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***Between Monopoly and Free Trade: The English East India Company*, 1600-1757**, by **Emily Erikson**. Princeton, NJ: Princeton University Press, 2014. 272 pp. $39.95 cloth. ISBN: 9780691159065.

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Among both historians and historical sociologists, the English East India Company has emerged as a rich laboratory for understanding colonialism, globalization, early modern capitalism, and the origins of corporate bureaucracy. *Between Monopoly and Free Trade* adds to this fertile literature by identifying the structural innovations that allowed the Company (hereafter, EIC) to expand and thrive commercially where its numerous competitors stagnated or failed. Drawing on ship logs that traced trading networks, a nuanced typology of ports, and a keen understanding of shifts in the internal organization of the firm, Emily Erikson offers a portrait of the Company's activities in the East Indies over a span of two centuries. On the basis of this evidence, she locates the Company's source of competitive advantage in its distinctive combination of administrative decentralization and allowances for private trade.

Although the EIC's prominence as an economic and colonial enterprise appears clear in retrospect, such success was not evident from the start. Soon after the Company was formed in 1600, it was dwarfed by its largest competitor, the Dutch East India Company (Vereenigde Oost-Indische Compagnie, or VOC), which laid claim to nearly ten times as much initial capitalization and sent twice as many ships to the East. Numerous other European companies nipped at the heels of the EIC, hoping to recruit its investors or employees. With most of its officers and seafarers thousands of miles from home, the EIC faced fundamental problems in controlling its agents, particularly their ability to engage in trade on their own behalf. By modern standards, malfeasance seemed no less likely at home. Stuart England was a patrimonial monarchy, where nepotism and venality were considered legitimate features of the state. These patrimonial features pervaded the EIC, leading the managing owners of ships to buy and sell captaincies and engage in patronage with the court.

Between Monopoly and Free Trade argues that the EIC excelled by turning these shortcomings into sources of innovation. By the 1660s, the Company increasingly recognized that it could not limit the private trade of its employees nor muster the military or economic resources of its Dutch counterpart. As a response, it expanded private trade allowances and legitimated the practice of leaving the "country trade" (i.e., the trade within Asia) to its employees. It leased ships rather than owning them. Meanwhile, the EIC continued to claim a royal monopoly on much of the intercontinental trade between Britain and Asia.

The legitimation of private trade proved propitious for the fortunes of the EIC. Its stock price and trade volume fared much better than that of the Dutch VOC by the 1720s and 1730s. Relative to other European companies, the EIC diversified more readily from spices (which constituted the traditional core commodity in the East Indies trade) into cotton, tea, and coffee. Whereas the

Dutch placed much of their faith and infrastructure in Batavia, the port on the northern coast of Java now known as Jakarta, the captains of the EIC set sail for a diverse set of destinations in India, China, Southwest Asia, East Africa, and the Middle East.

The elegance in Erikson's account lies in uncovering the mechanisms that explain the EIC's unexpected success. It appears easy – indeed too easy – to ascribe the commercial fortunes of the Company to a nimble, decentralized organizational form that harnessed its employees talents, while the rusty bureaucracies of the Portuguese Estado da Índia and Dutch VOC stifled autonomy and relied on military might or top-down decision making. This explanation of corporate performance is a thoroughly modern trope, but it grants too much strategic intentionality to the joint-stock companies of the 17th and 18th centuries. The book offers a more subtle account in which social networks among the captains and crews of different ships served as sources of information as well as malfeasance, and the commercial sophistication and institutions of Asian ports were as critical as the organizational structure of the European companies. The EIC profited from these developments out of a position of weakness, not of foresight.

Social network analysis provides much of the firepower to examine the implications that decentralization held for the routes and ports-of-call of the Company's Indiamen. The ships docked at Eastern ports for an average of three to four months each, offering ample time for EIC employees to converse with other English crews and foreign merchants about opportunities for trade. Erickson leverages these overlaps in port to identify network effects, so that captains are characterized as being influenced by social networks when they subsequently depart for ports that had recently been visited by other crews. Analyzing the ship logs between 1601 and 1835, she estimates that nearly half of the ports were selected based on such information, while less than a fifth were chosen based on formal orders from the EIC. Social networks were especially important in steering ships toward ports that otherwise had limited traffic from the Company. Variability was also introduced into the East Indies trade network by captains who “lost the season” by deliberately prolonging their voyage until weather conditions prevented a timely return around the Cape of Good Hope. In the interim, many of these captains took advantage of Company resources to seek personal profits, but they also helped to integrate the trade network of the EIC, connecting ports and routes that would have otherwise remained on the periphery of legitimate voyages.

As is the case with most historical analyses, one can quibble with some of the measures and methodological decisions in the book. The formal orders of the EIC often allowed captains considerable leeway in visiting ports within a larger region of the East Indies, but Erikson reduces such orders to the site of the largest English factory in the region. Such precision by fiat may serve to understate the extent to which captains were actually following the formal orders of the EIC. The absence of information on the trading routes of the other East Indies companies is a larger, though understandable, omission. A direct comparison of the routes taken by the EIC and the VOC, for instance, might go further in explaining how the English Company benefitted from malfeasant traders or information received from social networks, while the Dutch did not. More generally, this points to the need for a broader comparative-historical analysis of trading companies to help us understand how this era of merchant capitalism picked winners and losers, producing the hegemonic powers of early modernity.

Between Monopoly and Free Trade offers a promising map for historical and economic sociologists who seek to further navigate these waters. It reminds us that networked forms of organization are not new, but have existed since the creation of the joint-stock company. And it shows that the English East India Company, as an early exemplar of this form, relied on a mix of authority and autonomy that is innovative even by today's standards.