capitalists. While this necessitates exploring the frequently idiosyncratic nature of the Dutch state, the general pattern of corporate governmentality as it has emerged in the Euro-Atlantic world remains the focus; the lessons learned here have much wider applicability, and they provide a

comparative riposte to dominant academic narratives predicated on the British or American experience. The Dutch example is particularly useful as a case study of the processes involved due to its small size, extensive empire, early development of the corporate form, yet late industrialization. The Dutch example thus provides a window through which to explore the evolution of the corporate form as a franchise state “policing” the newly developing “free market” sphere in dynamic synergy with a lately introduced *laissez-faire* liberalism.

During his twenty-five-year reign (1815–40), King Willem I founded a series of corporations to which he delegated aspects of his absolutist sovereignty, including the rights to exploit royal domains (i.e. granted them “separate personality,” or, in the terms I pursue in this work, granted a state “concession,” as in a railway concession). As William Roy has pointed out, the public nature of corporations in this period was widely accepted internationally: “The corporation, that most ‘modern’ of economic organizations, thus is the continuation of a premodern system. Its legally binding by-laws are a delegation of state sovereignty, a vestige of its public origins. Why the business corporation (along with municipalities, churches and universities) was able to escape the sword of liberalizing egalitarianism is something that needs to be explained” (1997: 46). Willem’s nominal objective was to broaden his rule in respect to an already weak *Staten-Generaal* (legislature). In the first half of the nineteenth century, this ideological separation of state and corporation was necessitated by Willem’s need to govern through corporations to preclude parliamentary oversight and hence bolster his absolutist rule. The budgets of these corporations lay outside the purview of legislative review and hence allowed the new king to implement unpopular policies for which he could not otherwise acquire tax revenue (Coopmans 1989: 588; Sturman 1992: 108ff.). The early Dutch Republic had pioneered in the development of the corporate form with the founding of the United East India Company (VOC) through which it ruled its far-flung colonies, and which Willem now adapted for domestic purposes with enormous success as well.

These corporations were a specific delegation of royal sovereignty created through royal decrees (*Koninklijk Besluiten*); there was no process for the general registration of companies. Unlike other jurisdictions where incorporation required legislative approval, the Dutch royal corporations could be proclaimed outside the formal parliamentary process through police law (Jonker 1996: 61–63). Like corporations before and since, they were governed by shareholder-elected boards. The king frequently had controlling interest through his delegates although they did not always follow his express wishes. It is thus important to underscore that these corporations were not part of the nascent Napoleonic state bureaucracy Willem inherited and through which he ruled, and herein lies their governmental importance. They were, rather, delegations of royal sovereignty to an emerging civil sphere (Miller and Rose 1992: 180; Barkan 2013: 18–39).

Willem founded the largest of the 137 corporations in the Netherlands before 1850 in order to meet governmental needs, including the provision of transport,

welfare, trade regulation, and banking (Camfferman 2000: 79; see table 1).⁴ The most important of this set of state enterprises (for the purposes of this book) was the Netherlands Trading Company (NHM, *Nederlandsche Handel-Maatschappij*), a royal chartered corporation founded by Willem in 1824 to exploit the trade with the newly reacquired Netherlands East Indies (Mansvelt 1924). With a nominal capitalization of *f*37 million, it dwarfed the average-sized incorporated company of 1841 with their *f*50,000 capitalization, or the major Amsterdam trading houses with about *f*2 million capitalization. (Jonker 1996: 69–70). The NHM was patterned on the Prussian *Königliche Seehandlung* (Royal Overseas Trading Corporation) founded by Willem’s grandfather, Frederick the Great, in 1772 for similar purposes (Zappey 1981: 28–29; Bakker 1995b: 97). Unlike the VOC during the time of the Dutch Republic, the NHM was not intended to govern the East Indies colony, although as we shall see, it retained many governmental functions such as the management of pauperism. This ideological separation of state and economy, however, is belied by the hyphen in Willem’s epithet, the “merchant king.”

The NHM was a hybrid trading company, bank, manufacturer, and instrument of social welfare for the reduction of pauperism. The cameralistic policing techniques developed to govern this corporate economy were later adopted more widely during the Netherlands’ second industrial revolution in the latter part of the nineteenth century, as the corporate form became increasingly independent from the king and itself became a separate site of power/knowledge like the prison, asylum, and clinic. By examining the NHM in its wider—colonial—context, we can truly appreciate its role in the emergent liberal governmentality of the Dutch nation-state. In industrializing the production of textiles in the Netherlands, the NHM specifically sought to reshape the subjectivities of paupers into “virtuous” workers by instilling “industry” through managerial policing techniques borrowed from the cameralistic poorhouses—and specifically, from the Colonies of Benevolence. The management sciences by which economic subjectivities were shaped in industrial factories had their origins, in other words, in the management of pauperism.

Much of the process of early state formation in the “Greater Netherlands” (including the colonies) was thus the result of corporate governmentality under the leadership of Willem and his designated board members, a closed group of aristocratic capitalists that simultaneously controlled both state and corporate administrations, who thereby encouraged the circulation of technologies of rule between them. As a direct delegation of royal sovereignty, the modern corporation emerges precisely at the moment of modern nation-state formation in the Netherlands. This complex set of interlocked corporations extended royal power into civil society, into the financial service sector, trade, and national industrial production in new ways that a state bureaucracy increasingly subject to liberal-inspired political obstacles could not. These corporations were thus an autonomous means of *policing* an emergent economy (Barkan 2013: 18–39).

The policing of a rebellious population in the “police state” (*nachtwakerstaat*) of King Willem thus had very different connotations to current usage. Since there was

no division between executive (royal) and legislative power, the series of edicts proclaimed by Willem were identified as “police law” (Coopmans 1989: 588). Trained officials administered this police law in the various departments of the state bureaucracy and in the new corporations. Foucault traced the development of modern forms of liberal governmentality from the early police sciences (*polizeiwissenschaft*) developed by the German Cameralists (or Mercantilists) in the German states under the patronage of Willem’s grandfather, Frederick the Great of Prussia (2007: 68ff.; Pasquino 1991). The logic of governmentality spread from these various sites of the deployment of the police sciences to the state, thereby transforming the very nature of “enlightened absolutist” royal sovereignty (Gorski 1993: 269–70; Wakefield 2014). They were specifically developed to govern more economically, so as to maximize state revenue.

Police government, finally, is in Foucault’s terms a form of pastoral power . . . a kind of *economic pastorate*. . . . The ruler is the shepherd (German *Hirt*), but also a husbandman (German *Wirt*). The population of the governed is likened to a herd as well as to a flock; welfare is conjoined to exploitation, as the police thinkers are coolly capable of recognizing. Mercantilism, Weber remarks, “means running the state like a set of enterprises.” (Gordon 1991:12)

The merchant king extended this pastoral police-state metaphor even further by partially managing his realm through an actual series of incorporated enterprises (Woud 1987: 537–44).

The royal corporations utilized cameralism as a means of efficiently husbanding state resources; the corporation, qua corporation, “governed economically,” yet not through the market mechanisms touted by liberalism. The Netherlands Trading Company, by which the Dutch sought to organize Javanese export production and create a textile industry in the Netherlands to serve that colonial market, managed its own internal economy through an accounting system like the later corporations of the second industrial revolution described by Chandler (1977). The NHM created vast commodity chains that linked motherland and colonies into an integrated assemblage—a managed “command economy”—with few of those links in that chain involving market transactions or market prices. Such coordination reduced risks and the costs of information in the market and helped mold a working class instilled with “productive virtue” in the process. The process of corporatization by which the NHM fixed this vast assemblage of producers and processors in place forms the subject of the first half of this book.

This policing of the economy faced critique in the Liberal revolution of 1848, by which a new constitution predicated on rule of law was reluctantly accepted by the Crown. Liberalism hypothesized the autonomous market as a limit to the scope of state sovereignty; according to Locke, private property preceded the state, and hence its absolute authority (Nadeson 2008: 51). It was only by the mid-nineteenth century that the new discipline of liberal “political economy announced the unknowability

for the sovereign of the totality of the economic process and, as a consequence, the *impossibility of an economic sovereignty*" (Gordon 1991: 16), and hence ushered in laissez-faire governmental programs to foster free markets. It was in this period that arguments were made to "emancipate" the economy, the corporation, and the NHM in particular from the state.

This liberal critique, however, had had limited initial impact on the late-enlightened absolutists like Willem who had invested their personal fortunes in corporate bodies that they chartered to meet public needs and in which they personally indemnified investors against losses in what can be likened to today's public-private partnerships (Woud 1987: 542). The now-hegemonic division between public and private sectors is not natural and inevitable but itself a historical construct, the result of this prolonged political contestation and ideological development after the Liberal revolution. The earlier cameralist political economists had viewed the sovereign as the pivot between state and economic administrations. That the analysis of governmentality focuses on the broader technologies of governance rather than the state apparatus itself reflects this earlier ideological context. "The" state in its Weberian sense of a bureaucratic whole holding a monopoly on the use of violence and hence the sole source of legitimate authority within a territorial sphere has lost its analytic edge (Rose 1999: 1ff.). By shifting attention from the imaginings of a homogenous and coherent sovereign state to self-directed sites of governmental practice, "the" state is shown to lack institutional or geographic fixity. This approach has been appealing to anthropologists, who have typically studied peoples at the margins of state power where its presence and effects are most inconsistent; it has been an important corrective to an earlier emphasis on "local communities" seemingly isolated from the state "above it" (Trouillot 2001: 126).

Paraphrasing Benedict Anderson's cogent metaphor on the "imagining" of nations, Ferguson and Gupta point to the ways these otherwise inchoate state structures were given that ideological unity; they are "constructed entities that are conceptualized and made effective through particular imaginative and symbolic devices that require study" (2002: 981). Corrigan and Sayer had earlier emphasized that "States, if the pun be forgiven, *state*"; they point to the multiple performative acts from court rituals to health inspections that are all evocative statements about what *the* State is and does (and importantly, what it is not), such that it appears "'the State' never stops talking" (1985: 3). Anthropologists have thus focused on the ways in which the dispersed agencies of the state such as these, each in their different ways, contribute to the construction of the image of a singular sovereign state as an agent sitting "above" and separate from civil society and the economy that it "encompasses" (Ferguson and Gupta 2002). Timothy Mitchell has called this "self"-referential process the *state effect*; the state as we imagine it to be is

an effect of detailed processes of spatial organization, temporal arrangement, functional specification, and supervision and surveillance, which

create the appearance of a world fundamentally divided into state and society. The essence of modern politics is not policies formed on one side of this division being applied to or shaped by the other, but the producing and reproducing of this line of difference. (Mitchell 1999: 89)

The sum of the statements made about *the* state by its dispersed agents gives it a concrete yet abstract ideological unity that discursively differentiates it from the society, and in particular, the economy, in which it remains an integral embedded part. As Foucault emphasized, however, although *the* state is ideologically distinguished from society and economy, its delegated sovereignty continues to be exercised there.

Understanding the development of corporate governmentality thus requires that we attend to the process by which *the* economy came to be constructed as a distinct and independent entity from *the* state, and how the discourse of “political economy” was ideologically shorn of the political. I alluded to this elision of politics earlier in the analysis of the Cultivation System, in which the extortion of cash crops was framed as an “economic” exchange by means of a contract, and the politics of state exploitation thereby occluded. This ideological process has been referred to as “economization” by economic sociologists Caliskan and Callon (and is thus the alter of the “state effect”). Economization is the process by which “behaviors, organizations, institutions, and objects which are tentatively and often controversially qualified as ‘economic’ by experts and lay persons” are ideologically reified as “the economy” and distinct from the state (2009: 370; Mitchell 1999). They thus place the emphasis on the discursive effects of experts in shaping the cultural reality of *the* economy as an object of intervention. *The* economy, once it gains its cultural reality, can be mobilized to justify governmental programs, and to set limits on direct state intervention, yet leaves open the possibility of continuing corporate governmentality.

The literature on “economization” can be broadened by attention to the genealogy of corporate accounting in delineating this new sphere of civil society (Klamer and McCloskey 1988; Kalpagam 2000). Through their totalizing reach, these accounting systems made it possible for the first time to imagine this new entity, *the* economy, separate from the Crown. When corporate accounting systems were applied on a grander scale in order to manage the Cultivation System in Java and the commodity chains linking metropole and colony, the management accounts that were created could reflexively be used to portray a self-regulating (i.e. corporately led) economy. The NHM’s corporately administered economy spanned continents, capturing the transactional minutiae of millions of individual commodity producers in Java and the eastern Netherlands, all of which could be laid out in a grand calculus of national accounts; a balance sheet for the empire.

Recognizing that imposing these ideological limits on sovereign power in *the* economy was a highly contentious issue, in the second half of this book I carefully attend to the political processes by which *private* corporations were successfully estab-

lished yet retained their governmental functions in the assemblage managing colonial trade in the new liberal era. If the Dutch state and its major royal corporations came to share a common “liberal” governmental rationality predicated on the separation of state and economy, we need to attend to the means by which that contentious process was accomplished, and that, in part, entails locating the nodes of intersection where programs, techniques, and strategies could be transmitted, shared, contested, applied, and, most importantly, coordinated. I focus, in particular, on the political class of aristocratic regents that served as administrators in both state and corporations; they developed and implemented the various projects of rule with which we are concerned.

At the center of the sociology of rule that I outline here, I underscore that many aristocratic regents sat on multiple corporate boards and served as coordinating interlocks between corporations and between corporations and government, hence ensuring a common governmental logic in the larger project of state—and class—formation (Schijf 1993; Roy 1983). Although from an aristocratic or regent background, they were more rentier capitalists than a feudal remnant. They came from a small number of families—estimated at about three hundred—that were accustomed to rule in the earlier politically decentralized Republic of the United Netherlands. These aristocratic holdovers were able to retain their family’s elite social positions through the nineteenth century by adapting themselves to the new governmental and corporate order. By the turn of the twentieth century, “of all members of the Dutch Second Chamber of Parliament in 1901, 34 percent belonged to a patrician [regent] family, while 19 percent was still from noble birth. Of all government ministers between 1888 and 1918, 40 percent belonged to patrician and 24 percent to noble families” (Kuitenbrouwer and Schijf 1998: 72; cf. Hoogenboom 2003: 215). Similarly, a detailed study of Dutch corporate directorships in the same period showed that the same few, intermarried regent families from Amsterdam played an inordinately large role in linking a whole series of major Dutch corporations into coordinated wholes (Schijf 1993: 39; Bossenbroek 1996: 85–115).

It was these gentlemanly capitalists who, as directors of corporations like the NHM, sought to “render technical” the complex social problem of pauperism and depoliticize it such that it was withdrawn from public debate and subjected to the “rule of experts” (Bossenboek 1996). It was they who developed new management discourses from the cameralist police sciences they inherited, and who later consolidated their status in a new school of governmental sciences, the “Royal Academy” at Delft (Fasseur 1993). It is these few extended families of “gentlemanly capitalists” that exercised considerable power in both government and on corporate boards ensuring a common governmental logic in the larger project of state formation. In this work, I provide a genealogy of how this class of regent capitalists came to be. This book examines the process by which this regent capitalist class was created in the crucible of the royal corporations, eventually to wrest control of the processes of state

formation and corporate governmentality from the merchant king's hands alone in the aftermath of the Liberal revolution.

Colonial Governmentality in the “Greater Netherlands”

In tracing the development of these royal corporations, I follow the circulation and reach of their sets of governmental practices throughout the Dutch empire. In doing so, I go beyond the current bounds of the Dutch historiography on business development and industrialization in the Netherlands in the nineteenth century, which largely ignores the impact of colonialism on that development (Mokyr 1976; Griffiths 1979; Sluyterman 2005; Wintle 2000; Zanden 1996; Zanden and Riel 2004; for exceptions see Mansvelt 1924; Meerkerk 2019). This neglect is a reflection of a wider reticence of Dutch historians and publics to embrace postcolonial studies, and acknowledge the impact of colonialism, empire, and imperialism on the processes of state and class formation in the homeland—and on the elite noble governing class of gentlemanly capitalists in particular (Raben 2013).

In the introduction to a recent panel and essay collection, Koekkoek, Richard, and Weststeijn (2017, 2019) note that while Dutch colonialism has been extensively studied, there is no equivalent to the emergent large literature on British imperialism and empire. The Dutch, they note, have been both the subjects of imperial rule and imperial agents, but themselves had no Dutch word for empire (2017: 81–83). As C. J. Lammers noted in an early analysis, the concept of the Netherlands as “‘occupying power’ does not fit into our national self-image. We are not used to seeing ourselves and our ancestors as ‘occupiers,’ but rather as ‘occupied,’ as victims of Germans and Japanese in the recent past, of French in the 19th century, and earlier yet, of Spanish rulers” (2003: 7). The recent Dutch historiography has thus largely disregarded the incorporation of “colonial” in national history; it acknowledges that “the early Dutch ventures overseas since the late-sixteenth century were partly motivated by the Netherlands’ emergence as an independent state, fusing national liberation and overseas conquest, but the *raison d’être* of the Netherlands was not grounded in any imperial motivation. The Netherlands themselves were never perceived as an empire and Dutch colonialism retained a strong business-oriented and technocratic bent” (Raben 2013: 9). In addressing the “imperialism debate” in regard to Dutch expansionism in the Indonesian archipelago, Kuitenbrouwer summarized the arguments against including the Dutch in models developed to account for the “scramble for Africa” and concluded that they should be considered “reluctant imperialists” at best (1998). As a result, the Netherlands and its colony on Java have each been analyzed in isolation, but little scholarly effort has been devoted to a comparison of their state-formation; indeed, the English-language literature on the United Kingdom of the Netherlands is negligible (Laarse 1999: 4) in comparison to that on Java under the Cultivation System in the same period.

In returning to these debates, I begin from a simple fact: the revenues from the Cultivation System in Java provided the bulk of the Netherlands Trading Company's considerable profits, as well as more than a third of the state revenue of the Netherlands, enabling it to embark on its largest national industrialization project, the construction of a national rail network (see table 0.2). The *centrality* of the colonial empire to state and economic development in the Netherlands clearly needs to be addressed. In addressing the *centrality* of empire, I underscore what has become a dictum of postcolonial studies: we must “treat metropole and colony in a single analytic field” (Stoler and Cooper 1989: 4). In this book I pursue a comparative analysis of the common forms of state formation throughout the empire, and the role of corporate governmentality as an “apparatus of security” in particular.

That the corporation served as an “apparatus of security” with governmental functions should not be surprising if we remember their original critical role in the development of colonialism. Colonialism in the mercantilist era had frequently been experienced as “corporate rule,” with the corporation serving most state functions. Colonialism first presented itself with a corporate face, whether as the Hudson Bay Company in Canada, the East India Company in India, or the United East Indies Company (VOC) in the Netherlands East Indies. Recognizing the state-like features of these corporations, it is clear that the liberal Dutch state did not develop in the Netherlands, only later to transform “its” colony. Rather, the modern state system simultaneously developed in both metropolitan territories and colonies, utilizing a common set of governmental strategies. It should come as no surprise that colonial strategies of control might be redeployed in the metropole at a later date.

The conditions in the United Kingdom of the Netherlands inherited by Willem I were not unlike those in Java—both were rigidly hierarchical agricultural societies devastated by war, with a high degree of decentralized local autonomy and only a rudimentary patrimonial royal bureaucracy. Both landscapes were transformed as the Netherlands Trading Company utilized the new sciences of policing the market to regulate the production and flow of export commodities and hence augment both the wealth of the state and the formation of ideally productive citizens. The Netherlands Trading Company is one means by which we can reinsert the rest of the world into Foucault's Eurocentric genealogy of the development of biopower (cf. Scott 2003).

Table 0.2. Colonial Surpluses as Percentage of Dutch Tax Revenue.

Period	Colonial Surplus	Percent of Dutch GDP	Percent of Total Tax Revenue
1831–1840	f150,600,000	2.8	31.9
1841–1850	f215,600,000	3.6	38.6
1851–1860	f289,400,000	3.8	52.6
1861–1870	f276,700,000	2.9	44.5
1871–1877	f127,200,000	1.7	26.5

Source: Meerkerk 2016: 148.

The programs implemented by the Netherlands Trading Company drew on these discourses, applying them to Dutch “paupers” and “lazy natives” alike, with the profits generated from the colony finally enabling, only later, the development of a specifically liberal gentlemanly capitalism in the mid-nineteenth-century Netherlands.

The approach taken in this book to colonialism borrows heavily from the postcolonial critiques of Ann Stoler and David Scott, who push for a more reflexive analysis of colonizers. According to Scott, the theoretical absence of Europe in the recent postcolonial literature is the result of programmatic attempts to refocus the study of colonialism on the colonized as a counter to prior emphasis on Europe as the determining factor in colonial history. Scott argues that postcolonial critics have largely taken two rhetorical tacks that direct attention away from colonial powers. On the one hand, these critics have demonstrated that colonialist discourse was produced by a variety of orientalist scholars, German Romantics, and social Darwinists, among others, that fabricated distorted representations of the colonized; they fashioned an ideology of innate and unbridgeable colonial difference, usually construed in racial terms (Bhabba 1990). On the other hand, critics have challenged the colonialist claim to have transformed their colonies through the introduction of liberal Enlightenment ideals, thereby enabling a modern transition from the “rule of force” to the “rule of law” (Scott 2003; Shani 2006). Scott argues that these two strains in the critique of colonialist discourse have “constituted itself as a kind of *writing back* at the West” and in so doing, obscured the “varied forms of Europe’s insertion into the lives of the colonized.” Without dismissing postcolonialist scholars’ impact in restoring indigenous voices, he argues that this does not “decenter” Europe as they claim but rather makes the “*varied forms of Europe’s insertion* into the lives of the colonized” invisible (2003: 193).

If we are to take seriously the injunction to tease out the “tensions of empire” and “treat metropole and colony in a single analytic field” (Stoler and Cooper 1989: 4), we need to focus on the governmental technologies used in both overseas empires as well as the newly conquered territories that were becoming the cores of emerging European nation-states. The point of such a comparative approach is not to deploy Europe as the “universal subject of all history” but to refocus analysis on the ways “in which colonial power is organized as an activity designed to produce effects of rule” (Scott 2003: 25)—hence in this case, to illustrate how this colonial power was utilized in both in Java, and in projects of “domestic colonization” as well. The Dutch state was as much shaped by its imperial project as the colony itself was transformed by European hegemony.

Scott calls for a new problematic, an examination of *colonial* governmentality: “The emergence at a moment in colonialism’s history of a form of power—that is, therefore, *a form of power not merely coincident with colonialism*—which was concerned above all with disabling old forms of life by systematically breaking down their conditions, and with constructing in their place new conditions so as to enable—indeed, so as to *oblige*—new forms of life to come into being” (2003: 25). He

calls, in other words, for analysis of those projects for the improvement of populations (the apparatuses of security) that fall under the rubric of “development” both at home and abroad, but that end up serving as “everyday forms of state development” instead (Li 1999: 296). This book then, comparatively examines the deployment of a corporate apparatus of security in both internal and external colonialism: the creation of domestic colonies as well as imperialist colonies abroad.

Scott’s focus on governmentality as “*a form of power not merely coincident with colonialism*” builds on Stoler and Cooper’s injunction to identify the specific continuities in projects of rule across the colonial divide. For that reason, I problematize the concept of “colonial” governmentality by highlighting the relationship between colonialism in the overseas colony and internal colonialism in the metropole. By substituting “corporate” for “colonial” governmentality, I wish to underscore the historically specific discourses, practices, and projects introduced by figures like Johannes van den Bosch in both the newly integrated Dutch territories like Drenthe and Twente that were becoming the industrializing core of an emerging European nation-state, as well as in their overseas empires. A focus on corporate governmentality allows us to trace the colonizing assemblage that spanned the Netherlands and Java, and the common projects of rule used to entrap both Dutch paupers and Javanese peasants in the global apparatus of security fixed in place by this company. Both Van den Bosch’s “Colonies of Benevolence” in the eastern Netherlands and the Cultivation System in Java are products of a particular strand of corporate colonial discourse that provided new forms of discipline in the name of economic development. By focusing on the continuities in the underlying economic discourse tying these two cases together, the role of the colony in the formation of the metropolitan state is highlighted. Throughout the course of the book, I develop an argument that this forms a distinctively Dutch kind of “benevolent colonization” (irony intended) that was applied equally in the Netherlands and in Java.

Such an approach allows us to apply the insights derived from studies of colonial governmentality to the analysis of Europe’s development. Kalpagam, for example, has argued that “making up ‘individuals’ was an important agenda of nineteenth-century liberalism, but liberalism in the colonial context did not seek to recreate the citizen-individual, i.e. the individual as bearer of rights, but as an individual who by being forced into a new sphere of commercial exchange would become the *Homo economicus* of the market economy” (2000: 420; Bhimani 1994). Kalpagam’s insight highlights the narrow range of those considered capable of bearing liberal rights in Europe (restricted to those of property) and hence allows us to examine colonizing projects of rule there in the same terms as in Java. In particular, this refocuses attention from the discourse of the “powers of freedom” that the progress of liberalism was said to have unleashed and redirects it to the dark side of those judicial liberties: panopticism, “the technique, universally widespread, of coercion” being used to shape “economic man” (Foucault 1979: 222).

Ann Stoler has developed this idea by extending Foucault's concept of the "carceral archipelago" to *empire* (2016: 78). Foucault theorized the "carceral archipelago" in relation to the "birth of the prison" and used it to describe the plethora of civic institutions *outside* the prison that were infused with the same disciplinary practices. Foucault asked, "Is it surprising that prisons resemble factories, schools, barracks, hospitals, which all resemble prisons?" (1979: 228). It is this focus on the extension of disciplinary power into civil society that led him to declare Mettray, a French "agricultural colony" for delinquent youth, to be the "completion of the carceral system." "Why Mettray? Because it is the disciplinary form at its most extreme, the model in which are concentrated all the[se] coercive technologies of behavior" (1979: 293). Foucault, however, was notoriously Eurocentric and studiously avoided mention of Mettray as a "domestic colony" (Arneil 2017: 156–62). Stoler, picking up on this absence, notes that all of the institutions that Foucault lists as examples of the carceral archipelago—whether domestic or overseas—were explicit colonies of one type or another. She thus views colonialism as a key feature of what she redubbed the "carceral archipelago of empire," a colonial experiment "beyond the frontiers of criminal law." The colonies are kept in a dependent "relationship to a broader biopolitical norm and legal status that those in the colony are imagined to aspire to and desire but, by design, cannot attain" (Stoler 2016: 78).

Stoler highlights the various means by which liberalism applied its exclusions; by race, gender, and class. Those relegated to colonies, whether by class in the Netherlands or by race in Java, were defined as incapable of bearing liberal rights; their mere physical presence in colonies defined them as appropriate targets of governmental intervention that need not take liberal freedoms into account. Hence in this book, I trace the application of the same colonizing ideology developed by Johannes van den Bosch to frame his various governmental projects of reformation, what I refer to as "benevolent colonization." Van den Bosch was to argue that those who did not own property were abject creatures forced by their natural needs to take any waged work they could find, and since they lacked realistic choice, the state could make that choice for them. The application of this kind of force was permissible only insofar as it was educative of a "degenerate" type: "The objective of colonial discourse is to construe the colonized as a population of degenerate types on the basis of racial origin, in order to justify conquest and to establish systems of administration and instruction. I am referring to a form of governmentality that in marking out a 'subject nation' appropriates, directs and dominates its various spheres of activity" (Bhabha 1990: 75).

The use of "force" in the reconstitution of "irrational" and "lazy" paupers and peasants into proper "economic men" was thus part and parcel of the larger liberal project to create *laissez-faire* markets. Such "free" markets depended upon individuals "doing as they ought" as rational economizers; it was dependent, in other words, on instilling "productive virtue" in them. The elaborate corporate assemblage that organized the global commodity chains linking the Netherlands and its colony was an

apparatus of security that, through its hierarchical administration, organized this use of disciplinary force in an economical manner, as a graded response to ensure proper “economic” behavior. The use of force could only be rationalized by colonial processes of marginalization and exclusion, which I argue explicitly tie domestic colonies to imperial expansion in the East Indies.

Organization of the Book

This book presents these arguments through a series of case studies highlighting aspects of the governmental assemblage that knit the Dutch empire together through their coordination of global commodity chains in cotton, cloth, and sugar. Each case study thus focuses upon a particular governmental problem in the construction of those commodity chains, and analyzes both the governmental rationality brought to bear upon it, as well as the implications of these technologies of rule on the development of corporatization. The focus of analysis remains dual: on the sets of practices adopted to manage the problem at hand and on the sets of governmental elites called upon to implement them.

In order to clarify the unique character of the governmental elites at the core of these processes, I begin with a discussion of the form of the Dutch state in the early nineteenth century and how it differed from the earlier Dutch republic(s) and the later Liberal constitutional monarchy. It is crucial to keep the form of the state, and its ideological position vis-à-vis the emerging civil sphere and “economy,” front and center to ensure that we do not prematurely disembed business history and corporate development from its political context. It is also important to underscore the *essential similarity* of state formation in both the metropole and the colony to undermine those orientalist discourses that differentiate Java as a patrimonial backwater. This chapter thus focuses on the governmental roles of the class of aristocratic regents that evolved into “gentlemanly capitalists” by the end of the century.

The first section of the book focuses on the construction of the royal colonial trade empire, an assemblage of projects of rule to instill productive virtue, foster the production of trade goods, and manage that trade through hierarchical corporate means. I begin with an analysis of a Benthamite “charity company,” the domestic Colonies of Benevolence, which introduces the main themes of the book. The Colonies of Benevolence introduced specifically colonial practices of coerced production as a means of instilling productive virtue, and of “benevolently” organizing the production of crops. The sets of practices adopted in the Colonies of Benevolence were then applied, by their creator Johannes van den Bosch, on a far broader scale in the colony of Java, where this assemblage of practices became known as the Cultivation System. This chapter traces how accounting systems and contracts were used to ideologically disembed “market exchanges” from a coordinated system of government coercion (an apparatus of security); this assemblage of practices was then “corporatized” by the

Netherlands Trading Company to organize the manufacture of cotton cloth among the paupers of the eastern Netherlands. The resulting royal assemblage corporately organized these colonial commodity chains while simultaneously utilizing this apparatus of security in order to instill productive virtue and solidify state rule.

The second section of the book examines the transformation of this royal assemblage in the transition to Liberalism at midcentury. Chapter 7 discusses the various ideological frames available in the period seeking to influence the porous boundaries between state, society, and economy. I underscore that despite the “Liberal revolution” of 1848, Liberalism as a political force was relatively weak in the Netherlands. I contrast this discussion of Liberalism with several variants, each of which sought a different role for the state in the economy. Thus, I draw on the development of Benthamite panopticism to elaborate a model of “Utopian Development,” as utilized in the Colonies of Benevolence, and compare that with that of Saint-Simonian “Socialist” development. Both had important influence on how Dutch corporations were framed as “Charity companies.” I then return to the Javanese sugar industry and the Dutch cotton industry to examine the implications of these ideologies on the evolving corporate development of the colonial assemblage in the early Liberal era.

The concluding section of the book examines how the Liberal transition attenuated royal absolutism and fostered a shift from monarchy to oligarchy. It examines how the slow ideological creation of “free markets” allowed an illiberal, conservative faction of “gentlemanly capitalists” to assume control of aspects of the royal assemblage managing colonial trade. This conservative elite had been fostered by the technocratic rule of the Crown and adopted both Benthamite and Saint-Simonian strategies of organizing production and trade. In particular, they created Saint-Simonian “Crédit Mobiliers,” innovative finance banks, in order to create and network the corporate network through which they managed aspects of the royal colonial assemblage. It is important to emphasize that in the “emancipation” of the corporation in a “free market” that resulted, the new network of corporations continued to serve governmental functions as “charity companies” and to do so under continuing governmental constraints. I lastly examine how these strategies were applied in the railway industry. The railways have repeatedly been cited as the first example of the “modern” corporation due to their innovations in management. This chapter thus highlights how the development of this industry in the Netherlands merely perpetuated earlier patterns of corporate governmentality.

Notes

1. Compare with Joshua Barkan’s conception of the dualism of state/corporate sovereignty (2013).
2. For example, the Dutch legal framework for company law allowed for an intermediate form between the limited liability corporation and the private partnership: the “sleeping partnership” (CV, *com-
manditaire vennootschap*) that offered limited liability to nonmanaging shareholders but not owner-managers (Jonker 1996: 61–62).

3. For the Foucauldian studies, see Rose, O'Malley, and Valverde 2006; Miller and Rose 1990; Miller and Rose 1992; Bhimani 1994. For a summary of the Marxist studies, see O'Doherty and Willmott 2001; and Bryer 2000a, 2000b.
4. The standard economic histories of the Netherlands in English are Griffiths (1979); Jonker (1996); Mokyr (1976); Wintle (2000); Zanden and Riel (2004); 't Hart, Jonker, and van Zanden (1997).