

The Role of Greek Merchants in European Capitalism and Greek Independence Movement

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Avrupa Kapitalizmi ve Yunan Bağımsızlık Hareketi'nde Yunan Tüccarların Rolü

Öz

Bu makale, Yunan (Rum) tüccarların Avrupa kapitalizmine dâhil olmasının, Yunan bağımsızlık hareketine doğrudan etki ettiğini iddia etmektedir. Bu bağlamda, Yunan nüfusunun, Osmanlı İmparatorluğu'ndaki toplumsal ve ekonomik konumundan, kapitülasyonlarla elde ettikleri avantajlara, artan uluslararası ticaret kapasitelerine ve Avrupa liman kentlerindeki etkin varlıklarına uzanan geniş bir alanda değerlendirmeler yapılmaya çalışılacaktır. Önemle altı çizilmelidir ki, belirtilen olaylar, dönemin koşulları veya siyasi gelişmeler, tartışmalarda sıklıkla ele alınsa bile, bu çalışma bir arşiv taraması veya klasik bir tarih araştırması olmayı hedeflememiştir. Bunun yerine, Uluslararası İlişkiler disiplininin çok düzeyli analiz yöntemi kullanılarak, ulusal bağımsızlık hareketlerinin uluslararasılaşmanın etkisiyle şekillenebileceği ve sermaye birikiminin toplumsal değişimin öncülerinden olduğu iddiası ekseninde, tarihsel, toplumsal ve ekonomik değerlendirmeler yapılması yoluna gidilmiştir. Bu bağlamda, Yunan tüccarların, Avrupa'nın ticari ve finansal yapısındaki varlıkları zamanla güçlenirken, kendi dünya görüşlerinin de buldukları yerden etkilenerek nasıl değiştiği konusuna makalede dikkat çekilmektedir. Nitekim, ekonomik olarak adapte oldukları Avrupa coğrafyasına, siyasi ve toplumsal anlamda da kendi ulus-devletlerinin çatısı altında dahil olabilme amaçları, Yunan tüccarların, genç Yunan entelijensiyasının eğitimi ve Yunan bağımsızlık hareketinin örgütlenmesi için ilk ve en büyük finansör olmalarına sebep olmuştur. Yerli bir tüccar sınıfının uluslararası kapitalizme katılma sürecinin, milliyetçi bir harekete nasıl dönüştüğünü iyi analiz edebilmenin, sadece kapitalizmin gelişmesi ve milliyetçilik hareketlerinin ilişkisini değil, aynı zamanda modern ulus-devletlerin oluşumunu da anlamamıza katkı sağlayacağı ortadadır.

Anahtar Kelimeler: Yunan tüccarlar, Avrupa Kapitalizmi, İmparatorluklar, Ulus-devletler, Yunan Bağımsızlık Savaşı.

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Abstract

This article claims that the involvement of Greek (Rum) merchants in European capitalism had a direct impact on Greek independence movement. In this context, evaluations will be made in a wide range of areas, ranging from the social and economic position of the Greek population in the Ottoman Empire, the advantages they gained through capitulations, their increasing international trade capacities and their active presence in European port cities. It should be underlined that even though the mentioned events, the conditions of the period or political developments are frequently discussed in the discussions, this study did not aim to be an archive survey or a classical historical research. Instead, by using the multi-level analysis method of the International Relations discipline, historical, social and economic evaluations have been made on the axis of the claim that national independence movements can be shaped by the effect of internationalization and that capital accumulation is one of the precursors of social change. In this context, the article draws attention to the issue of how Greek merchants' world views have changed by being influenced by their location, while their presence in the commercial and financial structure of Europe is getting stronger over time. The aim of politically and socially being included in the European geography under the roof of their own nation-state, led the Greek merchants to be the first and biggest financiers for the education of the young Greek intelligentsia and the organization of the Greek independence movement. It is clear that to analyze how the process of joining an indigenous merchant class into international capitalism has turned into a nationalist movement will contribute to our understanding not only of the relationship between the development of capitalism and nationalist movements, but also the formation of modern nation-states.

Keywords: Greek merchants, European capitalism, Empires, nation-states, Greek Independence Movement.

Introduction

The Greek independence revolt is significant as a historical event, especially because it was the first movement that managed to break away from an empire. Moreover, ancient Greek culture is important as the basis for the construction of European identity (Brittanica, 2014; Haarman, 2014). Major parts of the literature claim that romantic ideals such as Hellenic culture and rising ethnic Greek nationalism, encouraged the Greeks, living under the authority of the Ottoman Empire, to revolt (i.e. Clogg, 1973; Joseph, 1985; Kitto, 2017; Roudometof, 1998; Pirinççi, 2017). In this article, however, it is argued that the Greek independence movement (1821-29) did not only develop on the basis of romantic nationalism, but also due to the integration of the Greek shipping merchants in European capitalism. Even though some researchers mention the impact of the great wealth of Greek ship owners and merchants on the Greek nationalist movement (Gürel, 1993: 24-25; Clogg, 1997: 37-40; Volkan/Itzkowitz, 1995: 81; Pirinççi, 2017: 57), the integration of this entrepreneur class in European capitalism and its worldview has not been highlighted whereby the driving force behind the nationalist movement is downplayed. Greek merchants became strong agents in European capitalism thanks to the privileges they gained in the international trade, especially at a time when the European powers were challenged by various turmoil and wars. It is this position that triggered their role as the forerunners in the Greek independence movement. They were introduced to nationalist ideas in Europe and developed the idea to be a similar economic unit within the capitalist system as they already were acquainted with.

This study does not focus on describing the sequence of events, how they happened or the conditions of the period, but on determining the causality of these historical events and how they created other dynamics by influencing each other. Instead of the idiographic approach (tendency to specify) focusing on individual and specific events mainly seen in historical studies, the nomothetic approach (tendency to generalize) that focuses on understanding the logic of abstract and repetitive universal events mostly encountered in International Relations (or IR) studies is preferred for this study. It is believed that while in the former, historical events are not taken out of their entirety, in the latter there is an effort to reach causal generalizations.

As Richard Ned Lebow claims, even though historians and social scientists lay claim to the same terrain, their purposes in mind are different. While historians study the past as a valuable exercise in its own right, social scientists regard the past as data that might help them develop and test theories of human behaviour (Lebow, 2001: 111). According to Elman and Elman, IR scholars from a qualitative perspective do not aim to understand historical periods and events, but to "advance some particular research program, improve upon some existing theory, or generate new competing theories that challenge the received

wisdom" (Elman and Elman, 2001: 12-15) To do this, the IR scholars tend to benefit from empirical analysis and use these data to come up with some general observations which can shed light not only on the given period of time in history, but also on present and even, on future estimations of the world. Following this idea, this article does not aim to make an archival survey of the Greek war of independence or the economic activities of Greek merchants, but it aims to understand the connection between these two issues. As Theda Skocpol points out, it is more practical and efficient to use reliable historical sources that have already been made in order to carry out comparative political analysis, rather than scanning the archives all over again (Skocpol, 1984: 382). A causal determination through documents published in different fields such as economic history, law of the sea, studies of nationalism and political history may bring the necessary source of information for the discussions in this study. Therefore, this study can be seen as a research in which a theoretical puzzle is tried to be solved by bringing together the clues obtained from other disciplines, rather than being a historical research in which the events are explained sequentially. The conditions that led the Greek merchants to move away from imperial economy and to become an actor in international trade, the numbers showing their increasing presence in the important trade ports in Europe, the tonnage of their ships, the size of their fleet, their involvement in European finance sector, are not just some series of historical data. They are believed to be a collection of developments which made a local small bourgeoisie class evolve into an international actor of capitalism looking for its own nation-state umbrella.

By saying this, this study also underlines that explaining the Greek independence struggle limited with ethnic or national “feelings” or “identity” might not be enough. Reading the subject together with the triggering role of the Greek bourgeois class which is integrated into European capitalism and the rising nation-state spirit of the period can be seen as parts of the main puzzle of this study. While the importance of Greek merchants in the Greek independence movement frequently is emphasized in the literature (i.e. Clogg, 1979; Hatzopoulos, 2009; Polemis, 1995; Trudgill), there are limited resources or archives that document their attitudes and approaches on independence. Hence, in this article it is argued that the connection between the Greek merchants’ successful adaptation to European capitalism and their initial support for the Greek nationalist movement is functional and symbiotic. In order to advance this argument, the archive studies, trade analysis and quantitative data that deal with the international trade flow in the European ports during the 18th and 19th centuries and the participation of Greek traders in the ports in the European economy is examined. To fulfill its aim; the article will try to analyze the empirical data on conceptual grounds. In the first part, where the main conceptual analysis was made, the very concepts of empire, nation-state, capitalism and trade are discussed. In this section, the reasons of why the imperial order has failed to keep pace with the dynamic economy of the new

national and international markets are read through historical developments in Europe and the Ottoman Empire. Then, the rise of the nation-state, as a counter power, within the capitalist order is scrutinized through the change with the mode of production and the distribution of wealth. This ontological grounding will be followed by some sociological, economic and political analysis of the 18th and 19th centuries Ottoman Empire, when the Greeks were slowly separating from it. To this end, the second part of the study will evaluate the conditions and the status of the Greeks within the *millet* system of the Empire. The heterogeneity of the Greek subjects according to their social, religious or economic advantages and their status vis-à-vis the Sublime Porte will be covered. In the third part, how Greek merchants stepped out among the Muslim and non-Muslim subjects of the Empire thanks to their commercial advantageous will be examined from the perspective of the Ottoman Empire economy and international dynamics. Besides the privileges came with the capitulations, the trading gap in the Mediterranean due to the conflict between England and France, also known as the Napoleonic Wars, was also filled by the eager activities of Greek merchants. Hence, it will be highlighted how the strings of the European capitalism were moving Greek merchants in a direction towards seeking for their own nation-state. In order to give more details from the economic, political and finance history, in the last part, the rapid and effective involvement of the Greeks at major European ports, networks and finance capitals will be analyzed. The article will conclude with a causal and connective evaluation of the findings, claiming that the leading role of Greek traders in attempts to independence resulted from their successful integration into European capitalism.

From Empires to Modern States in an Age of Capitalism

Since this article is about the struggle of the Greeks to leave the Ottoman Empire and establish a nation-state of their own, it is useful to explain some ontological issues when starting the discussion. Therefore, the main discussion of the article will begin by understanding issues such as the problems faced by the imperial order in adapting to the internationalizing production and distribution chain of capitalism, why traders prefer the nation-state system instead of empires and the rise of nation-states.

Before getting into the discussions about capitalism and nation-states connection, it is important to briefly remember the general theoretical background of nationalism in order to understand the common approach towards the Greek independence movement. Searching for the nation-state is essentially an act or idea of nationalism. A rich literature on nationalism has emerged in order to understand the nation and nationalism (i.e. Gellner, 1989; Smith, 2013; Breuilly, 1993; Anderson, 2006). It is possible to talk about more recent modernist approaches to nationalism, which claim that nationalism can

be explained by innate characteristics, whose basis dates back to the 18th century, and that claim that nationalism can be explained with the characteristics acquired later in addition to primordialist nationalism (Özkırmlı, 2017). When these theories first emerged, that is, the idea that societies live under the roof of the nation under the rule of their own states, started to affect all countries starting from England and France since the 18th century. According to the claim of romantic German nationalists such as Fichte Johann Gottlieb Fichte (1762-1814), Johann Gottfried Herder (1744-1803), societies with common cultures, languages, religions, traditions and customs feel like families and these families are called nations. It is also a natural and legitimate situation for nations to want to have their own state by developing common feelings and wills (Herder, 1969; Fichte, 1993). In this context, Greek nationalism has been a movement that excited Europeans from the very beginning, due to the idea that the romantic nationalism movement that rose in Europe in the 19th century had an impact on a Christian society that remained outside Europe and within a non-Christian empire. Studies shaped within the framework of the claim that Greek national identity emerged as a natural search, with common ethnicity, religion and language, and therefore the Greeks sought independence for a long time have been predominantly included in the literature (Kechriotis, 2005; Roudometof, 1998). However, in this study, as stated before, the foundations of the nationalist idea in the international capitalist order that encourages the transition from empire to nation-state will be studied.

The demise of empires and rise of nation-states deserves a special attention here. The differentiation of internal and external, or domestic and international, is a modern phenomenon and does not exist in the world of empires. Immanuel Wallerstein suggests that empires are economically integrated transformed world systems (Wallerstein, 1974: 15). Although such empires accepted the existence of the outside world, they described this world as a mere periphery and never regarded themselves as equal. The overarching hierarchy can be executed either by political imperial control, as in imperial China, or by theocratic authority, as in India. In traditional empires, economic interactions mainly take place within the territories of the empire. The geographical extension of political authority generally overlaps with the spatial extension of the primary market. The most favourable economic way of production, feudalism, entails decentralized authority between local and central political authority figures. Besides, it creates private possession of the means of violence and the lack of any distinction between public and private authority (Spruyt, 1994: 534-536).

Feudalism as a pre-capitalist mode of production (paradigmatically feudalism) does not bring any incentive to increase the income by means of enhancing productivity. The only way to improve the material situation is mainly through territorial expansion. That is why most investments are mobilized into improving troops and weapons. The structure of the interstate system in late

medieval and early modern Europe, therefore, was not merely a consequence of military constraints and political power, but also stemmed from the rules of production that are specific to feudal property relations (Callinicos, 2007: 540-541). In feudal systems, property rights are not clearly defined and continued possession over time established the legitimacy of the land holder. Holdings were embedded in a system of mutual obligations and conveying an exclusive right to a third party is not easy. The codes for trade are underdeveloped and there is a lack of instrumentally rational procedures. Moreover, the local customary proceedings are given too much importance. Great variation in coinage and unstandardized methods make transaction costs high. However, traders prefer standard institutional mechanisms that provide stable contracts and not charging high taxes or fees. “From their (traders’) side”, says Spruyt, “political entrepreneurs will seek to capitalize on gains from trade and will seek to expand their rule in order to do so. They perform a rough calculus aimed at maintaining or expanding their own political positions” (Spruyt, 1994: 531). If commerce occurs across boundaries without sufficient political supervision and support, then the market geographically extends beyond existing political authorities and the merchants start to look for self-help (Spruyt, 1994: 529 - 534).

Commercial activities are volatile and receptive to change. Merchants, by definition, are open to various social, cultural and economic effects and changes, which are inherent to commercial activity. Merchants are the main mediators between rural and urban economies. Even the local merchants move between the neighbouring settlements to purchase supplies or to retail the merchandise. In the pre-industrial economy, the main commercial and financial transaction movement was within a local or regional sphere of influence. Geographic migration is limited to the establishments of shops and the growth of retail trade focused on cities. As the business organization and the networks extended beyond the limits of kingdoms or empires, the economic world of merchants opened and developed. Starting from the 15th century until the 19th century, a unified economic world was created in Europe through developed commercial transactions, established currencies and a common ethics code for the merchants. The empires mainly seemed to resist change while their survival needed some new ways of productivity. As a result, international trade, which was enabled by the new nation-states, was in many places not welcomed during the 19th century. The social roots of capitalism developed in western society and its absence in Eastern society led to a dividing line between on the one hand the progressive West and an inactive East, on the other (Chatziioannou, 2010: 315-315). The trade revolution and the succeeding emergence of numerous international markets, increasing the demand for goods, made it imperative for agricultural production to become commercialized (Veremis, 2007: 35). The transformation of the traditional social system came with a different understanding in economy which aims at gaining, calculating and accumulating wealth. These were the preconditions of capitalist economic development,

which became dominant in society. According to Hobsbawm (1998: 38) the origin of the Industrial Revolution can be seen in the "relationship between profit making and technical invention", which means, if the profit to be obtained in a private entrepreneurship is higher than the profit to be obtained otherwise, it would revolutionize the structure of the production. Wallerstein (1992: 12, 16) underlines that the historical capitalism started in Europe at the end of the 15th century and expanded throughout the world by the 19th century. According to him, the most important difference of this system is the use of capital to accumulate more capital for the future and always aim at growth itself. Capitalism helped expand modern state sovereignty and created a system in which the central bureaucratic state structure has been determined. In this sense, Western Europe entered a new era shaped and changed by economic, technological and political developments and has gained a decisive (*modus operandi*) position for the rest of the world.

Capital accumulation necessitates bigger markets for exchange. The transition from the local economies of agricultural societies to the transnationalizing economies of modern societies based on capital accumulation and industrial development causes serious breaks in societies. As the bourgeois class, the producers of a dynamic market economy came to the fore instead of the landlords that had been the base of the feudal system, the empires, the political units that could not adapt their means of production to change, become obsolete. Empires, which have a closed economy within their broad borders and whose economic relations with other countries are limited, began to be replaced by a nation-state model that allows import and export to operate more liberally and regularly.

As a result, the sovereign territorial state triumphed over empires because it proved more effective at preventing defection by its members, reducing internal transaction costs, and making credible commitments to other units. Sovereign state rulers are in a better position to centralize jurisdiction and authority. Consequently, preventing free riding is easier with this new position. They gradually rationalize their economies and standardize currency units, weights and measures, which corresponds to a greater capacity to act better internationally. Besides, sovereign state territoriality is a way of structuring interunit behaviour in the international arena. Similar types of units for interaction are more preferable for states or, more precisely, the political and social elites within sovereign states. These sovereign rulers could more credibly commit the members of their organization through their control of free riding and defection (Spruyt, 1994: 342, 527).

These explanations bring us to what Giddens underlines; there is a relationship between capitalism and the formation of the modern state (Giddens, 1985: 148). Marxists describe the state as a device of the ruling class and associate it with the interests of capital. Ralf Miliband argues that the state

is ruled by the elite, and this elite comes from the same social strata as the capitalist class. Thus, state employees have parallel interests with capital owners as they are connected to capital owners through social and political features. As a result, the state acts in a way that respects capital class interests (Miliband, 1969). The state and capital act as partners, as two different yet connected autonomous power centers. According to Poulantzas, capitalist states lead the long-term political interests of capital (Poulantzas, 1973). This formation also raises the question of how to transform capital interests into state practices. To this extent, the state system is incorporated within the capitalist mode of production. One of the constituting separations of capitalist relations of production is the “many capitals” that jointly control the means of production. Geopolitical and economic rivalries bring growing interdependence between states and capital. The competitive interaction among them places units of production under systematic pressure to maximize profit and this leads to accumulation of capital (Callinicos, 2007: 533, 540-541).

The best example for capital accumulation, traders and the nation-state connection is perhaps the Greek independence struggle of Ottoman-Greek merchants. As they could not fit into the agriculture-based economic system of the Ottoman Empire, they integrated more and more into international trade networks. In a world where international trade is rapidly developing and capitalism is looking for new mediators and markets, economies that are closed around the central authority of the imperial order have become obsolete. It was evident that the nation-state model, which preserved private property rights, allowed capital accumulation, and envisioned a stable legislative regulation, provided better opportunities for the development of capitalism based on competition and order, than vast and cumbersome empires.

After explaining why the nation-state model replaces empire structures with factors such as capital accumulation, capitalism and the internationalization of capitalist balances, the following section aims to discuss the Greek society and the merchants within the Ottoman socio-economic system.

The Greeks in the Ottoman Empire

In order to deepen the analysis on the ontological basis mentioned above, an elaboration of the capitalist class that is the subject of this study, namely Greek merchants will be useful. International economic conditions were very important for the process through which Greek merchants turned to Europe’s dynamic markets. Yet, the internal social conditions of the Greeks, prompting them to seek independence from the Empire should be understood in a wider context.

The Ottoman Empire’s social, economic and political construction was predominantly built on the Millet system, which is of small religious units. Each

unit had its own extensive powers of administration, jurisdiction and judiciary. These communities were allowed to set their own laws, organize their internal relations, control their education system and collect their own taxes. It is important to note that during Ottoman times the term ‘millet’ referred not to nations as in modern sense, but religious communities (cemaat) (Küçük, 2006: 394) of, specifically, monotheistic religions (ehl-i zimmet) like Islam, Christianity and Judaism (Ergul, 2012: 629). The fault lines within society were around these religious identities, yet the socio-economic conditions were very much reflected the dual-class structure of society. According to Halil İnalcık, Ottoman society splits into two major classes: the ruling and the ruled. The ruling class consists of askeri and ulema, which have the religious, executive and administrative powers derived from the Sultan’s sacredness. The second class is the ruled subjects of the Sultan, which was called the reaya. They were the tax payers, who were responsible for production and agriculture, but had no powers or word in any social decisions (İnalçık, 1964: 44). The gap between these classes was so strong that it even made the other identities less visible when it comes to relations with the state. In fact, a member of the reaya in the Balkans or Anatolia, a Muslim-Turkish peasant or a Greek peasant, was not expected to live under much different conditions, except that the non-Muslims paid higher taxes than the Muslims.

It was difficult to define the Greek millet, which included more than the people of Greek origin. Next to Greek Orthodox people, the Bulgarian, Romanian, Serbian, Ulah (a nomadic society talking a kind of Romanian language living all around the Balkans), Albanian or even Arab Orthodox people were all accepted within the Greek Orthodox community . Despite this scattered ethnic picture, all Orthodox Christians ere gathered under the Greek Orthodox Church (Babaoglu, 2015: 537). For the sake of simplicity, these discussions about nationality or religious identity within this millet were left aside and the term “Greek” is preferred in this study. In return for their loyalty, the Church was given the right to govern, operate its own schools and maintain order within its own millet (Zervas, 2017: 3). In fact, the power and the privileges of the Orthodox Church under the Ottoman rule were even more than during Byzantium times. Its authority over the Orthodox world was beyond the religious relations and covered a large area of daily lives (Clogg, 1992: 23-24). Their ecumenical pretensions to universal authority were consistent with the Ottoman’s own claims to imperial authority. The Patriarchate had to contend with the episodic autonomy of Bulgarian Ohrid and Serbian Pec, but the Orthodox Patriarchates of Jerusalem, Alexandria and Antioch proved less resistant to the dictates of their new capital under Ottoman rule after the conquest of the Arab lands in 1517 (Braude, 1982: 21).

There were also different classes within the Greek millet having different interests and enjoying different life conditions. In the Peloponnese peninsula, large masses of people, engaged in agriculture and had no say on any subject,

were living as citizens of the Sultan. There were also serious differences of opinion between the Greeks, who had political, religious and economic relations with the government. Some of them built their self-interest in parallel with the Ottoman authority and did not show any interest in leaving it. One of these classes was the clerical class around the Orthodox Church. The patriarch had an authority than spanned from religious affairs to the regulation of daily practices (Clogg, 1992b: 11). Moreover, the Grechophone Orthodox Church was accepted as the head of the whole Orthodox communities of the Ottoman Empire. This is why the Church in İstanbul was unwilling to separate from the Ottoman Empire and to leave the sacred city of “Constantinople”. Yet, it should be noted that their stand had changed just before the eruption of the Greek independence movement and the Orthodox Church showed their full support for the Greek riots by calling to “kill the Turks” (Toprak, 2012: 120; Şahin 1996: 190; Karal, 1994: 112). Another group in İstanbul which was small but influential in terms of state power was the Phanariots. They were tied to well-known families of Greek or Hellenised Romanian and Albanian origin. During the decline of the Ottoman Empire, they got, with their skills in diplomacy and education, important positions in diplomatic and economic arenas. Although they seemed close to the Greek intelligentsia due to their sophisticated features, the Phanariots did not want to lose their privileged positions in the Empire and their links with powerful financial and religious groups. The third and the last class, which did not want an independent Greek nation-state, was the kocabaşıs. They were the privileged tax-collectors of the Sultan in the Greek millet lands, with their only charge of collecting armed-troops during wartime. In fact, due to their harsh attitudes towards the peasants, the Greeks called them “Christian Turks” (Clogg, 1992b: 21-41).

However, not all Greeks were in favour of the continuation of the Ottoman Empire. In fact, the Greek independence movement was a resistance not only to the Ottoman Empire, but also to the conservative Greek classes which did not want to lose their privileges . The pre-nationalist armed bandits of Klephts, who were mainly in the mountains to avoid state authority or tax payments and the irregular armed groups, the Armatoloi, employed by the Ottoman state (Clogg, 1973: 8-9) they became the first ones to support the Greek movement against Ottoman rule.

Besides, the Greek philosophers and intellectuals had also the fantasy of (re)uniting the Hellens. This new intelligentsia was brave enough to criticize the old Ottoman system, need for an independent nation-state and the virtue of Western ideas. According to them, the antithesis of the enlightened, modern and secular West would apparently be the old, barbaric and religious Ottoman Empire (Roudometof, 1998: 21-22).

One of the most important elements of the development of the national movement was the class of wealthy and entrepreneurial merchants, emerging in

the 18th century, operating inside and outside the Ottoman lands. They not only met the main views of the Enlightenment, the French Revolution, or romantic nationalism, but also saw how extraordinary the Greek language and civilization had been in the thoughts of the educated European contemporaries. (Clogg, 1997: 37, 40-41). Ancient Greek culture was an attractive area of study for the Europeans during the Renaissance and humanistic movements. The mythological Greek people, who are brave, courageous and beautiful, created the high and most of the time unreal expectations about the Greeks living under the Ottoman rule (Turan: 199: 267).

The foundation of Philiki Hetaireia, which organized the independence movement among the Greeks, is crucial. It was founded in 1814 in Odessa, one of the strategic centers of the Greek mercantile diaspora, by the three Greek shipowners, Emmanuil Zanthos, Nikolaos Skufas and Athanasios Tsakaloff, who had become attracted to Jacobin-style politics advancing liberal and nationalist ideas (Hatzopoulos, 2009: 81). They came together after the murder of Rigas Velestinlis, one of the first leaders of the Greek uprising, in Belgrade in 1798, and decided to organize an armed uprising against the Ottoman overlords. They took the support of the other merchants soon and the organization developed and extended in time. The majority of its members were merchants (Clogg, 1997: 47-48). The number of the members did not exceed 1000 until 1821. 54% of its members were merchants, 13% professionals, 12% provincial notables, 10% clergymen, 9% soldiers and only 2% peasants and artists. The merchant members were the main providers of the financial support (Clogg, 1979: 49; Turan, 1999: 266). It is important to pay close attention to the connections between intellectual activity and the Greek mercantile class. Between the eighteenth century and the middle of the nineteenth century, the merchants represented the dominant social and cultural model among the Greeks living in the Ottomans. They developed a market economy which created a distinct economic world and led the opening of the social circle (Chatziioannou, 2010: 321). Especially the Greco-phone literary production increased and hundreds of books were translated from Western languages to Greek. Throughout the 18th century the output of books in Greek increased noticeably and this development shows the wealth and variety of subjects which concerned the Greek Intelligentsia (Koumarianou: 1973: 70). They provided monetary support for publications intended for the Greek reader, which was growing outside the empire's borders and increasingly secular. Books published in the last quarter of the 18th century were seven times that of the first twenty-five years. In the twenty years before 1821, about 1300 different books were published (Clogg, 1997: 40). The books had been published mainly in European cities, such as Paris, Odessa, London, Vienne or Trieste, often with the support of the Greek merchant communities living there (Lekas, 2005: 173). They also financed for the establishment of new schools and libraries, paid for the young generation to study in Western European countries (Koumarianou, 1973: 76; Trudgil, 2000:

241). Greek merchants were eager to finance the young Greeks to go to European universities and collect the ideas about freedom, liberalism and nationalism.

The initial source of the Greek nationalist movement, before any kind of European loans and donations, were from the merchant communities' financial resources (Lekas, 2005: 171). In the development of national consciousness, this was crucial to discerning being a Greek, not only an Orthodox Christian anymore. The role of the merchant on the independence movement was so deep that according to some myths, in the flag of Greece the merchants were symbolized with the colours of blue and white, the similar colour of the clothing (vrakes) of Greek merchants during the Greek War of Independence (Serafetinidis, 1981: 297). Hence, it can be easily said that the merchants were responsible for putting the intellectual awakening. While the support of Greek merchants to the Greek independence movement was maintained as a secret activity from the Ottoman state in the early days, with the increasing power of this class over time, they no longer needed to hide. Behind this self-confidence are the rapid capital accumulation, the support of the great powers and their increasing power in the European economy. The centuries, when the Ottoman Empire declined politically and financially, turned out to be the opposite for the Greeks.

The Economic Collapse of the Ottoman Empire and the Rise of Greek Merchants

In the above section, how Greek merchants stood out from the other powerful Greek classes of the Ottoman Empire and began to play a leading role for the Greek people was discussed. In this section, the economic detachment of this class from the Ottoman state and its gradual strengthening as a significant economic power in the Mediterranean will be analysed. These discussions will also shed light on how this class is integrated into European capitalism.

The economic system of the Empire was not responding well to the socio-economic developments in the modern world. In fact, it would be correct to look for the reasons for its inability to adapt to developments in the world in its internal dynamics. The laws took long time to be issued and did not always provide solutions to challenges. The land tenure system, or feudalism, was one of the major pillars of the Ottoman social, economic and cultural structures.

The system was known as the timar-sipahi system, and was a synthesis of Arab, Persian, Seljuk and Byzantium elements. In this system, the lands added by the expansion were seen as the possession of the sultan. He could give it as a gift to either religious institutions or to those knights who had distinguished themselves in battles. The goal of handing over such landholdings was not only to ensure the welfare of the privileged individual sipahi, but also to make sure that he and his retinue (company) would continue to join the Ottoman monarch

in the wars he waged. As the form of warfare rendered the old cavalry style obsolete, the class of sipahi landholders gradually lost their importance (Veremis, 2007: 34-35). The degree to which the system was executed in a region depended on the geography, religion, economy and customs of the population living in a given region. There was not any unitary knowledge or implementations for the land tenure system; everything was based on scattered and fragmented legalistic ideas (Vucinich, 1962: 599-600).

With the beginning of the impact of capitalism in the Ottoman Empire, the relationship between traditional economic values and the new regulations of the modern system was one of the most important problems. Along with the industrial revolution, the conquest policy in the classical system of the Ottoman Empire that guided the society-state relations had come to an end. It is one of the reasons for an economic development based on private entrepreneurship that the masses of wealth have long been concentrated in the hands of political powers and power holders rather than traders and entrepreneurs (Akça & Hülür, 2005: 313). It was obvious that the Ottoman Empire was an "old-fashioned" structure with its down falling land system and the corrupted redistributive economy. The Ottoman agriculture was commercialized and the peasants were reduced to a state of de facto serfdom, as the raw materials and agricultural products produced in the Empire were engaged in export. The Ottoman craft industry and manufacturing within the Ottoman Empire were also deeply challenged with the impact of economic expansion of European capitalism into the Ottoman economy.

Of greater significance during the economic and social dissolution of the Ottoman Empire was the emergence of an entrepreneurial and prosperous Greek mercantile class. Although their wealth increased dramatically during the Ottoman Empire, they were also making big profits of the trade and became the middlemen par excellence of Istanbul (then, Constantinople) in 15th century Byzantium (McCarthy, 1997: 69). They continued to accumulate during the Ottoman Empire and did not face big problems about adjusting to the world scale economy and the capitalist system. The mercantile communities or paroikies were established in many of the main Mediterranean port cities, in the Balkans, central Europe and southern Russia. In fact the Greek fleet became one of the biggest fleets in the world and Greek became the lingua franca of Balkan commerce (Clogg, 1992b: 23-25). Greek captains laid the foundations of the fleet, which would be the largest commercial fleet of the 20th century, based on three major "sea-originated" islands, Hydra, Spetsai and Psara (Clogg, 1997: 38,39).

On the other hand, the Ottoman system proved incapable of transforming itself to new circumstances, and this marked the onset of its inevitable decline. The socio-economic structure was founded on the dynamism of conquering new lands and it seemed to come to an end. The Empire started suffering when the European opponents first curbed advance of the Ottoman

army and then started to push back (Veremis, 2007: 35). The 18th century started with the Karlofça (1699) and the Pasarofça (1718) Agreements, by which the Ottoman Empire lost a great deal of lands in Europe. These agreements meant the beginning of the end, because they also included harsh economic conditions for the Ottoman Empire, which are called the “capitulations”. With the “capitulatory privileges” in the 17th century, the European powers began to extract extremely favourable trade terms, which also oriented the whole Ottoman economy to the development requirements of European capitalism. In terms of meaning, the capitulations were privileges granted to European merchants, and later to states, by the Ottoman sultans through a decree or edict. They were not reciprocal and believed to be revoked by the Sultan when he felt that the foreign power had broken the pledge of 'friendship and sincere goodwill'.

Especially the agreements with Russia had a dramatic impact on the Ottoman socio-economic structure. Besides the freedom of navigation granted to the Russian fleet in the Black Sea, Russia virtually became the protector of the Greek Orthodox Church subjects and had the right to interfere in the domestic affairs of the empire whenever it saw fit. Moreover, the notorious dragomen who were employed by the Russian embassy were given a new status placing them outside Ottoman law, which means to be excused from all Ottoman taxes and entitled to pay the same low customs duties charged to the Russians under the capitulations. This treaty gave the privilege of commercial action without being obstructed by the Ottoman authorities, provided that their ships were carrying the Russian flag, as a flag of opportunity. Within a short time, Russian consuls abused the articles and sold such appointments (berat) at considerable profit to Ottoman Greek merchants. By 1808, Russia had enrolled about 120,000 Greeks as “protected persons” (Economou et.al., 2016: 2; Ahmad, 2000: 2-5).

These merchants dominated the imperial trade, exporting raw materials to the Western countries and importing the Western manufactures (Clogg, 1992b, 23). Capital owners in Europe attached great importance to the raw materials coming from the Ottoman Empire and the processed products to be sold there. The primary export of the Ottoman Empire includes angora and goat wool, silk, leather, tobacco, olive oil, wheat, dried fruits and raw cotton. Ottoman imports were mainly manufactured products, such as woollen fabrics, gold brocade, Tunisian-style caps, metal and mechanical goods, paper, sugar, and coffee (Panzac, 1992: 191).

As a result, the static and introvert economy of the Ottoman Empire that could not keep up with the dynamism of international capitalism made the enriched Greek merchant class moved away from the Empire and turned towards the European capitalism. They experienced an unprecedented prosperity from the new conditions of international economy and built strong relations with French, British, Italian and Dutch capitalists with their increasing

trade advantages and experience coming from the capitulations. In the next chapter, the gradual integration of the Greek merchants into European capitalism, through trade and finance sectors will be touched upon.

European Capitalism and the Greek Merchandise

The second half of the 18th century and the turn of the 19th was an era of turbulence marked by a series of world-wide political crises which brought new economic actors into European economy. The equilibrium of the old powers in Europe, Britain and France, was disrupted with the political upheavals both within and outside the continent. On the one hand, the American War of Independence (1775-1783) breached the mercantile relations of metropolitan Britain; and on the other, the French Revolution (1789) and the Napoleonic wars (1792-1815) following it as a political and military upheaval spread across the continent and the Mediterranean.

These wars can also be explained by the structure of the economic system. During the period of Mercantilism, international conflicts began easily due to the struggles of the states over colonies and trade. Manifestations of war were largely drawn on the basic principles of mercantilism (Galani, 2010: 179-184). There was a blockade system, the Continental System, which was designed by Napoleon to blockade British economy by placing obstacles in the trade of Great Britain with France and its satellites, allies or associated powers. During the Napoleonic wars the Continental System paralyzed the European economy. France was surrounded by the constant attacks of British warships which for the French made trade difficult, including running business in the Levant. Hence, they turned to the neutrals to facilitate its trade. The laws were changed in favour of the foreigners. As French officials found it difficult or expensive to trade with the Levant on their own, more and more concessions were made.

While the two major hegemonies of Europe, Britain and France were in a military confrontation, they were also forced to open-up their trade monopolies to facilitate their trade, when free trade was not yet an established state policy. The activities with the Eastern Mediterranean, Levant, changed as the balance within Europe changed. One of the biggest powers of Europe, Britain, had a rapidly growing economy and in a desperate need of new markets which prompted it to search for eastern Mediterranean market on a larger scale and more than ever before. It eased the monopoly regulations with Levant. Immediately after the peace deal signed with the Ottoman Empire in 1797, the first Greek ships were already arrived in London from Smyrna. At the end of the Napoleonic Wars, Britain seemed to have broken France's economic superiority, but at the cost that a significant part of the trade in the ports in the Eastern Mediterranean was now carried out by Ottoman Greek merchants (Frangakis-Syrett, 1987: 73-74). In the capitalist order, where the supply of raw materials is

as important as the sale of processed goods, fast and regular trade can sometimes prevent conflicts of political interest. As a matter of fact, despite the wars, neither of them tried to end the trade of the other completely. Continuing trade in the Mediterranean, albeit in alternative ways, was preferable for both countries.

The Mediterranean was always of vital importance to control the border and the oldest traditional market. The colonial markets of the periphery were expanding but the intra-European trade in the 18th century was still critical because of its value and volume. In the 1790s, 76% of European exports were made among the European countries, when the economic activity with the periphery countries was highly limited. With the conditions of the Treaty of Küçük Kaynarca in 1774, the Greeks had easy access to the Black Sea and to the Russian granary, provided the Greek ships sailed under the Russian flag when crossing the Dardanelles. The British were also granted access to the Black Sea in 1802, but they remained largely dependent on the Greek shipowners to carry grain to the trade centers of the Western Mediterranean. Beside the international agreements, the Greeks were also supported by the Ottoman Empire, especially by Sultan Selim 3rd. He introduced a series of administrative reforms to strengthen the position of the Ottoman mercantile fleet against the international rivalry in Mediterranean shipping and trade. A group of merchants was entitled to trade with Europeans under favourable terms, like the ones granted to European merchants through commercial treaties. Jews and Armenians also benefited from the advantages of capitulations in trade, but the biggest profit was made by Greek ship traders with their smart strategies. It was only sensible that because of their prior experience as seafarers and merchants, Greek shipowners were the ones to benefit from such a policy (Galani, 2010: 180-184).

The Greeks were the main suppliers of the raw materials of the Balkan Peninsula and controlling most of the trade with Egypt, the Aegean islands and the Ottoman (Polemis, 1995). In a very short time, they became the main traders in the most important ports of the Mediterranean. There are many different reasons for this success. But the most important thing is that the Greeks knew how to find all kinds of weak links and grey areas in the trade network, where France and Britain were trying to monopolize, and make a profit from it.

The period between 1780-1820 is crucial in the economic development of the Greeks. They managed to accumulate a spectacular amount of capital and economic power in this period, which coincides with the expansion of the world economy (Frangakis-Syrett, 1987: 73-75). In the 1780s the main merchant shipping fleets of the Mediterranean were the French, Spanish, Austrian, Ragusan (Republic of Dubrovnik) and Ottoman. In 1786-87, the French had 5,268 ships (729,340 tons) which were almost entirely from the Marseilles trading between the Western and Eastern Mediterranean. The Italians owned the

second biggest fleet with 2,350 ships (253,815 tons). The third biggest shipping fleet in the Mediterranean was the Spanish with 1,202 ships (149,460). Austurians has the fourth biggest fleet of 1,141 ships (84,090 tons). The Ragusans were the traditional local seafarers of the Balkans and in 1786, they had 163 vessels (40,479 tons). The Ottoman fleet was estimated around 400 vessels (48,000 tons) in 1780s, yet with the capacity of longer routes like the sea powers of Genoa and Venice. By the end of the Napoleon Wars, they had more than doubled the fleet and became the main carriers in the Eastern Mediterranean and the Black Sea (Harlaftis & Laiou, 2007: 3-7).

In addition to the fluctuation in duties and the restriction of trade, the insecure environment at sea started to increase transportation, agency and insurance costs. This led to higher freight charges and uncontrollable profits in trade (Galani, 2010: 180). The Greeks were successful in breaking the predominance of western European nations in the carrying trade between the east Mediterranean and west Mediterranean as well as to Western Europe. Even in the riskiest times of the wars, they did not give up trade and they made a big profit from it. Neither the Armenians nor the Jewish Ottomans took such great risks and did not dare to enter this sector as much as the Greeks. Even if they attempted, they could not find much support due to the cooperation of Greek sailors, who protected each other in the region. Many of Greek merchants were cooperating with each other since they were part of extended family companies, which had branches all over the east and west Mediterranean. During the Napoleonic Wars, as their number increased, they developed the Greek merchant fleet in the seas by collaborating with Greek seafarers, like Psariots, Hydriots and Spetsiots (Frangakis-Syrett, 1987: 73-84). Greek ships were not big but maneuverable and fast, provided that they were used as blockade runners. Greek shipping benefited from the blockades. They defied the British naval blockades and supplied French ports, yet with higher prices. In 1810, their fares of journeys were 16.66 %, increasing to 38.64 % and even as high as 44.87% of the value of the cargo during the blockade (Economou et.al., 2016: 5-7).

The Greeks, as the local carriers of the Mediterranean, experienced a rapid rise in maritime trade and were able to create the largest and most active fleet of the period. When the French Wars ended, the fleet carrying the Ottoman flag had doubled. In fact, it should be added that the ships of Greek merchants did not only carry the Ottoman flag. There were also Greek merchant ships carrying the flags of Venice, Russian and Jerusalem. The number of ships of Greek merchants was even higher than the official figures. They were so strong that by the end of the 18th century they moved their areas of activity beyond the Mediterranean and started to bring goods to Latin America. According to a study examining the ship trade in the Mediterranean in the 18th century, over 24 thousand Greek ships entered 15 Mediterranean ports (Galani, 2010: 180-182). Ancona was one of the most active ports of Europe which had a remarkable growth as a hub for international trade in the 16th century and became one of

the first commercial centres outside the Balkans attracting a considerable number of Greek merchants. By the middle of the 16th century, there were more than 200 Greek houses already established in the city (Polemis, 1995).

Although trade was somewhat disrupted by the Seven Years' War between 1756 and 1763, France was the only force that controlled Ancona's trade with the Ottoman Empire in the 1760s. This picture changed when the Ottoman merchants of Greek origin began to buy new ships from the Russians at low prices after the 1768-1774 Russian-Ottoman War ended. While there were only three or four Greek ships on the Ancona trade route in 1777, this number had increased to twenty-five in 1785, which corresponded to one third of all ships on that route. However, French ships with a capacity of over 200 tons versus Greek ships less than 100 tons still provided the French with an advantage in the trade between Ancona and Levant. After a while, Greek sailors became rich enough to purchase the 150-200 tons of big ships of the French (Frangakis-Syrett, 1987: 82-83). In fact, the shipyards in Hydra, Psara, Galaxidi and other islands were able to build ships (Polemis, 1995), but this was forbidden by the Ottoman authorities to avoid a threat of a strong fleet which potentially could be converted into warships, as it really happened during the Greek rebellion of 1821 (Economou et.al., 2016: 6). Their activities requiring courage had also an impact on their nationalist pride and conscience. Their success and confidence feelings developed with their fights with the pirates and reaching their destinations with loaded ships made them feel more independent. The seafarers, shipowners and ordinary seamen alike, donated great sums of money to the liberation movement. Their support was not limited with finance. In fact, during the Greek independence movement, about 600 merchant ships became the warships and some of them became the captains or higher officers of the Greek navy. For example, the Admiral of the United Navies of the Greek Islands in 1822 was Andreas Miaoulis, who was a captain on a merchant ship (Polemis, 1995).

The activities of the Greek orthodox merchants extended into other ports of Europe, like Genoa, Messina, Marseille and Trieste. In 1782, neutral Greek sailors began to work on this route as the French lost their trade profit from their port from Marseille to Messina in Italy. So the Greeks were no longer just buying from the East and selling in the western ports; but also transporting food and raw materials from southern Italy to the ports of Marseille and Lyons (Frangakis-Syrett, 1987: 82 - 83). They were manipulating the trade of many different products, especially grain, not only in its legal transportation but also including the illicit trafficking of them. They had a quasi-monopoly allowing them to manipulate the market to their advantage (Polemis, 1995).

Since the effective trade of Greek seafarers was very profitable not only for them but also for the port cities to which they were affiliated, the Naples Court, to which the port of Messina was affiliated, removed some commercial

regulations that restricted the activities of Greek seafarers. Since Italy's free port, Livorno is a port that can hide from Europe's bulky monopolistic trade and move more comfortably, it was the first major port where Greek merchants settled. Greek trade families such as Petrocochino, Prassacachi Brothers, Skaramanga, from Smyrna and Istanbul, settled in Livorno (Frangakis-Syrett, 1987: 75 & 83). The annual average of the Greek ships entering the port of Livorno was 10 between 1768-1772. Between 1803-1807, there were 91 Greek merchandising ships arriving to Livorno port (Harlaftis & Laiou, 2007: 6). Another port, Messina, was also welcoming the Greeks. Greek merchants were mainly carrying olive oil from the Aegean Archipelago to Europe, to Messina. In Messina the oil was transferred to Genoa vessels and transported to Genoa and Livorno, where it was treated. When the oil reached its final destination in Marseilles to the soap manufacturers, the cargo was smuggled in without paying the 20 % duty levied on foreign trade by the French. The price of the oil transported by the Greeks to Marseilles was cheaper than the French merchants buying directly from the Aegean islands, transported to Smyrna and then on to Marseilles in French ships. In 1785, 22 % of Messina's imports came from East Mediterranean and 6 % of its export was going to Smyrna. Around 10 % of Smyrna's export and import was done with Genoa, Livorno and Messina (Frangakis-Syrett, 1987: 76). They also developed combined land and sea transport between western Balkans and these port cities in the last third of the 18th century. By the 1820s, the Greek diaspora merchants had expanded their land and maritime trade networks from Black Sea to northern Europe (Harlaftis & Laiou, 2007: 16).

The institutional organization of Greek shipping was organized in a “capitalist” way, such as the importance of property rights protection and the insurance of cargos and ships. The funding of a ship was almost always was undertaken through a partnership company of five to eight partners. They usually had family connections with each other. Partners were responsible for the amount of money they contributed and sale of their share could be feasible. It was common practice to invest money in more than one shipping activity. Funds could be accepted by anyone without concerning the origin and women had the same commercial rights as men. The validity of the shares between shareholders or juridical intervention in cases of disputes was organized according to “Hydra Maritime Law” of 1818. It was offering legal and de jure judicial coverage to all commercial activities, such as verifying the validity of the shares between shareholders, or offering local judicial intervention in cases of disputes among the shareholders (Economou et.al., 2016: 7).

They developed into ethnic-religious networks upon their own “unofficial” international market in which they operate independent from the states in which they were established. Trust in Greek diaspora firms was generated via common economic interest and the socio-economic system of family connections. In fact, their strength came from these relations built on

trust. In this way, they were able to create a production system of different sizes of businesses between the local/regional, the national/peripheral, and the international networks (Jones, 2000: 164). This organizational capability gave access to many different ports, agents and human resources, which provides the Greek diaspora to survive international competition. Even though they chose their agents mainly from their own families and relatives, and recruited their business allies from their own nation; trust was not only through loyalty to family and country, but also through pure economic interest. Their cohesion was derived from the business culture they developed and the shipping capabilities (Harlaftis, 2007: 242, 243).

After saving sufficient amount of capital, Greeks were also ready to get involved into the financial sector of Europe. After all, the more Greek merchants settled in the ports, the better the opportunity to get involved in port trade and the economy of the country. As a matter of fact, until the 1780s, trading currencies was in the hands of European traders, but the Greeks were quick and smart to enter this financial sector. During their trade, they collected bills of exchange in foreign currencies from foreign buyers, which is a document used in international trade to order a person or organization to pay a certain amount of money. If any foreign currency in the ports of Smyrna or Istanbul decreased, they would collect all the bills in that currency, go to the port of that country and sell. High demand bills of exchange notes brought significant cash to Greek traders with high profit rates. At a time when the money of the Ottoman Empire depreciated, the Greeks were not only selling over European money, but also making money over these coins. With this method, they began to actively take part in international financial centers such as Livorno, Genoa, Venice and Amsterdam. In this port, money speculation was made as well as the trade of raw materials from the Ottoman Empire and clothing from Europe. Especially with the flexibility of the liberal system in Amsterdam, the Greek traders settled there with several social and political benefits and got involved in the financial speculative networks. Because Holland had a liberal policy, it allowed foreign merchants to set up houses in their ports. In the 1760s, Mavrogordatos, Smyrna's largest house, was one of the first large houses established in Amsterdam. They actively involved in the money speculation market in the Netherlands that gave high profits even more than the trade (Frangakis-Syrett, 1987: 78-79).

Based on what has been explained so far, there can be some determinations. The Greek merchant class has benefited from both its commercial advantages in international trade and the environment of conflict between the great powers in the Mediterranean. The vast accumulation of capital he acquired helped him not only to break out of the Ottoman Empire's control, but also to become one of the major commercial actors in Europe. In other words, it is obvious that this class, as an actor who has become a state within the state, demands its own political upper unit with a mercantile impulse

(Keyder, 1997: 33). The wealthy merchants socialized with European immigrants. They developed a cosmopolitan world view during their frequent travels abroad and got accustomed to different social or cultural features of Europe (Orfanou, 2015: 13). The enormous wealth they achieved brought along values such as the demand for national independence and keeping up with the modern capitalist world. Therefore, it is clear that the Greek traders, who provided the most critical initial support to the Greek struggle for independence, did not only do so with a nationalist drive for independence. The self-confidence that comes with being included in European capitalism and the search for the modern nation-state needed for internationalizing commercial relations stand before us as important dynamics of this historical puzzle.

Conclusion

In the modern world of international relations, nation-states are not only units of political actions, but also actors of capitalist relations. Instead of the large and over-centralized empires of the Middle Ages came a model of the sovereign state in which capital grew in the hands of private entrepreneurs, and politics developed in parallel with this economic growth. One of the actors who closely watched and even demanded this change was the Greek merchant class in the Ottoman Empire. The Greek traders, who quickly turned their commercial advantages into a great international economic power, were among the first group to imagine an independent Greek authority.

Since they were cut off from agricultural production in the Ottoman Empire due to high taxes and central pressures, they turned to local and international economic activities, which they already knew since the pre-Ottoman times. As the Ottoman Empire was losing its economic strength after a series of military lost at battles, these seafarers were benefiting enormously from the protection of great powers and the capitulations in the Black Sea, the Aegean and the Mediterranean. As the Napoleonic Wars disrupted trade security in the Mediterranean and the traditional European great powers of Europe tried to break each other's power, Greek sailors used all the chances and made an unexpected and powerful entry into European capitalism. The new conditions in Europe brought new opportunities and profit for new players, namely the Greeks in this picture. The idea of a nation-state developed among Greek merchants who were enriched and lived in various European and Levantine port cities. They managed to build fleets large enough to compete with big states such as France and Britain and became one of the powerful economic actors in European capitalist economy. They became strong enough to monopolize the markets of some products, regulate the trade business in Europe and interfere into financial sectors of some big European cities. As they were becoming less and less Ottoman in their diaspora communities, more and more integrated into European capitalist economy. To act like an actor brought the intentions to

actually become one. The rising nationalist ideas in Europe had a great echo among these merchant communities. Their organizational structures and competitive action capabilities in Europe did no longer to bring them to ask for their own national economic model. In order to turn these ideas into reality, they supported the intellectual activities of publishing books, opening libraries and sending the young Greek students to learning about nationality ideas at European universities. Before any state in Europe or Russia, it was the Greek merchants who first sponsored the rise of the idea of Greek nationalism. They also took action and became the founders and financiers of the Philiki Hetaireia association, the main organization to organize the separatist movement.

Their political action for nationalism was preceded by their international economic activities. In other words, the ground for a politically nationalist idea was mainly coming from the given group's economic activities abroad. As the Greeks were influencing and shaping the European capitalism, the European capitalism was also influencing and shaping them. This transition between local, national and international levels can be a good reference point for IR to reread the formations of nation-states. As much as the national dynamics, the international ones are also effective in designing and bringing the nation-state expectations. As a concluding remark, the emergence of the Greek independence movement was triggered and fuelled by the class of merchants, who were motivated by their successful integration into European capitalism at many levels.

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