By the eighteenth century, the mercantilist empires of Europe had spread across the Indian Ocean, competing with each other for economic and political power. Typically, a state granted trade monopolies to a large trading conglomerate which was the sole transporter of goods from the East to that specific European country’s market, such as in the case of the Dutch East India Company for the Netherlands or the British East India Company for Britain. This system allowed the company and the state to use each other’s resources to advance their common interests, and the voluminous trade of eastern goods turned many products from foreign preciosities to common staples of European diets and lifestyles. The company lobbied the state to increase its military presence in an area to protect trade. Increases in trade benefitted shareholders, which included the state and powerful members of society, and increased that country’s power in the region. This positive cycle led to continuous expansion of trade and state power, exemplified by European holdings across the Indian Ocean.

The Battle of Plassey, and the larger British conquest of India, exemplified the ways in which state and mercantile interests combined. Prior to and during the Battle of Plassey, the reciprocal relationship between the British East India Company (or EIC) expanded British presence on the Indian subcontinent in the eighteenth century. As noted above, the state and the EIC worked in tandem in order to accomplish each entity’s goals. One central way in which this was accomplished was through the Royal Charter, which allowed the EIC to maintain its own army on the Indian subcontinent through the power of the state. The establishment of a privatized fighting force via the state greatly expanded British mercantile influence in India, as charted in the “East India Company gross annual revenues, 1762-1859.” From the late eighteenth through the early nineteenth century, the EIC tripled its gross annual amount of sterling, a feat which was enabled by the cooperation of British state policies like the Royal Charter, which conferred monopoly trading rights to the EIC. While it was given to the EIC over a century before the Battle of Plassey, the Royal Charter, and its union of British state and EIC mercantile interests, enabled continued expansion of British power on the Indian subcontinent for decades to come.

At the Battle of Plassey, the union of British state and mercantile interests was completely evident. The EIC had been chiefly concerned with economic affairs, with an emerging role in local politics in India during the eighteenth century. The state itself, while not openly occupying the subcontinent, essentially guided the EIC to function on behalf of both state and its own mercantile interests. The Royal Charter being the primary way in which state interests shared the
stage with EIC affairs. The military might of the EIC that the British state had enabled leading up to the Battle of Plassey was employed for that conflict. No longer could the state and the EIC be considered wholly independent entities; the conquest of Bengal was not a purely economic venture, but a state-backed takeover of foreign territory. The installation of Mir Jafar as a semi-puppet ruler in Bengal following the British victory is told by Robert Clive in his letter to the EIC’s leadership. It exemplifies the extent to which state interests joined together with the mercantile venture of the British EIC. Coercing an adversary to defect and utilizing his knowledge to gain militaristic advantages over the enemy does not exactly sound like the primary objective of a company of merchants. Obviously it was not, as the EIC at the time of the Battle of Plassey could not be examined without pulling back the curtain to reveal the underlying state authorities and objectives in Indian territory.

The result of this integration of mercantile and political interests is clearly seen in the gradual British domination of Indian Territory. The cycle of strengthening trade ties bringing more British political and military authority in India resulted in the seizure of India’s most powerful and wealthy entrepots. The British initially looked to Bengal because of its status as the wealthiest of the Indian provinces, and would continue to take over wealthy coastal areas before moving inland. The “Imperial Gazeteer Atlas of India 1765 - 1858” shows this pattern of conquest, highlighting the EIC’s focus on the coast and economically developed river deltas, such as the Indus and Ganges. This acquisition of territory was done by contracted Indian forces led by British EIC officers, such as Robert Clive during the battle of Plassey. Karl Marx reiterates the marriage of governmental and economic interests in “The East India Company, Its History and Results”, where he writes that the British government was “fighting under the company’s name, for two centuries.” During these two centuries, EIC tied the economic fate of an area/province to political control by forcing local rulers into agreements to support EIC troops in their principalities, or else face the confiscation of their possessions. Of these possessions of rulers, the most valuable of them was land. At the end of the day, the British government was ready to bail the EIC out, take over its possessions and assume control, which it did after an 1858 Indian uprising.

In summary, the battle of Plassey was less the seminal moment which brought together British state and mercantile interests, but rather a defining moment that exemplified their integration within the British mercantile system. It would provide a model for manipulating local Indian politics to take over the country, principality by principality. The British state would remain at the ready waiting to aid the EIC in matters of security and governance, culminating in the establishment of the British Raj.