

# How the Dutch East India Company invented the MNC

A history of the world's first multinational corporation and its forgotten ties to Bengal

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On a March day in 1602, the Dutch Republic tried to solve a problem of commerce with a piece of statecraft. Rival merchant groups were bidding up the cost of spices in Asia, squeezing profits at home, while the war for independence from Spain made overseas trade inseparable from national security. The answer was the Vereenigde Oostindische Compagnie, or VOC: a single chartered company with a monopoly on Dutch trade east of the Cape, and a mandate to defend it.

Over the next two centuries the VOC built a network of forts, factories and settlements from southern Africa across the Indian Ocean to Japan. It also created something that looks uncannily familiar: permanent share capital, tradable stock, a central board, regional chambers, layers of overseas management, and a culture that treated distance as a problem to be solved by paperwork. This is why the VOC is often described as the world's first multinational corporation, even if its rise came with an older, darker inheritance of coercion and conquest.

## From scattered voyages to a single company

The VOC has rivals for the title of "first". The English East India Company was founded earlier, in 1600. But historians often point to the Dutch firm as the first multinational in a distinctly modern sense: it moved from temporary, single-voyage ventures to a permanent, centralised corporation designed to operate across borders for decades, funded by a broad shareholder base.

Dutch merchants had been pushing into Asian trade since the late 16th century through voyage-specific partnerships. By 1602, a flurry of expeditions had proved the profits were real, but also that competition among Dutch syndicates was self-defeating. The States General backed a merger that brought the pre-companies into one united enterprise, and granted it a renewable 21-year monopoly over Dutch trade in a vast maritime zone. The purpose was commercial and political at once: protect trade routes, squeeze out rivals, and help fund a young republic at war.

The structure mattered as much as the monopoly. The VOC raised capital from the public and locked it into the company rather than tying it to individual voyages. Investors received shares that could be transferred, which helped turn Amsterdam into an early centre of securities trading. The crucial shift was continuity: the company could keep operating even as ownership changed hands.

## Inside the VOC: limited liability and the separation of ownership and control

Early modern trade was hazardous, and

investors had good reason to fear that one shipwreck could ruin them. One of the VOC's foundational contributions to corporate practice was to normalise a principle that now underpins modern company law: shareholders' risk was limited to what they had invested. The company, meanwhile, could survive the failure of individual voyages, borrow money, hold assets, and keep trading.

This legal and financial design accelerated a second shift that defines corporate culture today: the separation of ownership from control. Shareholders did not sail the ships or negotiate in Asian ports. They delegated authority to directors and managers, who delegated further to factors, clerks, captains and soldiers spread across continents. That chain of delegation created scale, but it also created the perennial corporate problem: how to supervise managers who operate far from



scrutiny, and how to reassure investors who can see little of what they own.

At home, the VOC was organised into six chambers in Dutch port cities. Their delegates formed the Heeren XVII, the central board that set strategy and tried to supervise a far-flung organisation of warehouses, ships and personnel. This arrangement resembles a modern multinational's mix of powerful regional offices and a central board that controls capital allocation, priorities and policy.

Overseas, the company's answer to distance was bureaucracy. Letters, reports, account books and rules were the tools that turned scattered outposts into something that behaved like a single entity. It was corporate governance by paperwork, and it worked well enough to sustain an empire of trade for generations.

## The first IPO, the first modern shareholder culture

The VOC is widely recognised as the first company to issue publicly tradable shares at scale, a step that helped create the architecture of the modern stock market. It

did not merely ask a handful of merchants to underwrite one expedition. It gathered funds from a broad investor base and made ownership liquid.

That liquidity changed the relationship between company and shareholder. Shares could be bought and sold, and price movements became a running verdict on confidence, rumour and expectation. Early Amsterdam trading produced practices that feel familiar: speculation, sophisticated contracts, and disputes about whether market activity helped discipline management or destabilised it. Just as today, the existence of shareholders did not guarantee control, only pressure.

## Bengal and the forgotten footprint of the first multinational

One of the most striking reminders of the VOC's global network sits not in the Netherlands, but in Bengal.



A seventeenth century Dutch trading post at Hooghly Chinsurah became the base of the VOC in Bengal, staffed by dozens of Dutch employees and more than a hundred local workers, and focused on commodities that modern multinationals would recognise as supply chain essentials: silk, textiles, opium and saltpetre.

This matters for two reasons. First, it underlines the company's multinational character. Bengal was not a marginal stop. It was a managed node in a corporate system that linked European capital to Asian production and global distribution. The VOC did not simply "trade with Asia" as a single market. It operated a network of regional hubs, each with its own specialised procurement role, feeding into wider corporate objectives.

Second, it ties the world's first multinational corporation to Bengal's economic history. The Hooghly lodge, depicted in a well known painting now in the Rijksmuseum in Amsterdam, shows the VOC not just as a maritime trader but as an employer, administrator and armed

presence in the region. It also points to the human cost: the museum notes that in the seventeenth century Bengal was among the places where the VOC and its employees bought large numbers of enslaved people, who were transported to other company outposts around the Indian Ocean.

## The VOC's legacy in today's corporate culture

The VOC's early success did not make it immortal. Over time it became more deeply entangled in the politics and landholding of its Asian possessions. Costs rose, competition intensified, corruption spread, and the burden of defence and administration grew heavier. By the end of the 18th century the company was heavily indebted, and in 1799 its charter ended, with its assets and liabilities absorbed by the Dutch state.

Yet the VOC's legacy remains visible in the architecture of modern corporate life. It normalised the idea that a company could be bigger than its founders, with ownership dispersed among large numbers of investors and management delegated to professionals. It embedded the boardroom as a centre of power, balancing regional interests, political pressure and shareholder expectations. It showed how standardised branding and documentation could turn a far-flung trading network into a single corporate identity. It also revealed how monopoly privilege and state support can accelerate corporate growth, and how weak oversight can invite abuses.

Most importantly, the VOC demonstrated that a company could operate as a global system: capital raised in one country, decisions made by a central board, procurement organised through regional directorates, and risk pushed down supply chains spanning continents. That is the multinational corporation as we still recognise it.

The VOC's legacy, in the end, cannot be separated from the methods used to sustain its profits. Monopoly in a world of competing powers often meant coercion. In the Banda Islands, the nutmeg rich archipelago the company was determined to control, the campaign culminated in 1621 when Jan Pieterszoon Coen ordered the capture of the Banda Archipelago, an episode Cambridge University Press describes as genocide that destroyed Bandanese civilisation and secured a VOC monopoly over nutmeg and mace production.

The costs were profound, and not incidental. The same tools that enabled scale, limited liability, delegated authority and monopoly power also enabled exploitation, opacity and violence. The modern corporate world inherited the structures the VOC helped pioneer, and it inherited the moral arguments that follow them.

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Success is the sum of small efforts, repeated day in and day out.

- Robert Collier

# Decoding corporate lingo: what people mean, and how to ask for clarity

NEXT STEP DESK

Corporate language can sound like a dialect. It is full of acronyms, metaphors, and phrases that mean different things in different organisations. Sometimes the shorthand genuinely helps people coordinate work at speed. Sometimes it obscures responsibility, softens bad news, or makes simple decisions sound more technical than they are.

Decoding corporate lingo is less about memorising buzzwords and more about identifying what is missing from the message: the decision being made, who owns the work, what "success" means, and when something needs to happen.

## Why corporate lingo exists

Corporate lingo often develops for practical reasons. Efficiency is one. Concepts that recur across meetings and documents get compressed into short phrases, especially in large organisations where teams need to move quickly. Coordination is another. Shared labels can help people align across functions and geographies, particularly when projects involve many stakeholders, dependencies, and approvals.

There are also softer incentives. Vague phrasing can reduce perceived commitment, and euphemisms can make conflict or poor performance easier to discuss without direct language. Some terms also signal familiarity with internal processes, which can carry status in highly structured workplaces.

## Patterns worth recognising

Certain patterns appear repeatedly across sectors. First, there are vague verbs that delay commitment. Words like "explore", "consider", "look into", and "ideate" often indicate early stage thinking, or

a desire to avoid a firm decision. The practical question is whether there is a clear owner and a date for the next decision.

Second, there are euphemisms that reframe uncomfortable topics. "Rightsizing", "optimisation", and "efficiency programme" frequently refer to cost cutting, restructuring, or redundancies. "Reprioritisation" can mean planned work will stop or slip, even if it is described as a simple change in order.

Third, there are metaphors that add urgency without adding detail. Phrases borrowed from sport or the military can raise the emotional temperature while leaving the plan unchanged. When you hear them, it is useful to ask what actions, deadlines, or constraints have actually changed.

Fourth, acronyms can hide the real work. Frameworks such as KPIs and OKRs can be useful, but only when they translate into specific targets, measures, and accountability. Without that, they can become decorative labels.

## Common phrases and how to translate them

"Circle back" usually means the topic is being postponed. If it matters, ask when it returns and who will bring it back.

"Take this offline" usually means the discussion will happen outside the meeting, often with a smaller group. Ask who needs to be included and what outcome is expected.

"Alignment" can mean genuine agreement, or it can mean there is no active objection. Ask what decision is required and what would count as aligned.

"Socialise this" typically means sharing a plan widely to gather reactions and reduce surprises. Ask who needs to see it, by when, and what kind of feedback is being requested.



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"Bandwidth" means time and capacity. A useful follow-up is what work should be paused to make room.

"Leverage" usually means using an existing tool, asset, relationship, or team. Ask which resource is being used and what dependency comes with it.

"Deep dive" means a detailed review. Ask what questions the review should answer and what output should come out of it.

"North star" means a guiding objective. Ask how progress will be measured.

"Scope creep" means requirements are expanding beyond the plan. Ask what is in scope, what is out, and who approves changes.

"Deliverables" means the outputs expected. Ask what "done" looks like and what the deadline is.

"Stakeholders" means people affected or people with influence. Ask who makes the decision, who is consulted, and who only needs to be informed.

"Rebaseline" means targets or timelines are being reset. Ask what

changed and what the new baseline date or number is.

"Low-hanging fruit" means easier tasks first. Ask about impact and effort, and whether the easiest work is also the most valuable.

"Value add" means benefits beyond the minimum. Ask what the specific benefit is for customers, users, or the business.

"Action items" means tasks assigned after a meeting. Ask who owns each task and when it is due.

"Moving forward" signals a shift in approach. Ask what changes immediately and what stays the same.

## How to interpret tone without overreading it

Corporate lingo often carries implied messages. These cues are common, but context matters.

"We should" is usually a suggestion, while "We will" is a commitment. "Let's explore" can be genuine curiosity, or a way to pause a decision. "Not a priority right now" is often a soft no unless it

comes with a clear trigger for when it becomes a priority.

If a phrase sounds positive but lacks specifics, it may be functioning as a holding statement. If you want clarity without sounding combative, focus on practical details. Ask what decision is being made and whether it is needed today. Ask who is accountable for delivery. Ask for the deadline and any intermediate milestones. Ask how success will be measured. Ask what trade-offs are required, including what will be delayed or stopped. Ask for the very next step and who will take it.

These questions are usually welcomed because they reduce risk. They also force the conversation back to concrete commitments.

## How to write plainly in corporate settings

Clear corporate writing tends to include four elements: purpose, context, request, and constraints.

State what you need and why. Provide the minimum background needed to understand it. Make the request explicit, whether it is a decision, approval, or action. Then specify constraints such as deadlines, budgets, dependencies, and risks.

Replacing abstract nouns with concrete details often eliminates the need for jargon. "We need alignment" becomes "We need legal and finance approval by Friday so we can sign the supplier contract on Monday."

Corporate lingo is most damaging when it hides responsibility, timing, or consequences. If it is unclear who owns the outcome, ask directly. If dates are vague, ask for a timeline. If the impact of delay is not stated, ask what happens if the work does not ship or the decision is not made.

A shared vocabulary can be useful. A shared understanding is essential.