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‘Spread of Bourgeois Ideology’

Liberalism in the Mediterranean; Ionian merchants, free trade ideas and
British commercial expansion

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Abstract

The fifty years of British rule in the Ionian Islands (1815-1864) coincided with the expansion of liberal imperialism. The Ionian bourgeoisie of merchants, intellectuals and colonial officers founded commercial, philanthropic and literary associations and promoted the circulation of liberal ideas. The paper shows the spread of free trade ideas and this liberal modernizing project in the Ionian Islands and other Mediterranean markets where Ionians were trading and contributes to the debate about the history of bourgeoisies beyond western European cities.

Introduction

In the highly influential and standard reference work on the middle classes in Europe J. Kocka concludes from a simple comparative perspective: to the west of Germany, in England, the propertied groups dominating the middle classes were strong, and their wealth and privileges kept growing. In Central Europe education was the strength of the middle classes, but the lines of privileges with the aristocracy were clearly drawn; whereas in the East, the middle classes were even weaker. 'At the eastern and south-eastern margins of Europe, a coherent middle class hardly existed.'¹ It is now well-known that the middle classes (increasingly historians are using the plural) were far from coherent even in England;² moreover, the old Eurocentric argument that does not consider the Ottoman Empire as being in Europe (as well as in Eastern Mediterranean and North Africa) is even more anachronistic than those nineteenth century statesmen who called the Ottoman Empire 'the sick man of Europe'. In any case what was 'marginal' to North-Western Europe was central to the region of the Eastern Mediterranean. This region included the imperial capital of Istanbul and some of the fastest growing centres at the time: Salonica, Smyrna, and Alexandria. Just like continental Europe and the rest of the world did not (and could not) follow the English pattern of industrialisation, there is no reason why societies in Eastern Mediterranean cities should have followed the same path as cities in Western Europe. It is very difficult to compare middle classes in different parts of the world and argue that when compared with middle classes / bourgeoisies in North-Western Europe they were more or less coherent; still, it is worth trying.

¹ Jurgen Kocka, 'The Middle Classes in Europe', *Journal of Modern History* 67, no. 4 (1995): 783 – 806.

² Simon Gunn, 'From hegemony to governmentality: changing conceptions of power in social history', *Journal of Social History*, 40:2 (Spring 2006), pp. 94-110

Under the spell of modernisation theory some historians in the 1950s and 1960s applied the model of class formation from Western Europe and England to societies in the so-called periphery of Europe.³ Historians and social scientists employed ‘indexes of modernisation’ and assumed that ‘progress’ would bring the gradual eradication of traditional elements in modernising societies.⁴ This almost teleological belief in progress was based on the belief that there is one path towards development; this was modernisation that ‘progressive’, i.e. bourgeois groups brought to Western European (and primarily Protestant) societies. While the paradigm was dominant in the 1960s and became heavily criticised in the 1970s and particularly in the 1980s it has not relieved the study of non-western societies of its fetters entirely. The problem was identified over 30 years ago, when historians of the Middle East cautioned against the pitfalls of an indiscriminate and uncritical use of terms such as class, class conflict, and social groups.⁵ Historians are only now developing new methodologies, concepts and research agendas for the study of Ottoman ports and their societies, reinterpreting the process of modernization and urban development not only through the historical trajectory of ‘famous’ cities such as Istanbul and Alexandria and their alleged failure to modernise but also through the municipal experience of the urban elites in cities such as Beirut and Salonica.⁶ Against these developments in the social history of Eastern Mediterranean and Middle Eastern societies, modernisation theory is

³ Laqueur, is criticized for its unsystematic and vague notion of class in Middle Eastern societies by Bill who shows the unproblematic reliance of Middle East scholars on the concept of class. Laqueur, Walter Z. *The Middle East in Transition: Studies in Contemporary History*. New York: Praeger, 1958 and Bill, James A. ‘Dialectics of Modernization in the Middle East’. *International Journal of Middle East Studies* 3, 4 (1972): 417–34.

⁴ Eisenstadt, Schmucl N. ‘Convergence and Divergence of Modern and Modernizing Societies: Indication from the Analysis of the Structuring of Social Hierarchies in Middle Eastern Societies’. *International Journal of Middle East Studies* 8, no. 1 (1977): 1–27.

⁵ Karpal, Kemal. *The Social Foundations of Nationalism in the Ottoman State: From Estates to Social Classes, from Millets to Nations*. Princeton, NJ: Princeton University Press, 1973; Kemal Karpal, ‘Some Historical and Methodological Considerations Concerning Social Stratification in the Middle East’. In *Studies on Ottoman Social and Political History: Selected Article and Essays*, ed. Kemal Karpal. Leiden: Brill, 2002.

⁶ Anastassiadou, Meropi. *Salonique 1830 – 1912: Un ville Ottomane a l’age des reformes*. Leiden: Brill, 1997; Hanssen, Jens. *Fin-de-sie`cle Beirut: The Making of an Ottoman Provincial Capital*. Oxford: Oxford University Press, 2005.

making an implicit return from a different point of view and with wider implications for the history of Western Europe as well as the rest of the world: by focusing on the impact of 'rhetoric' and bourgeois ideas for the economic growth achieved first in Holland and then in England. Modernisation theory is resurrected through the argument that unless the rest of world accepts European-style bourgeois liberal ideology people will not break out from the cycle of poverty and underdevelopment.

The McCloskey project

The argument by Professor McCloskey that material causes were a necessary but not sufficient condition and do not explain standards of living achieved in Holland and England as well as in a number of economies today forms the departure point for this paper and hopefully for a fruitful panel discussion. This paper looks at the spread of liberalism, bourgeois values, ideas and commercial practices in the Eastern Mediterranean. If, according to the McCloskey argument, material(-ist) causes by themselves do not explain the surge towards prosperity achieved in North Western Europe between 1600 and 1850 what happens when one finds the same values, practices and ideas in South-Eastern Europe and the Mediterranean promoted by the 'local' bourgeoisie in the eighteenth and nineteenth century? What other factors can explain the absence of economic growth of levels achieved in Europe at least a century earlier? The paper shows that respect for bourgeois dignity and liberty, 'rhetoric', as summarized in the McCloskey project, is contingent on other factors, material as well as conceptual and especially on the the rulers and states within which bourgeois groups were formed. In the Ionian and Aegean Seas and the Eastern Mediterranean ports examined in this paper, ideas spread, people earned some respect but the 'rhetoric' was either hijacked or was silenced altogether by other competing projects of territorial and social control, not least projects about hegemonic control of resources as much as control of minds; also known as nationalism.

It would be foolish to even try to summarize two large books published already and a third in the making and presented in chapters uploaded on the internet; but the zest of the McCloskey project is that in the period 1600-1850 two things happened: the first was the improvement of material methods of production and the second was the elevation of the social position of the bourgeoisie. The debate on the 'bourgeois revaluation' in Holland, England and then everywhere else raises questions about the historical formation of bourgeoisies in different parts of the world. While McCloskey briefly examines the arguments about different parts of the world (China and Japan among others) and asks why modern economic growth did not happen there, she only consulted the work of Timur Kuran on the impediments to entrepreneurship that presumably Islam placed on business organization as opposed to the Christian-world promotion of business spirit. The heart of the argument though concerns the modern period and general arguments about Islam are not very helpful, occasionally verging on the ahistorical. For this reason McCloskey suggests that "a study of world bourgeoisies would be a good idea, to understand why the ultimately successful one has a conventional genealogy". Such an exercise would not necessarily show that the bourgeoisie developed - and continue to form - everywhere in the same way, a presupposition that would bring us back to modernization theory and ignore the arguments on multiple modernities, the advent of colonial modernity and its impact on colonized populations; in other words, it ignores the impact of the colonial encounter on the formation of bourgeoisies according to ideas that were reshaped, adjusted and interpreted in very different social and political, let alone cultural, contexts.

Briefly, "what changed in Europe, and then the world, was the rhetoric of capitalism, that is, the way influential people talked about earning a living. The talk mattered because it affected how people valued economic activity and how governments behaved towards it."⁷ Society, first in Holland and then in

⁷ DEIRDRE McCLOSKEY, 'Bourgeois Towns: How Capitalism Became Virtuous, 1600-1776', Max Weber Lecture Series, MWP - LS 2008/03, 13.

England, between 1600 and 1800 admired and accepted businessmen, 'capitalists' much more than before. The initial motivation for the McCloskey project however is a different one: to rid the bourgeoisie of the bad reputation the 'clerisy' - to put it in McCloskey-speak - has embellished on them ever since Marx and the socialist states that claimed to have been inspired by Marx - or rather more accurately by Lenin.

A Global History of the Middle Classes and the Mediterranean bourgeoisie

The central role that the bourgeoisie occupy in the McCloskey project brings back the role of class - but not the working class - in history. By the 1990s the collapse and death of class had arrived due to the linguistic turn, the decline of Marxism and unionism, the emergence of post-colonial critique and the employment of other categories such as race and gender. In the last few years however, the bourgeoisie or rather less controversially, the middle classes have resurfaced in various settings: Latin America, India, Japan, the Middle East, Africa, the Eastern Mediterranean. This paper will deal with the Eastern Mediterranean and follow on the McCloskey suggestion that a global history of the bourgeoisies would be welcome since such histories are already being written.

This recent interest and 'discovery' of middle classes is to some extent a product of globalization and the maturing of local and national historiographical cultures. Much of this work has come from historians of European colonialism, especially British and French in the late nineteenth and early twentieth century. Sanjay Joshi for instance, to give just one example, has argued that the Indian middle class of Lucknow made itself within the novel for the city's life public sphere and not so much as a result of occupation or income.⁸ Consumption practices and civil society are considered to have been equally important in the late Ottoman Empire for the emergence of non-

⁸ Sanjay Joshi, *Fractured Modernity: The Making of a Middle Class in Colonial India* (New Delhi, 2001)

Muslim bourgeoisies that claimed their place in a changing but still very problematic state a few decades before its fateful decision to enter the First World War on the wrong side, that of Germany.⁹

In the Eastern Mediterranean ports several historians have held the ‘commercial bourgeoisie’ as the class responsible for the incorporation of the Eastern Mediterranean into the world economy. Other historians regarded the ‘same’ merchants as harbingers of modernity, promoters of national(ist) projects, leaders in municipal politics, and examples of cosmopolitan conviviality. An earlier historiography focused on the emergence of a bourgeoisie in the Eastern Mediterranean ports as a result of ‘economic penetration’ of the Ottoman Empire by Western European capitalism – namely the economic expansion of France, Britain, and, in the last decades of the nineteenth century, Germany – at the expense of Ottoman productive capabilities.¹⁰ More recently it has been shown that during the nineteenth century modern economic growth occurred in the Ottoman Empire but the income gaps with western Europe continued to widen until the collapse of the Empire, after the First World War.¹¹ The formation of bourgeoisies in Ottoman cities and the Eastern Mediterranean occurred as a direct result of the economic success of the Mediterranean bourgeoisies, as an earlier historiography convincingly asserted.

The findings of the group that spearheaded research on the social and economic history of Eastern Mediterranean ports placed the region within a

⁹ Haris Exertzoglou, ‘The Cultural Uses of Consumption: Negotiating Class, Gender, and Nation in the Ottoman Urban Centers during the 19th Century’, *Int. J. Middle East Stud.* 35 (2003), 77-101; Nadir Ozbek, ‘Philanthropic Activity, Ottoman Patriotism and the Hamidian Regime 1879-1909’, *Int. J. Middle East Stud.* 37 (2005), 59-81.

¹⁰ The term ‘penetration’ is used widely by economic as well as social historians; for an example of the first, see Donald Quataert, *Social Disintegration and Popular Resistance in the Ottoman Empire, 1881–1908: Reactions to European Economic Penetration*. New York: Columbia University Press, 1984.. Some economic historians cautioned against the image of the Ottoman Empire as a static and less dynamic society than those in the West, and were acute in revising Ottoman history by taking a long-term view of the economic history of the Empire; Islamoglu-Inan, Huri, ed. *The Ottoman Empire and the World-Economy*. Cambridge: Cambridge University Press, 1987; Sevket Pamuk, *The Ottoman Empire and European Capitalism, 1820-1914*, Cambridge University Press, 1987.

¹¹ Sevket Pamuk, ‘Real Wages and Standards of Living in the Ottoman Empire, 1489-1914’, *The Journal of Economic History*, Vol. 62, 2002, 292-321.

world-systems historical framework, inspiring further research.¹² In the wake of the linguistic turn and the shift towards cultural history, a younger generation of historians abandoned the use of class as an analytical tool and employed instead the categories of community and ethnicity. This historiographical shift has affected to some extent the field of diaspora studies and business history or rather more accurately history of entrepreneurship. These histories tend to privilege ethno-religious groups that were dispersed in various geographical settings but which belonged to the same network due to traits of kinship, common origin and ethnicity.¹³ Diaspora business studies have addressed the issue of whether cultural characteristics matter for successful business organization but overlooked issues of social stratification. Under the influence of the linguistic turn, of micro-history and with an aversion to grand narratives of social change, the concept of class has waned with few exceptions.¹⁴ Class as a category of analysis, and the middle classes/bourgeoisie as a field were abandoned in favor of studies that employ community as an analytical tool and object of study.¹⁵

At the heart of the debate is, again, modernity but in more muted ways than before. Historians not satisfied with the earlier historiography that

¹² Kasaba, Resat, Caglar Keyder, and Faruk Tabak, eds. 'Eastern Mediterranean Port Cities and Their Bourgeoisies: Merchants, Political Projects and Nation-States'. *Review*, 10, no. 1 (1986): 121 – 35; Keyder, Caglar, Eyup Ozveren, and Donald Quataert. 'Port-Cities in the Ottoman Empire: Some Theoretical and Historical Perspectives'. *Review* 16, no. 4 (1993): 519–58.

¹³ Vlame, Despoina. 'Business, Community and Ethnic Identity: The Greek Merchants of Livorno, 1700-1900'. PhD diss., European University Institute, 1996; Anna, Mandilara, 'The Greek Business Community in Marseille, 1816–1900: Individual and Network Strategies'. PhD diss., European University Institute, 1998; Baghdiantz McCabe, Ina, Gelina Harlaftis, and Ioanna Pepelasis Minoglu. *Diaspora Entrepreneurial Networks: Four Centuries of History*. Oxford: Berg, 2005; Kardasis, Vasilis. *Diaspora Merchants in the Black Sea: The Greeks in Southern Russia, 1775–1861*. Lanham, MD: Lexington Books, 2001; Pepelasis Minoglou, Ioanna. 'Ethnic Minority Groups in International Banking: Greek Diaspora Bankers of Constantinople and Ottoman State Finances, c. 1840 – 81'. *Financial History Review* 9 (2002): 125–46; Pepelasis Minoglou, Ioanna, and Stavros Ioannides. 'Market-Embedded Clans in Theory and History: Greek Diaspora Trading Companies in the Nineteenth Century'. *Business and Economic History On-Line* 2 (2004). <http://www.b-net.org/business/bhcweb/publications/BEHonline/2004/MinoglouIoannides.pdf>.

¹⁴ Keith David Watenpugh, *Being Modern in the Middle East: Revolution, Nationalism, Colonialism, and the Arab Middle Class*. Princeton, NJ: Princeton University Press, 2006.

¹⁵ The point is particularly pertinent for Greek communities of the Ottoman Empire. For a discussion of the subtleties of the concept, a challenge to established notions of community and its historiography, see Vangelis Kechriotis, 'The Greeks of Izmir at the End of the Empire: A Non-Muslim Ottoman Community between Autonomy and Patriotism'. PhD diss., Leiden University, 2005.

prioritized structural factors and antagonistic class relations through which a single bourgeoisie emerged, saw instead the rise of bourgeoisie as a by-product of a fractured modernity.¹⁶ In the case of Mediterranean Ottoman ports modernity took the form of commercialization, bureaucracy, industrialization (towards the end of the period), fiscal and legal reform and the adoption of Western cultural practices, filtered as they were by the local societies. Modernization also brought schisms manifested in the spread of nationalism, which sometimes took the traditional form of anti-Semitism and other inter-communal and ethnic conflicts.¹⁷ Ottoman modernization inevitably led to fractured urban societies and failed to move as quickly as in the expanding Greek nation-state, which benefited from being the first in the region to endorse a European-inspired modernity, albeit with mixed results.¹⁸ Modernity in individual cities took various forms; in Smyrna modernity was 'flexible, impulsive' and responded 'to the rhythms of the socio-economic world in which the city was situated'; this was a world of modern, cosmopolitan citizens.¹⁹ Class as a category however was often entirely absent from discussions about modernity except in the case of the Ottoman Greek bourgeoisie of Istanbul in an innovative attempt to discern attitudes to modernization through signatures in the Ottoman Bank's records.²⁰ Istanbul - perhaps because of its capital status - is the place for which historians use the term bourgeoisie more confidently when writing about the non-Muslim Ottoman merchants who served either as agents of foreign companies or traded for their own interest. This bifurcation, between the bureaucratic and

¹⁶ To borrow the term from S. Joshi's book, *op. cit.*

¹⁷ For an example of late-nineteenth century Greece see, Sakis Gekas, 'The Port Jews of Corfu and the "Blood Libel" of 1891: A Tale of Many Centuries and One Event', *Jewish Culture and History* 7, no. 1–2 (2005): 171–96.

¹⁸ Frangoudaki, Anna, and Çağlar Keyder, eds. *Ways to Modernity in Greece and Turkey: Encounters with Europe, 1850–1950*. London: I.B. Tauris, 2007.

¹⁹ Kolluog'lu Kırılı, Biray. 'Cityscapes and Modernity: Smyrna Morphing into Izmir', in Anna Frangoudaki and Çağlar Keyder (eds.), *Ways to Modernity in Greece and Turkey. Encounters with Europe, 1850–1950*, London: I.B. Tauris, 2007, 217–35.

²⁰ Edhem Eldem, 'Istanbul: From Imperial to Peripheralized Capital', in Edhem Eldem, Daniel Goffman and Bruce Masters (eds.), *The Ottoman City between East and West*, Cambridge: Cambridge University Press, 1999, 135–206.

commercial bourgeoisie, seems to be the dominant one among social historians of the Ottoman Empire.²¹

Once historians look to South Europe and the Eastern Mediterranean it becomes clear that the 'golden age' of the bourgeoisie in the region was the period before the rise of nation-states and the gradual disintegration and final collapse of the Ottoman Empire. It was precisely this transnational and transregional character of the bourgeoisie that made it successful, before the region was carved up in various small, belligerent and ultimately depended on colonial European powers states or regions that were directly colonized by European powers, in Egypt and elsewhere in North Africa. This historical development directs historians' attention from the state and the nation as a unit of analysis for the formation of the bourgeoisie to transnational and transregional factors that enabled bourgeoisies to assert their hegemony.

The fragmentation of trade in several islands of the Aegean worked to the benefit of the population who served Ottoman trade with the France, England and the Netherlands without being considered a threat to any of them. Competition however emerged in the 18th century as a result of piracy in the Eastern Mediterranean another source of profit for many Aegean islanders. In the late 18th century Dutch merchants went to Smyrna as competition in the Levant markets intensified, to buy cotton in advance before the harvest was collected. Dutch, as well as other foreign merchants met competition from local merchants in the Smyrna markets, such as the Ottoman Greek merchants from Chios, who first traded Dutch-imported cloth in Smyrna.

Chios had a long-standing tradition of commercial prosperity, dating at least back to the 16th century and the post-Genovese, Ottoman period. Silk and cotton goods but especially the precious mastic secured for the island privileges that remained intact under Ottoman rule until the massacre of the population in 1821 as reprisals for the outbreak of the Greek war of

²¹Fatma Muge Gocek, *Rise of the Bourgeoisie, Demise of Empire: Ottoman Westernization and Social Change*, New York: Oxford University Press, 1996.

independence in Morea. The merchants of Chios were deprived of the place they could form a distinctive bourgeois class. This process was certainly possible as a result of the long tradition of Chios merchants in Eastern Mediterranean commerce and the respectability they had earned from Ottoman Sultans.

These merchants were organised in a guild-like institution or syndicate, which gave them an advantage over individual merchants; the 30 or so houses of merchants elected four representatives who bought practically all the cloth from the Dutch importers at low prices and then sold it off to the syndicate merchants at prices that would allow them a substantial profit.²² The Korais merchant family belonged to this group, which would explain the first trip of Korais abroad and his period in Amsterdam as a merchant. What was more important however both for resolving competition in Ottoman emerging markets such as Smyrna as well as for the position Ottoman Greeks acquired in social hierarchies was the protege system.²³ The granting of these privileges to Ottoman Greeks combined with the favourable conditions in Smyrna for trade as well as speculation in currency that could not be found in other Ottoman markets, such as Istanbul or Salonica with which Smyrna was very well connected. In the 1780s the Dutch re-directed the trade to Smyrna to Trieste as a result of the British blockades of Dutch ports. This trade from Trieste to Smyrna was carried out mostly by Chiot cloth merchants connected to Greek houses.

When the Sultan destroyed the Chios economy and massacred its people it created a mini-commercial diaspora, since people who were trading in markets away from the island, both Ottoman and European markets, found themselves without a homeland to return to or rather a ravaged homeland. It is no

²² Elena Fangakis-Syrett, 'Commercial Practices and Competition in the Levant: the British and the Dutch in eighteenth-century Izmir', in Alastair Hamilton, Alexander H. de Groot, Maurits H. van den Boogert (eds.), *Friends and rivals in the East: studies in Anglo-Dutch relations in the Levant from the Seventeenth to the Early Nineteenth Century*, Brill 2000, 135-158.

²³ S.R.Sonyel, "The Protégé System in the Ottoman Empire", *Journal of Islamic Studies*, Vol.2, no.1, Oxford, January 1991, pp.56-66.

accident that people from Chios created the first two major ports in the Greek Kingdom after 1830; Ermoupoli in the island of Syros and Piraeus.

(Greek) Merchants and the (Neo-hellenic) Enlightenment.

Habermas has argued for the “bourgeois public sphere” that served as the infrastructure for the democratic revolutions of the late 18th and early 19th century.²⁴ The new spirit spread in the commonly considered ‘periphery’ of Europe; the Balkans, Easter and Southern Europe under Ottoman rule.²⁵ The origins of liberal thought in the Greek diaspora and the space inhabited by Greeks, where space is not defined only by territory but also by the ethnoreligious ties that kinship and origin determine, goes back to the pre-revolutionary texts of the late 18th century. This has been termed the Neohellenic Enlightenment. The concepts labored and incorporated in this body of thought, this literature, varied considerably, to the extent that some scholars would doubt that there is a coherent stream of thought in Neohellenic Enlightenment. Actually, there were considerable variations and even ideological and political conflicts. The literature generated varied from attempts to compromise enlightened thought that aimed to break away from religious orthodoxy and incorporate the breakthroughs of scientific thought to the work ethics and behavior that free market principles prescribed.²⁶ These concepts and modes of thinking had considerable impact on the Greek diaspora merchants who were attracted to the new ideas and could put them into practice but in the process they reworked these ideas and adapted them to their own worldview.

Unfortunately we do not know a lot about what people used to read but some ideas we know more about than others; Saint-Simon's name and doctrines

²⁴ Jurgen Habermas, *The Structural Transformation of the Public Sphere*, trans. Tom Burger (Cambridge: MIT Press, 1989).

²⁵ Franco Venturi, *The End of the Old Regime in Europe, 1768–1776: The First Crisis* (Princeton: Princeton University Press, 1989).

²⁶ Panayiotis Kondylis, *Der Niedergang der burgerlichen Denk - und Lebensform. Die liberale Moderne and die massendemokratische Postmoderne* [Greek translation], Themelio, Athens 2000, 39-40.

were known to the Greek scholars of the Diaspora and especially to Korais' circle. One of the most devoted disciples of Korais, Fr. Pylarinos (1802-1882) adopted the doctrines of the Saint-Simonists and propagated and presented them in the newspaper "Helios". In 1833, when King Otho came to Greece, a group of Saint-Simonists fugitives ahead by Gustave Eichthal took shelter in Nafplion. Eichthal proposed the establishment of the "Bureau of Public Finance", inspired by Saint-Simon's idea of a foundation of a "chambre d'industrie", which would play an advisory role in the Ministry of Commerce, as Saint-Simon described in his "De systeme industriel" (1821). The Saint-Simonists planned to constitute a managerial elite and assume the direction of the economy, transforming the anarchy of production into an organization of production. They believed that they found in the new established Greece the ideal field for the application of Saint-Simon's ideas. Despite the fact that the "Bureau of Public Finance" had an ambitious beginning, it was not as fruitful as expected. The same circle of intellectuals-political activists together with some Phanariotes who settled in Greece translated J.B.Say and liberal economic thought.²⁷

Greek historians have for decades studied the 'Neo-hellenic Enlightenment' and its impact on Greek nation-building. An earlier historiography elevated merchants into heroes, first of revolution and then, more recently, of business. A recurrent theme is the merchant as intellectual, innovator and promoter of ideas from European markets, ideas which generated desire for national independence. These were the foundations of a nation-centric but not necessary nationalist historiography. Liberalism was the main ideology that informed, inspired and guided several projects in the region, like in many others elsewhere in the world, with the spread of revolutionary ideas and radicalism in the 'age of revolutions'.²⁸

²⁷ Christon P. Baloglou, 'Attempts to spread the ideas of Saint-Simon and practices applied in the Greek space 1825-1837', *Spoudai* 53, 3, (2003): 77-108

²⁸ David Armitage & Sanjay Subrahmanyam (eds.), *The Age of Revolutions in Global Context, c. 1760-1840*, Palgrave Macmillan 2010.

Despite the meticulous study of the Greek Diaspora through the movement of goods and people and the development of typologies, from the ‘Orthodox Balkan conquering merchant’ to the ‘Greek Diaspora entrepreneur’, the link between merchants, the spread of liberal bourgeois ideas and their impact on economic growth is missing in Greek, Balkan and Mediterranean historiography. The typology included the geographical and chronological mapping of the Greek diaspora and focused on the business activities of merchants in the markets where they settled.²⁹ In Greek historiography merchants became one of the constitutive elements of a Greek bourgeois class and played a significant role. In the Ottoman Empire and in port cities around the Mediterranean and the Black Sea from the seventeenth (and more intensively from the late eighteenth) century onwards merchants originating from islands and coastal areas accumulated wealth as they replaced the French in several Mediterranean emporia and facilitated the expansion of British manufactured goods and the provision of grain to West-European economies. This class, shipowners, merchants, bankers and often currency speculators played a part not only in the emergence of a Lilliputian, nevertheless independent Greek state (as these historians have claimed for decades now), but more importantly in the incorporation of the area of eastern Mediterranean to the global economy through their activities in shipping and commerce. Greek historiography could do more to engage with the debates that are currently taking place in the field of global economic history and concern globalization, development and growth from the 1500s onwards.³⁰ At a local level merchants reshaped social and power relations, both in the regions of the Ottoman Empire that became the Greek State, and in the Ionian Islands, an area with an entirely different historical trajectory altogether.

²⁹ Olga Katsiardi-Hering, “The Greek Diaspora: its geography and typology”, in Spyros Asdrachas (et al), *Greek Economic History 15th-19th centuries*, Piraeus Group Bank, Athens 2007, 226-235.

³⁰ A.G.Hopkins (ed), *Globalization in World History*, Pimlico, 2002 and the more recent and more broad, B. Mazish and A. Iriye (eds), *The Global History Reader*, Routledge, New York & London, 2005. For *Global Economic History from the late nineteenth century onwards*, see, K.O. Rourke and J.G. Williamson (2000), *Globalization and History. The Evolution of a Nineteenth-Century Atlantic Economy*, MIT, Cambridge & London.

In recent years, studies on Greek merchant communities have proliferated.³¹ These studies did not deal with the ideological aspects of the commercial activities of these merchants but focused on the entrepreneurship that they demonstrated, the community organization in the cities where they lived and whether they assimilated in the local elites or not. The spread of liberal ideas has only been considered important for the ‘national awakening’, how some merchants in the main markets of the Ottoman Empire and European ports and especially in some Greek islands re-oriented their activities towards the Greek war of independence (1821-1829), with some, especially from the islands of Hydra and Psara contributing their capital in ships and money to the war effort. It was not until 1750-1800 when Greek merchants who settled in Amsterdam, London Marseilles and Paris in any significant numbers began to engage with liberal ideas as they were being formed in these cities. On the contrary, Greeks were present in the Mediterranean ports of Venice, Livorno, Marseilles, Trieste, in all the islands of the Eastern Mediterranean and the ports of Smyrna, Salonica, the Ottoman capital Istanbul since the sixteenth century. After 1800, Ionians and other Greek merchants settled in Alexandria, Beirut and Odessa. The turning point was the improvement of ‘pull-factors’, incentives that authorities in these ports offered to Greek merchants, but also the spread of radical political liberalism and ideas of the French Revolution to

³¹ O. Katsiardi- Hering, *H Elliniki paroikia tis Teryestis (1750 – 1830)* [The Greek paroikia of Trieste], Athens 1986, on Alexandria H. Hadziiosif, ‘Emporikes paroikies ke anexartiti Ellada: erminies ke provlimata’ [Merchant paroikiae and independent Greece: interpretations and problems] *O Politis*, 1983 (62), pp. 28-34, on Odessa and the grain trade: V. Kardasis, *Ellines Omogeneis sti Notia Rosia 1775 – 1861* [Greek omogeneis in south Russia], Alexandria, Athens 1997. D. Vlami, *To fiorini, to sitari ke i odos tou kipou. Ellines emporoi sto Livorno 1750 – 1868* [The florin, the grain and the garden street. Greek merchants in Livorno], Themelio, Athens 2000. The genealogy of these studies would have to go back to the research of N. Svoronos in 1956 and T. Stoianovich in 1960; N.G. Svoronos, *Le Commerce de Salonique au XVIII Siecle*, Presses Universitaires de France, Paris 1956 (Greek translation – Themelio, Athens 1996), T. Stoianovich, ‘The conquering Balkan Orthodox Merchant’, *The Journal of Economic History*, 20, 1960, 234-311. These two studies provided the thematic range and the conceptual tools for the analysis of merchant communities in diaspora. Stoianovich explored the emergence of an idiosyncratic group of merchants with very specific cultural characteristics, Orthodox, Balkan and conquering, which by the eighteenth century were extremely successful in dominating south-eastern European trade. N. Svoronos, in his study of commerce in Thessaloniki from the sixteenth to the eighteenth century, set out the main elements of the analysis of trade and foreign merchants in a town that was (and still is) the main port and commercial centre of the southern Balkans. For a useful overview of the literature until the early nineties and some theoretical considerations, see, I.K. Hasiotis, *Episkopisi tis Istorias tis Neoellinikis Diasporas* [Overview of the History of Modern Greek Diaspora], Vantias, Thesaloniki 1993.

local merchants in the Ionian Islands in late eighteenth century and from there and then on to other markets in the Eastern Mediterranean.

Despite the acknowledged success of Greek merchants, as a network, as Diaspora entrepreneurs or as a clan,³² the ideological characteristics of this commercial Diaspora have not only tentatively been researched. Many of these merchants developed their business in Ottoman markets under the auspices of Western European merchants, acting as their agents and representatives in local markets and in Greek – Orthodox networks in Western European markets. The emergence of the Hapsburg Empire in the eighteenth century as a power that could regulate trade in South-Eastern Europe transformed the activities of many Greek merchants and re-oriented their business targets. These were primarily ‘middle’ or ‘intermediate’ merchants, the two terms reflecting their range of business activities and their role in the Western European – Ottoman trade respectively.³³

The development of intellectual movements and currents was influenced by the Enlightenment. The main proponents of these ideas were the bourgeoisie, in a pattern similar to the historical trajectory outlined for Western Europe. This view is so mainstream in Greek historiography that has almost become a truism. The historical question is what are the meanings of the spread of liberal ideas of the Enlightenment by bourgeois merchants in the historical space of the Eastern Mediterranean and whether they had any economic impact and in what ways.

The original radical statements and demands of the Greek Enlightenment, even if it was not a coherent ideological project, were never realized as absolutism and oppression emerged in the post-revolution Kingdom. The

³² Pepelasis Minoglou, Ioanna, and Stavros Ioannides. ‘Market-Embedded Clans in Theory and History: Greek Diaspora Trading Companies in the Nineteenth Century’. Business and Economic History On-Line 2 (2004). <http://www.h-net.org/business/bhcweb/publications/BEHonline/2004/MinoglouIoannides.pdf>.

³³ Maria Christina Hatzioannou, Family Strategy and Commercial Competition. The Gerousi House in the 19th century [in Greek], MIET, Athens 2002, 9.

liberal institutions and parliamentary politics that were supposed to reign supremely in the new state were eclipsed by mechanisms of political patronage, exclusion and domination that instead of providing cohesion, fragmented society.³⁴The situation can be called a ‘geographical paradox’: the areas that were most affected by the ideas of the Enlightenment, the commercial centres of present-day North Greece and the cities of Western Anatolia, let alone European markets where most of these ideas fermented among Greek merchants-intellectuals, remained outside the borders of the Greek Kingdom. The new borders, which included practically all the ancient sites of classical and archaic period Greece, pleased the classicists and many philhellenes immensely but did not make Diaspora merchants very enthusiastic. The areas of the Greek Kingdom were among the most backward, destroyed and ravaged during the war of independence. The new state was practically broke, with very little economic potential and practically no bourgeoisie.

Since the most dynamic members of the Greek bourgeoisie remained outside the new state, the middle class that was formed in the first decades after independence regarded that their aspiration would be fulfilled through a close association and an integration with state mechanisms. This compromise had important consequences for liberal politics in the country since it forced merchants and intellectuals to assimilate in the new state institutions and associate their capital (financial / commercial and educational) with state support. Their compromise meant their incorporation into a social oligarchy that resembled none of the hegemonic progressive group that supported the revolution. Liberalism was frustrated and remained unfulfilled.

This was an Athens-centred middle class of professionals, government employees and merchants that serviced the other two groups and the growing population of the new capital. This is also a very Athens-centred historiographical view that is only now being challenged and ignores the

³⁴ Paschalis Kitromelides, *Neohellenic Enlightenment* [in Greek], MIET, Athens 2009, 508-9.

emergence of de-centred regional capitals in the new Kingdom; Patras, Piraeus and especially Ermoupoli in the island of Syros. Once we move out of Athens, Greek bourgeoisies look much more liberal, extrovert and integrated to the international economy, albeit fragmented. It also looks much more pragmatic. Merchants and intellectuals in the cities of Ermoupoli and Piraeus developed their distinct civic identities, benefitted from the growth of cities' ports (meteoric in the case of Ermoupoli, sustained in the case of Piraeus) and even made the modern transition from commerce to industry and shipping.³⁵ For Kitromelides the 'comprador' character of Greek economy and capitalism was intermediaries that played a major role in the frustration and ultimate "failure of Greek liberalism as a system of political principles and moral values".³⁶

This view of failed liberalism ignores the urban histories of the three most important port cities in Greece during the nineteenth century: Corfu, Ermoupoli and Piraeus. We now have substantial research that allows a comparison on the liberal view, values and political projects of the merchants and intellectuals of the three cities.³⁷ Corfu stands out as a the capital of the British-protected Ionian State (1815-1864) and because of its centuries-old existence as opposed to both Piraeus and Ermoupoli than did not exist before the 1830s. The contrast offers an interesting comparative vantage point for the spread of bourgeois and liberal ideas in these ports and elsewhere in the Eastern Mediterranean, primarily through the trade and activities of merchants from Corfu and other Ionian Islands.

Greek intellectuals and merchants on ideas of political economy and liberalism

³⁵ Sakis Gekas, 'Migrants, merchants and philanthropists; hierarchies in nineteenth-century Greek ports' in A. Jarvis, R. Lee (eds.), *Trade, Migration and Urban Networks in Port Cities c. 1640-1940*, Research Series in Maritime History, 38, 109-126.

³⁶ Kitromelides 2009: 512.

³⁷ For one such study on Piraeus, Giannis Giannitsiotis, *The Social History of Piraeus. The formation of the bourgeoisie 1860-1910* [in Greek], Athens 2006.

In the last few years economic historians are turning to the study of the Enlightenment and its importance for industrialization in Britain,³⁸ but also the intellectual changes that took place in the Ottoman Empire.³⁹ The McCloskey project is less about how the bourgeois ideas spread but rather how they were received. The ‘rhetoric’ about trade and merchants changed, but what is missing is the role of the state and specifically acknowledging that the state allowed the bourgeoisie to flourish. The same time that liberal Enlightenment ideas were spreading through the writings of the ‘Phanariotes’, the Greek elite intellectuals in Istanbul and in a few other centres of education, the same ideas were spreading in the Ionian Islands after the collapse of the Venetian Republic and the advent of the ‘Republican’ French in the islands in 1797. This transmission of Enlightenment liberal and even Jacobin radical ideas accelerated after the ‘liberation’ of the islands by the French republicans even if it did not last under the ‘unholy’ alliance of Russian and Ottoman rule on the islands and the creation of an autonomous Republic there. This was one trajectory; the other one was the transmission of liberal ideas through the commercial networks of Ionian and other merchants in the Greek communities of Livorno, Marseilles and Trieste and the Eastern Mediterranean. The traditional historiography of the Greek Enlightenment set the canon for the works that followed and have dealt with only the first part of the question above and even less with the question on the political economy.⁴⁰

Among those first historians of Greek Enlightenment, Dimaras in particular, the Greek Revolution of 1821 was the ‘natural’ result of the spread of liberal ideas. For Dimaras the Ionian Islands occupy a special position in the history of the Enlightenment. The conditions there are unique and while they do share some proximity with the Greek community of Venice, they are significantly different from it. Ionians were also significantly different from the Greeks that

³⁸ Joel Mokyr, *The Enlightened Economy: An Economic History of Britain, 1700-1850* Princeton: Princeton University Press, 2010.

³⁹ Resat Kasaba, “The Enlightenment, Greek Civilization and the Ottoman Empire: Reflections on Thomas Hope’s *Anastasius*”. *Journal of Historical Sociology* Vol. 16 No. 1 March 2003, 1-21.

⁴⁰ K. Dimaras, *Neohellenic Enlightenment* [in Greek], Ermis, Athens 1977.

lived in the Ottoman Empire.⁴¹ So there is the transnational and certainly transregional dimension of the story the Greek Enlightenment represents and the diffusion of ideas about liberty and equality. Whether ideas of political economy were also discussed remains a secondary, if at all, subject, in these pioneering studies of the Greek Enlightenment.

Since the seventeenth century a type of Greek merchant-intellectual developed primarily in Western European markets as a result of the relative autonomy that commercial activities and occasionally prosperity allowed. This type of intellectual was very different from the priest or teacher intellectual, as was the case before 1780s and the very prominent influence of the Church among intellectuals in the Ottoman Empire or in its periphery. Sometimes these intellectuals are also the first printers and publishers of their own – radical for their times – ideas.⁴² More than ideas there was also the material world that was transformed. The influence that western societies had among Greek merchants was often considerable. Social experiences, dress, objects, norms and values changed Greek traditional life-styles, especially in the islands, where most of these merchants-captains came from and above all in their new homes, where some formed communities, other preferred to assimilate to their new environment as quickly as they could and others did both.

These merchants – intellectuals played a significant part in the transmission of ideas and knowledge, as well as goods of course – not to forget their main activity. These two aspects of their identity have been separated artificially, since the two identities of the merchant and the intellectual would not be easily distinguishable to them. The most important figure in the Greek Enlightenment, Korais, also learned his trade as a merchant in Amsterdam following his father's wish who sent him there from Smyrna; Korais learned the western way of life and read immensely, instead. The Dutch influences are evident in the transmission of technical commercial knowledge, in the printing

⁴¹ K. Dimaras, *Neohellenic Enlightenment*, 27.

⁴² Traian Stoianovich, 'Society and the Reason of Language', *Balkan Studies* 40, 1 (1990): 57-90.

of textbooks for the training and every day use of merchants. In 1793 in Trieste the commercial textbook on double entry bookkeeping (*scrittura doppia*) was published in order “to do the balances according to the method of the Dutch”, as mentioned in the subtitle.⁴³ Korais was exceptional, being described as the Greek Thomas Jefferson, but his importance should not be underestimated.⁴⁴ The association of Korais with Greek nationalism missed the importance of his overall arguments about nationhood, liberty and the individual, which “did not involve an unconditional recognition of the primacy of the national community over the individual, but remained aware of the tensions immanent in this relationship and ultimately sought the moral justification of national claims on the basis of their contribution to the freedom of the individual.”⁴⁵

Liberal ideas of a different sort were being transmitted by Greek merchants and intellectuals around the end of the eighteenth century and the beginning of the nineteenth. The legal framework and the legal knowledge obtained by merchants in the different markets they operated forced them to think about commercial rules and regulations in their home markets, in the Ionian and Aegean Seas. This compliance to international law and the standardization of commercial practices and commercial legislation in particular, overall commercial institutions is a large part of the story about the compliance of merchants from different parts of Europe and the Mediterranean into a common framework without which they could not prosper and even survive economically.

The publication of commercial legislation forms part of the commercial literature that integrated Greek merchants from the Eastern Mediterranean and the Balkans to Western European and Mediterranean markets. The

⁴³ Triantafyllos E. Sklavenitis, *Commercial Textbooks of the period of Venetian and Ottoman Rule and the Commercial Encyclopedia of Nikolaos Papadopoulos* [in Greek], Athens 1991, 33-34.

⁴⁴ Andrew S. Horton, “Jefferson and Korais: The American Revolution and the Greek Constitution”, *Comparative Literature Studies*, Vol. 13, No. 4 (Dec., 1976), pp. 323-329.

⁴⁵ Paschalis M. Kitromilides, ‘Adamantios Korais and the dilemmas of liberal nationalism’, in Paschalis M. Kitromilides, (ed.), *Adamantios Korais and the European Enlightenment. Studies on Voltaire and the Eighteenth Century*, Oxford: Voltaire Foundation, 2010, 213-222.

attempts of merchants from Hydra and the Ionian Islands to develop their own commercial codes signify the osmosis of local, regional and transregional networks on the one hand and commercial information and custom on the other. In 1804 and 1818 in Hydra but also in the Ionian Islands in the early 19th century (1804-1807) merchants linked their shipping sectors and maritime trade with Western European merchants and markets not only through commercial but also through intellectual exchange.⁴⁶

Commercial education was also present in Ioannena where the local notable Ali Pasha had created a circle of scholars, merchants, craftsmen and physicians who were able to practice their vocation and attract other scholars and professionals. The 'court' of Ali Pasha had created quite a stir with European visitors having it on their list of places to visit in 'Turkey' or 'Albania' as they called his territory. Athanasios Psallidas was teaching in the general education school of Ioannena 'general theories of commerce' since 1808. Greek merchants also founded a Commercial School in Odessa in 1817.⁴⁷ The most important intellectual achievement of the commercial class however is the book 'Hermes the Commercial Encyclopedia', published in 1813 in Venice by the merchants of Istanbul and specifically the merchant intellectual Nikolaos Papadopoulos. Competition with foreign merchants in their home markets as well in foreign markets led these merchants to learn languages but also institutions, rules, customs and commercial practices. In this way they were gaining an advantage at home as well as abroad. In their home markets they were benefitting from local knowledge while abroad they were fitting in all the more as successful commercial agents to an increasing 'Levantine' trade. In this way they could navigate their way through commercial competition and less so through the famous networks. The completion of commercial education through training in schools as well as in family representatives (for the most connected merchants) prepared them for the difficult times and turned them

⁴⁶ Sklavenitis, Commercial Textbooks, 41.

⁴⁷ Sklavenitis, Commercial Textbooks, 45-46.

into experienced merchants. This was however above all a practical education for the most important technical and practice aspects of commercial transactions, not the theoretical ones. We do not know what Ionian merchants were reading, whether ideas of political economy had been spreading in the Islands, among other bourgeois ideas that we know were there. And as for the great Greek scholar, Korais, he was certainly among the few merchants – intellectuals who were reading Political Economy. His library books included those of Adam Smith, Malthus, Ricardo, J.-B. Say, Sismondi, Destutt de Tracy; N. Papadopoulos as well, in his Commercial Encyclopedia, mentions the ideas of Adam Smith. Overall though the translation of political economy and economic theory books were not among the priorities of Greek merchants and no translated works have been found.

Some of the principles that Greek merchants projected and prescribed can be seen in the textbooks on writing commercial letters published in the eighteenth century. Clarity, moderation in expression, wealth of information acquired in advance and before the writing of the letter are suggested as the virtues of a good correspondent. The writing in Italian terms is considered essential because of their common use and it is not to be avoided. At the same time, in the 1760s and 1770s some arithmetic textbooks and commercial tables with weight and measures were also published, addressing the need for standardized information in Greek. The first ‘commercial guidelines’ were published in Trieste in 1791. The places of publication, Venice, Vienna, Halle, Trieste reveal the most central places in the Greek commercial networks. The commercial guidelines aimed at training beginners in the trade world to learn to keep double entry books, ‘not so much for profit as for the common good’. The author’s aim is clear: transparency of information will benefit everyone, not just individuals, despite the reactions of many old-fashioned and uneducated traders, who saw no use in the practice of double-entry bookkeeping.⁴⁸ Even if books were not printed in the Ottoman Empire, merchant networks such as the Greek ones, published the commissioned

⁴⁸ Sklavenitis, Commercial Textbooks, 105-107.

works in European cities, from where they found their way back to the Ottoman Empire's merchants-intellectuals.

The innovation came in the late eighteenth century. Greek diaspora merchants realized their need to publish commercial textbooks in their own language, except the business language of the day, Italian. These intellectual endeavors led to the development of a particular stream of thought that ventured into philology, linguistics and philosophy, the fields that became the site for the development of revolutionary ideas. The merchants however developed their own literature. The need to teach commerce in a separate school spread from Paris to Odessa in 1819.⁴⁹ The overall aim of these intellectual breakthroughs was liberation from the Establishment of the time. This meant primarily the Ottoman rule of the European parts of the Empire but also moving away and breaking from an established way of thinking that was, as far as trade was concerned at least, outdated, amateur and unable to compete with the advanced trading practices of European merchants. The traditional system of tacit knowledge through the training of merchant apprentice, usually at the branch of a family merchant house in another market from the one the trainee was born, was certainly advantageous; in the early nineteenth century however, its limitations must have been evident. The issue of this form of business knowledge and information that was kept within the group of Greek Orthodox merchants has been seen by historians as the main 'cultural' trait that can explain the success of Greek 'diaspora entrepreneurs'; it can also be seen as a sign of retardation in comparison to the more advanced commercial education that was developing in western European markets. While Greek merchants maintained the closed organization of the kin and extended family network at the same time some of them at least realized that the traditional form of training with the merchant apprentice was not adequate; for this reason they founded schools, printed books and advocated the schooling and professional training to acquire modern business knowledge and adopt a

⁴⁹ Sklavenitis, *Commercial Textbooks*, 49.

modern business culture. Still, as late as the middle of the nineteenth century there were practically no theoretical texts on economy and commerce in Greek.

The life story of Nikos Papadopoulos, author of the Commercial Encyclopedia, shows a career in translation as well as trade, specifically insurance, in Istanbul, where he was part of the 'System of Merchants', the Greek merchants Association. His knowledge of language and specialization in translating some key texts of the European Enlightenment and his comments on the page margins reveal a complex struggle to maintain his religious faith while protecting the modernization that was necessary for advanced commercial knowledge and education.

The translation of commercial legislation and the French Commercial Code was at the heart of the Papadopoulos project to produce a comprehensive commercial textbook for the use of Greek merchants in the Ottoman Empire. Papadopoulos considered the text valuable to study and reflect upon even if the commercial code was of no practical use in the Ottoman Empire that did not possess any commercial legislation and disputes were resolved in ordinary courts. At the time of publication, in 1815, the commercial association of the Greek merchants of Istanbul redrafted its constitution and Papadopoulos believed that French commercial legislation could help the association define its goals. The Commercial Encyclopedia however was the most important work of Papadopoulos. In the prolegomena Papadopoulos states the contribution of commerce to the regeneration of the Greek nation. By 1820 some of the most vocal Greek merchants had established the link between commercial prosperity and the demand for national independence from the Ottoman Empire, even if at that moment was still being only tentatively and vaguely defined. Papadopoulos planned his Encyclopedia to be seven volumes of which only five were published including commercial and geographical information that the editor thought necessary for the Greek merchants of the diaspora, Istanbul and other Ottoman and European markets. It is only unfortunate that the last two volumes, which would include dictionaries of 'commercial manners and rules', were not published. Still, the Commercial Encyclopedia as

a work that was commissioned and financed by the Greek merchants of Istanbul reflects the needs of this class in a fluid, changing and insecure economic environment such as that of the Ottoman Empire in the early nineteenth century, that is before the outbreak of the Greek war of independence in 1821, which destabilized whole regions but also the identities of Greek merchants everywhere.

Ionian merchants and the spread of liberal ideas.

One of the most impressive continuities in the history of the Ionian Islands is the collective organization of the bourgeoisie from the eighteenth to the nineteenth century and the establishment of institutions of exchange and proliferation of knowledge. These circles of knowledge later on developed into groups that designed and aimed to contribute to public policy. These institutions created a collective identity to the Ionian bourgeoisie, the intellectuals of the Islands. During the period of Venetian rule a tradition of voluntary societies favoured and enabled the emergence of the Ionian public sphere during the nineteenth century. The experience Ionian intellectuals brought from their studies in Italy and elsewhere in Europe translated into the transfer of knowledge and collective action. In 1656 the 'Academy' "degli assicurati" was founded by 30 doctors, lawyers, literary figures and poets, which seemed to have stopped meeting in 1716.⁵⁰ Most were graduates of the University of Padova, doctors of medicine and law, mostly, Orthodox as well as Roman Catholic.⁵¹ The 'Academics' were meeting in the Palazzo Prefetio and was praised by the travellers Spoon and Wheeler, which gave it an

⁵⁰ Ε. Γιωτοπούλου-Σισιλιάνου, «Η Επτανησιακή παιδεία στα χρόνια της ξενοκρατίας», *Κερκυραϊκά Χρονικά*, XV, 1970, 101-121.

⁵¹ Λούντζης, 249.

international recognition, and for the knowledge of some of its prevalent members, Nikolaos Voulgaris, a member of the elite Corfu family.⁵²

Another ‘Academy’ of the ‘fertili’, aimed at improving agricultural production and was founded in 1676 also by Augoustino Capello and was meeting at least until 1678. In 1734 a new academy consolidated the interests, enquiries and intellectual pursuits especially among some members of Corfu aristocratic families and continued the tradition of collective organization. These meetings and socialization promoted a common worldview which was in fact outside the standard norm of political organization of power and created a space where debate was possible, especially among those not included in the city’s council of 150.⁵³ Towards the end of the period of Venetian rule, the governor of Kefalonia, De Zorzi, mobilised those interested when he founded an ‘Agronomical Academy’ in 1791 and endowed with 150 ducats per year. The intellectual pursuits included the economic development of the island of Kefalonia besides poetry and other literary fields. The Academy aimed at modernizing agriculture.⁵⁴ The ‘doctor-philosopher’ Francisco Zulatti devised the constitution with stating explicitly the development and increase of agricultural production, which included the draining of marshes, the improvement of cultivation (of grapes), aims that would be continued later in the British period, with the greater intervention of state and individuals and a more clear institutional caliber.

These institutions were essentially clubs of readers and promotes of useful knowledge or at least aspired to be. It is interesting that the first newspaper of the Ionian Islands, ‘Gazetta Urbana’ came out of the activities of Marios Pieris and Andreas Moustoxidis and their society for the pursuit of

⁵² Παναγιώτα Τζαβάρα, *Σχολεία και δάσκαλοι στη βενετοκρατούμενη Κέρκυρα (16^{ος} -18^{ος} αι.)*, Σταμούλη, Αθήνα 2003, 296-7.

⁵³ Γ. Ν. Ε. Καραπιδάκης, «Από τον κοινοτισμό στην πολιτική: κοινωνιολογία των διανοούμενων και των ανθρώπων της πολιτικής δράσης στον επτανησιακό χώρο (τέλη του 18ου αιώνα αρχές του 19ου)», στο Α. Νικηφόρου (επ.), *Επτάνησος Πολιτεία (1800-1807): τα μείζονα ιστορικά ζητήματα*, Γ.Α.Κ. – Αρχαία Νομού Κέρκυρας, Κέρκυρα 2001, 33-41.

⁵⁴ Α. Παπαδιά-Λάλα, *Ο θεσμός των αστικών κοινοτήτων*, 421.

useful knowledge. Ionian doctors promoted their own initiatives: a medical association was founded in Corfu 1802 with the initiative of then young Ioannis Kapodistrias, the first governor of Greece in 1827, who had just returned from his studies in Padova. This was probably the first professional organization of the Ionian Islands and other places with large Greek populations; it is not accident that it was founded in the Islands, and included a Jewish doctor, Lazaro Mordo. The Collegio Medico, founded in 1802 and the Ionian Academy in 1808 were the two most important voluntary associations for the spread of useful but also general knowledge.⁵⁵ The Collegio Medico promoted in 1805 the inoculation of the population against smallpox in all the islands, it was meeting monthly and supervised the hygiene conditions, a practice that continued during the years of the Ionian State.⁵⁶

The arrival of French radicalism and the system of rule accelerated these initiatives and their impact. Among the French military staff that came to the islands was the Italian doctor and historian Carlo Botta (1766-1837), who joined the Napoleonic army in Italy and wrote the first natural and medical history of Corfu, where he stayed for a year.⁵⁷ This was the first systematic study on the impact of the environment on health, is an important source for the living conditions in the late eighteenth century and had a profound impact on the intellectual life of the islands. In the first years of the nineteenth century, the Ionian intellectuals participated actively in the political life of their islands, as these passed under the aristocratic rule of the Ottoman-Russian protectorate of the Ionian Republic (1800-1807). Francisco Zullatti, for instance, was the secretary of the consitutional comission that proposed the reforms of the 1803 constitution.⁵⁸

These intellectuals were aristocrats who based their income on the profits from the export of agricultural products from the land they owned.⁵⁹

⁵⁵ Σ. Βλασσόπουλος, Στατιστικά-Ιστορικά ειδήσεις, 21.

⁵⁶ Π. Χιώτου, Ιστορικά Απομνημονεύματα Επτανήσου, τομ. 6^{ος}, 220-21, 229-30.

⁵⁷ Carlo Giuseppe Gulielmo Botta, *Storia Naturale e medica deli Isola di Corfu*, Μιλάνο 1798. Jordan D. Fiore, 'Carlo Botta: An Italian Historian of the American Revolution', *Italica* 28, 3 (1951), 155-171.

⁵⁸ Σπύρος Λουκάτος, *Η Επτανησιακή πολιτική σχολή των Ριζοσπαστών*, Αργοστόλι 2009, 75.

⁵⁹ Προγουλάκης, *Ανάμεσα στην τιμή και το χρήμα*, 346.

There is a continuity in the families that until 1828 received the largest share of land revenues. After 1830s the merchants of the islands joined the economic and social elite. During the same period and as part of the political and social changes introduced in the early nineteenth century print culture came to the islands. First in Corfu, in 1800 and then later in 1809 Zante when the British occupied the island. The 'government printing office' as it was named was one of the first in the whole region of the Eastern Mediterranean, until the 1830s when Muhammad Ali opened a similar one in Cairo which published his government newspapers. In Corfu several newspapers were published, 'Monitore Ionio', 1803-1811, and Gazzetta Urbana since 1802, 'L' anno' and the literary magazines 'L' Ape' and 'Mercurio Literario'.

The Ionian Academy, founded in 1808, during the French occupation (1807-1814) was the culmination of the previous educational associations.⁶⁰ The Academy was the example of the gradual independence of the collective organization from the political power and the control of public life by few individuals and the old structures of the establishment. The new institution used modernising techniques to collect and distribute knowledge, such as data collection and its quantification for the study of living conditions and the development of the economy of the islands. Every week there were classes in Physics, Chemistry, Botany, Political Economy, Law, Mathematics. Relations with correspondents in Europe show the ambitions and the connections of several of its members. The Academy functioned until 1815 and it was somehow resurrected in 1825 when the Ionian University was established; this however had a clearly academic character and acquire the formal function of a university. What was more important was the operation of the Agronomic Society, founded by landowners, with branches in all the islands. The Society promoted the draining of marshes, the cultivation of new crops such as tomatoes and the expansion of viticulture.⁶¹ The institutional organization and the collection of information for the economy and the population of the

⁶⁰ Π. Χιώτου, *Ιστορικά Απομνημονεύματα Επτανήσου*, τομ. 6^{ος}, 230-31.

⁶¹ Π. Χιώτου, *Ιστορικά Απομνημονεύματα Επτανήσου*, τομ. 6^{ος}, 237.

islands signified the liberal era as part of the systematic use of knowledge on the individual and the territory.

The British colonial rule and the liberal merchants and intellectuals

In the Ionian Islands the formation of a state under British colonial rule determined the transfer of liberal ideas under colonial paternalism. The nineteenth century saw the continuation of a tradition that dates back to the eighteenth century as it was described and the remarkably educated elite of the islands in universities of Padova and Pisa. Between 1800 and 1864 the Ionian State emerged and functioned as a peculiar state under semi-colonial conditions of rule. By the end of the eighteenth century, when the Venetian 'Serenissima' collapsed under the French Republican rule, the islands were an archipelago of disparate insular societies that had developed distinct regional identities and a common identity as Greek subjects of Venice; in all islands a strong division between town and country existed and determined 'Ionian' identities. The waves of the French revolution reached the shores of the islands in 1797; foreign liberalism and local radicalism created an autonomous state. The Ionian Republic proved that an independent state in the Greek-speaking areas of the Mediterranean was a real possibility and more than an imagined project, years before the outbreak of the insurgence of 1821 that led to an independent Greek in 1830. Like most Mediterranean island societies however, the Ionian Islands were far from united, coherent and stable. Successive forms of foreign domination, French, Russian-Ottoman, French again and after 1809 British, truncated the liberalism on which the aspirations of many Ionians and other Greeks were founded. The British-protected colonial Ionian state succumbed to the contradictions of colonial paternalism and, later, local radicalism and dissolved in 1864 when the islands united with Greece.

Ionian merchants, intellectuals and some British colonial officers redefined power relations and created a proto-civil society that was based on liberal values. Ionian bourgeois virtues did not bring a successful variety of capitalism

as some historians have recently argued (McCloskey) but they did form a colonial state based on liberal principles and worldview; some intellectuals, the most radical among them promoted liberalism to the extreme and led the first de-colonization process in the history of British colonialism when the islands were ceded to the Greek Kingdom in 1864.

The Ionian bourgeoisie study is part of the historical problem of the emergence of middle classes in a colonial context worldwide. The consolidation of a strong state in the first two decades of British rule occurred with the imposition of laws and regulations; after almost two decades of unstable political institutions between 1797 and 1817 and the authoritarian and centralizing Ionian State under colonial paternalism, a proto-civil society of associations, political, literary and philanthropic developed gradually from the 1830s, partly as a reaction to colonial paternalism. When free press was allowed in 1840s it created for the first time a public sphere that liberal Ionians rushed to fill. Liberalism, economic and political, took different forms; merchants vigorously petitioned and achieved free trade of goods and the communications of all islands with each other and important markets through steamers; Ionian intellectuals gathered in literary, philanthropic and agricultural societies, while the Corfu Chamber of Commerce and the Merchants' Club of Zante were the places to do business, socialise and read foreign newspapers. The colonial encounter can be seen in the combination of sources, regulations, laws and decrees, through the looking glass of the colonial office records as well as the petitions that many Ionians, from towns and country, individually and collectively, wrote to the central administration. It was however the Ionian bourgeoisie who promoted the liberal governmentality plans for the societies of the islands.

The advent of colonial modernity in Corfu and the other Ionian Islands, especially the port towns, was the result of systematic classification of Ionian society, not only by the Colonial Office (since the 1820s) but also by Ionians, who on two main fields, education and reform of the criminal justice and the prison system, excelled as modern bureaucrats. The recording and publication

of the results were part of the overall evaluation of living conditions in the Ionian Islands and of plans to improve it. Observation and the results were the first step towards that goal. Similar modernising steps were taken in the business organisation, in law, public policy and until the 1840s, the construction of public works and the improvement of living conditions.

Liberal merchants however did not only organise and formed an Exchange, a Chamber of Commerce and banking and insurance companies; they also petitioned against the imposition of monopoly by the government on the grain trade, the trade most of them tried to control. The arguments used show a very conscious and informed group of merchants who argue against the monopoly, urging the Ionian government (and the High Commissioner) to follow the example of the protecting power and liberalise the grain trade. Merchants submitted collective petitions which demonstrate the pervasiveness of free trade and the liberal discourse on issues such as the grain trade, frequent communication by steamers between the islands and other commercial policies. These were the politics of merchants.

The employment of resources around the Mediterranean by and for the benefit of British capital was crucial for British imperial expansion. Commercial benefits for the British economy increased after the Balta Limani Treaty of 1838.⁶² The British flag offered advantages to Ionian subjects under British protection willing enough to take the risks of seafaring travel, accumulate the necessary capital and engage in trade. Merchant captains from the islands of Ithaki and Kefalonia, the two Ionian Islands, excelled in shipping and this achievement has acquired its own term; the 'Ionian phase of Greek-owned shipping'.⁶³ Merchants from the Ionian Islands and the island of Chios were also among the first who settled in London and Liverpool. Ionians also travelled to and settled in the Black Sea ports, benefitting from the Ionian and Russian flags that they could raise, as Orthodox Ionian subjects under British

⁶² Kasaba, Res, at, 'Treaties'; Pamuk, *The Ottoman Empire*.

⁶³ Harlaftis, *History*.

protection. In fact, doing so irritated British authorities who tried to convince Ionians that the Ionian flag that gave equal privileges to the British one was too respectable to use so casually and liberally.⁶⁴ British Ionian protection was so precious that Greeks from the mainland travelled to the islands and obtained fraudulently an Ionian passport.⁶⁵ As British trade expanded other Ionians benefitted from British protection and settled in Ottoman ports of the Eastern Mediterranean; there they enjoyed special status, they were not liable to taxation and Ottoman law and could claim British protection to represent their interests in Ottoman territory or in international waters when they committed a crime.⁶⁶ Ionians and merchants from the island of Chios were among the first to migrate to London and Liverpool since the early nineteenth century.⁶⁷ Increasingly they followed the commercial routes of British trade or sometimes preceded it and were there to facilitate it. In Beirut Ionians and Maltese British subjects increased from 75 in 1843 to 282 in 1851.⁶⁸ In Smyrna in 1851 there were between 2,000 and 3,000 Ionians, 'British subjects'; the difference attesting to the fluidity and the itinerant mobility of the group.⁶⁹ In various markets in the Mediterranean Ionians exploited their flag to sail undisturbed and in Alexandria carried out contraband trade, as well as exporting illegally silk from Chios to trade in Istanbul and ignoring completely the protestations of Ottoman authorities.⁷⁰

⁶⁴ Harlaftis, *History*, 29.

⁶⁵ Newton, *Travels*, 77.

⁶⁶ Gallant, 'Tales', 17.

⁶⁷ Chatziioannou, 'Greek merchants'.

⁶⁸ Issawai, *Fertile Crescent*, 166.

⁶⁹ Rolleston, *Report*, 29.

⁷⁰ MacGregor, *Commercial Statistics*, 105.

Ionian merchants, state policies and the spread of liberal ideas in the Eastern Mediterranean

Increased trade had a direct impact on local economies all over the Mediterranean and not only in the Ottoman Empire. Trade meant mobility of merchants in various markets. The principal ten ports in the Eastern Mediterranean and the Black Sea where British goods were imported and local goods (grain, cotton, wool, dried fruit) were exported were Odessa, Galatz, Istanbul, Salonica, Smyrna, Beirut, Alexandria, Syra, Patras and Corfu.⁷¹ The Ionian State from its early years followed a policy of low duties on British-manufactured goods. A deleterious effect of these imports on local manufactures spread quickly and contemporaries, studying the crude but revealing colonial statistics were all too aware of the ongoing changes. 'Independent' governments under imperial rule, like that of the Ionian Islands were a façade, not least when it came to economic policy. British cotton, for example, was subject only to nominal duties; the Ionian government facilitated the import of corn and grain from the Black Sea in transit through Corfu, also because of the shortage in cereal that the islands faced traditionally and the constant demand for grain.⁷² The handicraft manufacturing of cotton cloth, coarse wool and linen were repressed by British machine-made imports which flooded domestic markets. The impact is striking in the case of Zante. The local textile industry of handicraft manufacture of cloth (silk and cotton) employed about 25% of the population in the 1820s;⁷³ the number of people employed in manufacture dropped dramatically within the first ten years and by the 1860s this percentage had plunged to 5-10% at the most. This was the first time when British manufactured goods and textiles in particular reached en masse the

⁷¹ Xenos, *Depradations*, 279.

⁷² Chircop, 'British', 147.

⁷³ A census of the island conducted in 1811, counting the occupations of more than 4000 people showed a significant percent of the population employed in cotton cloth spinning. 1260 people (most of them women perhaps) were recorded as employed in the cloth manufacture sector overall (spinning, weaving and 'tailors', thus, production and distribution), while 750 or 24% of those recorded were spinners, an impressively high number by many standards. Mercati, *Saggio*, in Davy, *Notes*.

Ionian Islands, destined for local consumption and re-export in neighbouring Ottoman markets.

While the percentage of people recorded in 'manufacture' declined sharply, so did the actual number of people employed in what British colonial statistics recorded as 'agriculture'. The complex land ownership relations did not allow surplus labour to turn to agriculture despite the occasional and erratic profitability of the currant crop. On the contrary, especially from the 1840s onwards, people migrated seasonally from the southern Ionian Islands to the opposite mainland in significant numbers. In the 1840s and 1850s High Commissioners noted in their reports that population statistics were not accurate because thousands of Ionians were absent during the enumeration. The Ionian State encouraged this mobility by not charging returning migrants any duties for the grain they received as payment for their labour at the end of the harvest season. Therefore, two movements from the Ionian Islands, one regional, in the Greek Kingdom opposite the Ionian Islands and a second one in Mediterranean ports and the Black Sea occurred during the period of British rule. On the other hand, the islands and especially Corfu received immigrants from Malta, Sicily and South Italy, Napoli as well as from Epirus, the mainland opposite Corfu; the seat of government of the Ionian State offered prospects for employment in the Ionian administration. It was in the private sector however and not in Ionian government that opportunities occurred, and in the grain trade in particular. Liberalism versus state-controlled monopoly was the Ionian version of the grain wars, from the 1830s onwards and it was a war that Ionian merchants won since the government not only did not intervene in the grain trade after the 1850s and the Crimean war shortages in the islands but it also facilitated the grain trade by building new warehouses in the port. The Ionian commercial bourgeoisie had succeeded in the colonial Ionian State as a result of both their own initiatives and state protection and support from the colonial power.

It is most interesting that merchants, especially in Corfu but also in other islands avoided getting involved in the issue of unionism, the demand that the

Ionian Islands join the young Greek Kingdom. The decision to finally cede the islands was made in the early 1860s. Until then merchants carefully kept their options open and avoided becoming targeted as being pro or against union; this was also the time where Greek merchants everywhere in the Eastern Mediterranean were very careful to position themselves in relation to the newly created Greek state, especially in the Ottoman Empire. The closing of all Ottoman markets for Greek trade until 1840 shows that the Greek merchants of the Empire did not really have a choice whether to stay or re-orient their business interests. This to a large extent explains the emergence of Greek merchants of the Empire as the 'commercial bourgeoisie' of the Eastern Mediterranean that the first part of this paper discussed. Nationalism was not as powerful yet as it would be later in the century.

Conclusions.

Greek and other Ionian merchants have been considered important for the spread of liberal bourgeois ideas from France but only from the point of view of nationalism and as preparation for the Greek war of independence. Less interested with the trajectory of Greek history a different historiography stressed the role of commercial and 'comprador' bourgeoisie in the Eastern Mediterranean. The missing link in both historical issues, the birth of the Greek state and the incorporation of the Eastern Mediterranean markets in the European economy is to a large extent the Ionian merchants who spread in the ports of Odessa, in the Black Sea, but also Smyrna and Beirut and, later in the period and not examined here, Alexandria. The liberalism, commercial and financial innovation of these merchants who operate in trade and shipping, was a result of British colonial protection that privileged them in relation to other Greek and non-Ionian merchants, as well as merchants from other ethnicities. The cession of the Ionian Islands to Greece signalled the change in the fortunes of many of these merchants who merged with the Chios network of diaspora merchants and especially shipowners, in the last quarter of the

nineteenth century and the beginning of the twentieth. For nearly a century however, Greek merchants incorporated and adapted the changes in commercial law and business organisation; nevertheless, it was war in the Ottoman Empire and British imperial expansion in the Eastern Mediterranean that changed profoundly the economic conditions in the region.

Bourgeoisies in the Eastern Mediterranean beginning from the late 18th and all the way to the early 20th century devoted much of their efforts, money and time to national-ist projects that in several occasions turned out to be against their interest in maximising profits and enlarging markets, securing an income and improving their livelihoods. Greek merchants resident in Ottoman and European markets were reluctant to re-orient their activities to the Greek markets (with the exception of Ermoupoli and Piraeus, which were new cities created by refugees, many of them merchants). Very few Greek merchants settled in the new Greek Kingdom after 1830, which was too weak, bankrupt and unstable to attract their business with very few exceptions such as the merchant Douroutis.⁷⁴ The various states in which the Eastern Mediterranean bourgeoisies found themselves in were more interested in state-building than building business-friendly societies. In the late Ottoman Empire and later Turkey the bureaucratic bourgeoisie became more influential and were privileged over the commercial bourgeoisie.⁷⁵ The spread of bourgeois worldview, ideas, practices and power in the Ionian Islands was the result of the form of rule followed by a British commissioner and the treatment of islands as a protectorate, with a paternal colonialism at first and a timid and piecemeal liberalism later. In the Eastern Mediterranean, whether under British colonial or Ottoman rule, bourgeois values and ideas developed in relation to the attitude of state authorities towards entrepreneurship, political liberalism as well as in response to nationalist projects.

⁷⁴ Apostolos Diamantis, *Types of Merchants and Forms of Consciousness in Modern Greece* [in Greek], Estia, Athens 2008.

⁷⁵ Gocek, Fatma Muge, *Rise of the Bourgeoisie, Demise of Empire: Ottoman Westernization and Social Change*, New York: Oxford University Press, 1996.