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COLONIAL STRATEGIES OF TRADE CONTROL AND RESTRUCTURING OF MERCANTILE REALM IN EARLY MODERN MALABAR

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ABSTRACT

The arrival of European colonial powers in Malabar marked a transformative shift in the region's trade dynamics. It significantly altered the region's mercantile realm, transforming it from a diverse, locally managed trading network into a colonial-controlled economic system with monopolistic practices and maritime control at the forefront of colonial strategies. This study explores the role of the Portuguese, the Dutch, and the British in monopolizing Malabar's lucrative spice trade, particularly pepper, through a combination appropriation and negotiation strategies. It investigates the colonial approach to controlling maritime routes, establishing fortified ports, and creating exclusive trading rights, which not only disrupted local economies but also reshaped global trade networks. By examining key events such as the Portuguese imposition of the cartaz system, the Dutch establishment of trade monopolies, and the British efforts to secure critical trade routes, this study highlights how colonial powers restructured the region's economic landscape. It also highlights how local people, including regional rulers and indigenous merchants, negotiated with these colonial interventions to maintain their economic interests and autonomy. This analysis contributes to a deeper understanding of the interplay between colonialism, commerce, and indigenous responses, and how these interactions influenced the broader course of global trade during the early modern period.

Keywords: Mercantile Realm, Cartaz System, Appropriation and Negotiation

1. INTRODUCTION

Malabar Coast had a significant space in the international trade network which is validated by the archaeological and literary evidences. Before the advent of European colonial powers, Malabar had a prosperous trade network characterized by strong interactions among local merchant communities, regional kingdoms, and international traders. The region's strategic location along the coast of Indian ocean facilitated maritime trade with Asia, the Middle East, and Europe, with indigenous traders playing a crucial role in commerce through extensive networks and local market knowledge. As a great emporium of world trade, most of the trading population of the world including Chinese, Arabs, Yemenis, Greeks, Romans, Egyptians and Africans regularly visited to the port cities of Malabar and engaged in the trading activities from time immemorial. The arrival of European mercantile powers by the end of the 15th century and the different strategies they adopted to control trade transformed the existing political and economic order of the region, including the mercantile realm, which existed parallel to the political realm of the time.

Until the late fifteenth century, the pattern of trade remained largely unchanged, characterized by open participation from various stakeholders who respected each other's domains. A notable feature of the Indian Ocean trade network during ancient and early medieval times was the dominant role of Arab seafarers. However, with the arrival of the Portuguese and subsequently the Dutch and the British in the late 16th and early 17th centuries significant shifts occurred in the trading activity, most notably the establishment of monopolies by European trading enterprises. This growing colonial presence disrupted existing trade practices and transformed the region's political landscape, setting the stage for complex dynamics of appropriation and negotiation in the face of foreign intervention. By the 18th century Malabar became a focal point for European colonial interests as it was major area producing high-demand spices and commodities like pepper, cardamom, ginger and timber etc. The Europeans trading groups such as the Dutch, the French and the English East India Companies sought to expand their economic dominance by controlling the profitable trade. This period was characterized by complex interactions between colonial powers and indigenous communities, marked by a dual approach of appropriation and negotiation.

The appropriation and negotiation strategies employed by European powers in Malabar during the 16th to 18th centuries were multifaceted, involving a combination of military, political, economic, and diplomatic tactics aimed at establishing dominance in the lucrative spice trade. These strategies were deeply intertwined with local merchant networks, indigenous political structures, and regional rivalries, which both facilitated and resisted European colonial ambitions. As European powers endeavoured to consolidate their control over trade, they employed various strategies to appropriate local resources and trade networks, which included establishing trade monopolies, controlling the local governance structures by signing treaties and agreements, and conducting military interventions to secure key ports and trade routes. The colonial strategy of appropriation aimed not only at maximizing profits but also at dismantling existing trade practices and imposing new structures that favoured colonial interests.

This pursuit of trade control faced significant resistance from indigenous political authorities and merchants. Local rulers and merchant communities, aware of their strategic importance in the trade landscape, employed conciliation tactics to protect their interests and maintain a degree of autonomy. This intricate strategy of power involved forming alliances, engaging in diplomacy, and using commercial bargaining to negotiate the complexities of colonial impositions. This study aims to explore the multifaceted dynamics of colonial trade control in Malabar, focusing on the strategies of appropriation and negotiation employed by both colonial powers and local authorities involved in trade. By examining these interactions, the study sheds light on how colonial policies reshaped the region's economic and political realms while revealing the enduring influence of local agency in the face of foreign intervention. Through a critical analysis of historical records, archival sources and existing literatures, this work contributes to a deeper understanding of the complexities of colonial trade dynamics and their long-term implications for the region.

2. APPROPRIATION AND NEGOTIATION STRATEGIES

In Malabar, colonial authorities worked within a fragmented political landscape by creating a parallel mercantile realm that frequently functioned independently of state authority. European trading companies such as the Portuguese, Dutch, French, and English consolidated their influence by acquiring land, offering loans to local merchants and rulers, and gradually reducing the status of local traders to subordinate roles as agents and contractors. The negotiating treaties which placed the Rajas of Malabar as trade allies and collaborators reflecting the colonial strategy of designating local systems and restructuring power relations to secure economic dominance.

The Portuguese implemented a trade policy in Malabar seeking to monopolize maritime commerce by using armed power and the enforcement of the permits for trading vessels called the cartaz. This strategy disrupted traditional trade practices, sparking militarization and resistance. They employed a combination of appropriation and negotiation strategies to assert control over trade in Kozhikode, a major port under the Samutiri. Their initial attempts to control the trade began in 1500 when Pedro Álvares Cabral negotiated a treaty to establish a factory, symbolizing an effort to integrate into existing trade networks. However, tensions with Arab merchants, who dominated local commerce, led to violence, the destruction of the factory, and strained relations. In 1502, Vasco da Gama adopted a more aggressive approach, demanding the exclusion of Muslim traders and resorting to military force to intimidate the Samutiri, including bombarding Kozhikode and capturing ships. Despite this hostility, the Portuguese recognized the need for negotiation and, in 1513, secured a treaty through Afonso de Albuquerque. This agreement allowed them to reopen a factory and construct a fortress, with stipulations on trade practices, shared customs revenues, and cartaz to regulate shipping. The treaty, emphasizing trade regulations and shared customs revenues, reflected a negotiated compromise but failed to sustain long-term cooperation due to persistent disputes.

When Vasco da Gama arrived Cannanore, he initially failed to secure favourable trade terms due to resistance from Muslim merchants who dominated the local commodity trade. However, through negotiations, Vasco da Gama eventually signed an agreement with the ruler of Kolathunadu, enabling the Portuguese to establish a factory in Cannanore. This marked the beginning of Portuguese efforts to appropriate trade networks and integrate them into their colonial framework. The Portuguese further consolidated their presence with the construction of St. Angelo Fort in 1505 in Cannanore and factories at Kollam and Anjengo under Francisco de Almeida, establishing both a military and commercial foothold. Almeada also introduced a policy of controlling trade through patrolling the sea called 'blue water policy'. They followed the policy of capturing ports and building ports for improving trade rather than territorial acquisition. The ruler of Kolathunadu negotiated with the Portuguese for permission to send ships to Cambay and Ormuz to import horses, reflecting the ongoing local strategies to maintain a degree of autonomy within the colonial trade system. At the same time local merchants like the Mamales of Cannanore showed persistent resistance and managed to controlled the balance of payments in international trade. Portuguese control of Cannanore continued until 1663, when the Dutch United East India Company appropriated the fort, demonstrating the competitive colonial strategies to dominate trade in Malabar.

The arrival of the Dutch and the English in the Indian Ocean, along with the decline of Portuguese influence, led to the revival of trade in Malabar. Key ports such as Calicut and Cannanore revived their trade links with the Red Sea, while coastal commerce with Gujarat and the Coromandel Coast was restored. This marked a period of expansion in overseas trade for the region. By 1664, the Dutch had seized control of strategic locations like Cannanore and Cranganore and formalized a treaty with the Cochin Raja. The treaty secured regular pepper supplies at fixed prices, established the Cochin Raja's subordinate status, and sought to exclude rival Asian and European traders from the pepper trade.

To establish dominance over Malabar's lucrative pepper trade, the Dutch East India Company (VOC) adopted a series of strategic measures from the mid-17th century onwards. Rather than pursuing territorial conquest, the Dutch focused on trade monopolization through naval blockades and exclusive agreements with local rulers. These agreements guaranteed pepper supplies at low prices and restricted native merchants from exporting goods without Dutch approval. The restricted navigation through the Indo-Sri Lankan straits and discouraged direct trade between Malabar and Bengal, which was further hindered by Bengal merchants finding such trade economically unbearable. They also mandated sea transit passes, curtailing competition. The Dutch fortified key positions in Kollam and Kochi and set up pepper-buying depots along the Malabar coast. These efforts underscored their ambition to control the region's commerce.

Despite their strategies, the Dutch struggled to maintain their monopoly due to local resistance, political instability, and competition from other European powers, particularly the English. Kozhikode relapsed as a significant trade hub in the early 18th century, further challenging Dutch dominance. Smuggling and the increasing use of overland trade routes undermined Dutch attempts to restrict maritime traffic. By the 1730s, the VOC was forced to renegotiate agreements with local rulers and adapt its strategies, but its influence steadily declined due to rising political and commercial challenges. The rise of Travancore under Marthanda Varma in the mid-18th century marked a decisive shift in Malabar's trade dynamics. Following his military victories against neighbouring states and the Dutch in the Battle of Kolachel in 1741, Marthanda Varma established a state monopoly over the pepper trade. By centralizing control over pepper production and trade, Travancore effectively ended European dominance in Malabar's commerce. This transformation significantly weakened the Dutch East India Company, signalling the decline of its influence in the region.

The shifting trade dynamics of 18th-century Malabar were further complicated by the activities of other European and Asian traders. The French settlement at Mahe and the English settlement at Tellicherry became key centers for the pepper trade, diverting supplies and raising prices. At the same time, Gujarati shipping renewed its interest in Malabar, providing a temporary boost to Calicut's economy. These developments, combined with Travancore's aggressive trade policies, undermined Dutch operations.

The French entry into Malabar and their establishment at Mahe, reveals distinct colonial trade strategies aimed at securing economic and political dominance in Malabar during the early modern period. The French first arrived in India in the early 17th century through private commercial ventures, later formalized under the French East India Company established in 1664. They established a foothold in Malabar by negotiating with local rulers for the setup of trading "loges", trading posts, such as those in Kozhikode in 1701 and later in Mahe in 1721. The acquisition of Mahe was strategic, as it allowed the French access to the pepper trade and other profitable commodities like cardamom, cotton textiles, sandalwood, and coir. The French not only sought spices but also engaged in the slave trade, using enslaved labour for plantations in their Indian Ocean territories like Madagascar.

The French actively navigated the complex political landscape of Malabar, forging alliances and entering into treaties with local rulers, such as the Vazhunnavar of Vadakara and the Kolathiri family. However, these alliances were often delicate, with tensions arising due to disputes over land, trade rights, and the French involvement in local political conflicts. The competition with other colonial powers, especially the English at Thalasseri, added another level of conflict. The French supported minor rulers like Kurungotte Nair against English encroachments and used their settlement at Mahe as a base to counter English influence. Despite efforts to secure their position, the French faced setbacks due to local resistance, such as attacks by the Vazhunnavar and the Neeleswaram princes, as well as the broader Anglo-French rivalry.

French trade strategies were characterized by their dual focus on establishing monopolistic control over key commodities and using local alliances to strengthen their military and political presence. They maintained close ties with regional powers like the Ali Raja of Arakkal and later Hyder Ali of Mysore to strengthen their position against the English. Even during periods of conflict, such as the Seven Years' War, the French retained Mahe to ensure their connection with strategic allies like Hyder Ali. This emphasis on securing trade routes and fostering regional alliances underlines the French approach to colonial trade, which combined commercial pursuits with a pragmatic engagement in local politics to sustain their interests in Malabar. However, their strategies were often undermined by the unstable political environment and the persistent challenge posed by their European rivals, leading to the eventual decline of French influence in the region.

The English East India Company employed a range of trade strategies in Malabar, initiating political negotiations, military alliances, and administrative control to establish and expand their commercial dominance. Their initial approach involved formal agreements with local rulers to secure footholds in the region. For instance, Captain Keeling's treaty with the Samutiri of Kozhikode in 1615 allowed the English to establish warehouses at Ponnani and Kozhikode. Over time, the Company expanded its presence by obtaining permissions to build factories in key trade centers, such as Kozhikode in 1644, Vilinjam in Venad in the same year, and Anchuthengu in 1684. The strategic establishment of these outposts, combined with fort construction at Anchuthengu and Thalasseri, ensured both trade security and influence over the region.

The English prioritized monopolizing profitable commodities, especially pepper, which was central to Malabar's trade. Agreements with local rulers, including the Rani of Attingal and the Vadakkelamkur of Kolathunad, secured exclusive rights to pepper trade without paying customs duties. Anchuthengu, initially pivotal for trade and communication, exemplified this strategy, though its significance later declined. These economic arrangements were often reinforced by military and political alliances. In 1721, following a local revolt against their factory in Anchuthengu, the English entered into a settlement with the Rani of Attingal. As part of this agreement, they were compensated for their losses and granted a monopoly on pepper trade, along with the right to establish factories at locations of their choice.

The Company also adeptly exploited rivalries among European powers and regional rulers. They supported the Samutiri of Kozhikode against the Dutch, facilitating the eviction of Dutch forces from Chetuva. Similarly, the English backed Tiruvitamkur in its conflicts, which significantly weakened Dutch influence in Kerala. During the Seven Years' War, the English achieved a decisive victory over the French at Mahi in 1765, further consolidating their position in the region. These plans, combined with the decline of Dutch and French interests, positioned the English as the dominant colonial power in Malabar.

Regional power dynamics also played a crucial role in the English strategy. They aligned with local rulers of Calicut and Thiruvitamkur to counter the expansion of Mysore under Hyder Ali and Tippu Sultan. Treaties such as the Treaty of Srirangapattanam and subsequent agreements with Kochi not only ensured British territorial gains but also rendered these kingdoms dependent on the Company. Kochi became a vassal of the English with its administration increasingly subject to British directives.

The administrative consolidation of Malabar marked the final phase of British trade dominance. After 1792, the region was divided into two administrative divisions, with revenue collection managed through agreements with local rulers. Pepper trade was declared a monopoly, reflecting the Company's commitment to controlling the most profitable sectors of the economy. The prohibition of slave trade in 1793 further aligned local trade practices with broader British imperial policies. Malabar was eventually integrated into the Madras Presidency in 1800, and the establishment of Collectors and Superintendents facilitated direct British control over trade and governance. Through a combination of economic agreements, military interventions, and administrative restructuring, the English East India Company systematically established its supremacy in Malabar. By securing monopolies, neutralizing European rivals, and strengthening regional conflicts, the British effectively transformed Malabar into a cornerstone of their colonial empire in India.

3. CHANGES IN MERCANTILE REALM AND TRADE PRACTICES

The mercantile realm in Malabar underwent significant transformations with the arrival of European colonial powers, who sought to centralize trade under their control. Prior to the colonial intervention, the region was characterized by a decentralized and dynamic trade network that connected local producers, intermediaries, and global markets. These networks were fixed in a decentralized system where merchants both individual traders and groups of merchants played a key role in facilitating trade. Most of the coastal ports served as vital nodes in these networks, thriving on the demand for commodities like black pepper, cardamom, ginger, and textiles.

With the establishment of colonial dominance this decentralized mercantile system underwent significant transformation. European powers sought to centralize trade under their control by imposing monopolies, restricting local participation, and institutionalizing exclusive trading rights. These monopolistic practices marginalized indigenous traders, who were increasingly excluded from direct access to foreign markets. The introduction of regulated trading posts and Portuguese cartaz system and later the British East India Company's exclusive trading rights further disrupted traditional trade practices, compelling local merchants to operate within colonial frameworks or face economic exclusion. Local merchants were often barred from exporting high-demand commodities such as pepper directly and were instead relegated to subordinate roles as suppliers to European trading posts.

Trade practices in Malabar were also fundamentally reshaped under colonial reign, as traditional systems gave way to regulated and standardized structures imposed by European powers. Previously, trade in Malabar operated through mutual arrangements, with some exchange systems that negotiated terms between local producers, merchants, and consumers. The colonial intervention, however, introduced fixed pricing, enforced production shares, and monopolistic trade policies. For instance, spices such as pepper and cardamom, which were central to Malabar's economy, were subjected to strict controls, with European powers dictating both the quantity produced and the price paid to local cultivators. The focus of trade practices also shifted toward maximizing exports for European markets. This export oriented model disrupted local economies, as resources were redirected to meet global demand rather than local needs. Traditional practices, such as diverse cropping systems that balanced food production with cash crops, were replaced by commercial crops plantations which further destabilized local economies. Moreover, the transformation extended to the physical infrastructure of trade. Colonial powers invested in fortifications, trading posts, and port facilities to exert greater control over the flow of goods. Ports once operated as vibrant hubs of indigenous trade, became tightly regulated spaces where colonial officials enforced tariffs, regulated shipping, and excluded rival traders. This restructuring of trade practices reinforced colonial dominance while ruining the traditional autonomy and agency of local merchants and producers.

4. CONCLUSION

The changes in the mercantile realm and transformation of trade practices in Malabar under European colonial influence designate a critical period in the region's history. The arrival of the Portuguese, Dutch, French, and English disrupted the dynamic and decentralized trade networks that had long characterized Malabar's maritime commerce. Through strategies of appropriation and negotiation, colonial powers sought to monopolize important commodities like pepper, cardamom, and ginger, centralizing control over trade and marginalizing indigenous merchants. This transformation disrupted traditional practices and reoriented the economy to serve colonial interests.

While colonial powers imposed their dominance through strategies of appropriation, indigenous actors exhibited resilience, employing negotiation and resistance to protect their interests. These interactions highlight the complex interplay of power, commerce, and local agency in shaping the region's economic and political landscape. The colonial interventions not only altered the economic structures of Malabar but also leads to the alteration of traditional livelihoods and the reconfiguration of regional identities. The legacy of these changes extends beyond the early modern period, offering insights into the enduring consequences of colonialism on global trade systems and local economies. Understanding these transformations provides fresh insights into the factors that influenced historical development of Malabar and its significance within the broader Indian Ocean World.

CONFLICT OF INTERESTS

None.

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