

**Andrew Phillips / J. C. Sharman:**  
**Outsourcing Empire. How Company-**  
**States made the Modern World,**  
**Princeton / Oxford: Princeton Univer-**  
**sity Press, 2020, 253 pp.**

Reviewed by  
 Oliver Krause, Leipzig

The title of the book by Sharman and Phillips provokes the assumption the authors will cope with the role of the company-state within the process of empire building, giving answers to the question why and how the company-state acts on behalf of the empire. Is the empire an assemblage of corporations? Are company-states as corporative entities within the Empire actors the imperial expansion was outsourced to? Opposite to the title the authors are not focused on the Empire but the company-state itself and the emergence of the modern international system from the sixteenth century onwards. The main argument of the authors is that until the eighteenth century, company-states were hybrid corporations, representing a combination of state and company, interlacing the public with the private. The company-state is depicted as an independent, sovereign entity that “was a generic institutional solution to a common geopolitical problem by European rulers” (p. 67). The resurrected companies of the nineteenth century were only private companies, without sovereign rights in hand. In four chapters Sharman and Phillips describe the persisting metamorphose of in-

ternational companies from the sixteenth to the twenty-first century expedited by the growing differentiation between the public and private sphere as a story of the corporation’s changing impact on the evolution of the international system.

The authors make a distinction between two types of the company-state. The first type is the hybrid company-state, which existed between the late sixteenth and eighteenth centuries. Company-states of that era act as sovereigns with a trade monopoly in specific non-European regions, which were defined by charters of their European sovereigns. The charters granted the company-states with rights and duties to act in non-European regions. The primary interest of that type of company-states, as Sharman and Phillips suggested, lies with the gaining of power. From that perspective the company-state as being from European descent, depending on charters, but acting as a sovereign outside Europe in global and intercultural trade systems, Sharman and Phillips make the argument that hybrid company-states are “the most important actors in the crucial formative stages of the modern international system” (p. 1). The authors analyse the role of the company-state from a global and geopolitical perspective, what in the consequence leads to the argument that not the alliance system established after the peace of Westphalia marked the birth of the modern international system but the diplomacy and political engagement of the trading company-states during the period of European expansion (p. 215). Despite the global perspective on the emergence of the international system, the authors consider Europe as the centre and European

actors as driving forces in the development of the modern international system.

The resurrected companies of the nineteenth century are considered as the second type of company-states, although they were not hybrids anymore but private enterprises of a time when the state or imperial governments were the unchallenged sovereigns. The question, following up for Sharman and Phillips after they have reflected on the companies' history of nearly 300 years, is which of the two described types of the company-state will be the model for the private security industry in the twenty-first century (p. 216). Will modern international companies challenge the authority of the sovereign nation state by becoming hybrid again? Will they be important actors in a stage of the decline of the nation state?

To deal with trade companies as sovereigns building up the modern international system the authors change the perspective onto the companies. Power politics seem to be more important than profit. Using the phrase "power and profit" (e.g. pp. 33, 55) for describing the ambition of the company-states turns the traditional historiographical perspective onto the role of trade companies around. Not the economic ambitions, but the struggle for power as a sovereign entity comes to the fore. This perspective is highly debatable as trade companies are from a legal point of view acting in non-European regions only as vehicles on behalf of sovereign European entities even though they act like sovereigns in the daily routine caused by the distance between the continents. Sharman's and Phillips' weighting of power and profit seems to be determined by the exclusive reference on secondary literature.

To state their arguments Sharman and Phillips describe in four chapters the rise, fall and resurrection of European company-states. In the first two chapters, the authors deliver a comparative analysis of the rise of the company-states acting in Asia (Chapter 1), Africa and the Atlantic World (Chapter 2) from the end of the sixteenth century till the early eighteenth century. The novelty of the authors' approach is the comparison of companies acting in different world regions over a period of almost 200 years. The purpose of the comparison is the conceptual elaboration of the characteristic of company-states as corporations and the founders of the modern international system. Besides the story of the growth, the description of the administrative structure, trade interests, military, and political acting of the big players in Asia ("Vereenigde Oostindische Compagnie" (VOC), "East India Company" (EIC)) the competition between the company-states and the local authorities of the world regions they acted in stays in the focus of the first chapter. In the second chapter the authors depict European trading companies in Africa and the two Americas, especially the "Hudson Bay Company" as an enterprise which existed for a longer period than any other company. The purpose is to show how company-states act as political entities under different circumstances, highlighting the common features on a global scale. The company-states described in the first two chapters belong to the hybrid type. The third chapter is dedicated to the fall of the before mentioned company-states till the end of the eighteenth century. According to Sharman and Phillips the cause of the decline was a combination of "intensifying geopolitical competition,

ideological delegitimation, and functional redundancy” (p. 109). The resurrection of the company-state in the nineteenth century as private enterprise without any further sovereign rights is described in the fourth chapter, followed up by the conclusion that these enterprises stand for the second type of company-states being only trading companies.

The authors depict the significance of trade companies in the formative stages of the modern international system by changing the perspective onto the companies following the approach and terminology of Philip J. Stern describing the hybridity of the company-state.<sup>1</sup> Sterns concept is transferred to the global scale by comparing companies acting in different world regions at different times overemphasising the sovereignty of the company-states and their pursuit of power. The profit of Sharman’s and Phillips’ contribution is the change of the perspective on trade companies as corporations. This perspective takes the variability of political entities as being important for the emergence and change of the modern international system and the state building process in the early modern times into account.

#### Note

- 1 Ph. J. Stern, *The Company-State. Corporate Sovereignty and the Early Modern Foundations of the British Empire in India*, Oxford 2011.

**Kenneth Lipartito/Lisa Jacobson**  
(eds.): **Capitalism’s Hidden Worlds**  
(**Hagley Perspectives on Business and**  
**Culture**), Philadelphia: University of  
Pennsylvania Press, 2020, 320 pp.

Reviewed by  
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This is an insightful, thought provoking ensemble of essays that explore the hidden economic forces, agents, and practices in the 19th and 20th century. As the product of a conference in 2017 (*Hidden Capitalism: Below, Beneath, and Beyond the Market*) with four additional papers, the volume spans Europe, as well as the Americas and Asia. What unites these diverse regional, and historical contexts are the questions laid out in the comprehensive introduction. Here, Kenneth Lipartito and Lisa Jacobson summarize the articles and argue that a new history of the economy and capitalism „requires us to conceptualize the relationship between the margins and the center – between the licit and the illicit, the waged and the unwaged, the public and the private – to better understand the mutual dependence of the visible and invisible markets“ (p. 3).

All contributions thus point a searchlight into these “Shadowlands of Capitalism” (p. 1), aiming at a particular set of practices, or processes. The research highlights how there are no natural or preset borders between visible market and hidden, or obscured economic systems. Connected to this perspective are questions on how „features of the licit economy transform into