The exploitation of otherness in the economic advancement of the Rum millet

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I

HOW WAS THE ECONOMIC and social life of the Rum millet determined by the status of zimmi in relation to the general conditions of economic life in the Ottoman Empire? Was the economic advancement of the Rums after the mid-eighteenth century a function of their religious otherness and how is the course of this relationship described? Is there any validity in the view of the Modern Greek historiography that the special conditions within which the Modern Greek economy formed, and consequently the conditions in which capital was accumulated, are convergent with those in which Modern Greek ethno-national identity was shaped? In other words are the roots of the economic and social, and therefore the political development of Modern Hellenism to be found in the period of Ottoman rule? All these questions are among the desiderata of Greek historiography. I am fully aware that my endeavour here is an ambitious one, particularly since hardly any preliminary work has been done to prepare the ground for such discussions. A wider study, through a single scheme, of the economic physiognomy of the Miller-i Rum in the years of Ottoman rule has yet to be made.¹ Such a study, which would examine both the pre-Tanzimat period and the situation that emerged after the Tanzimat reforms, would surely reveal transformations that are unknown and policies and practices that are usually ignored.² Most of the


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studies that exist focus on the economic position of Greeks in the nineteenth and the first two decades of the twentieth century. So I hasten to point out that I shall essentially be presenting some of my thoughts on this issue, in order to bring them to your attention. Let me say from the outset that I have neither the intention nor the possibility of covering the commercial activities of the Rums in the Ottoman Empire in the eighteenth and nineteenth centuries —a sector in which they distinguished themselves. Nor, of course, shall I cover the mosaic of their economic relations from the Fall of Constantinople in 1453 to the Greek War of Independence in 1821 and the founding of the Modern Greek State in 1830, even though these *termini post* and *ante quern* define the space of my research. I shall refer to these economic relations schematically and use them as management tools in the documentary procedure that my subject demands.

Let me start with a few observations:

I. Millet and millet system

The first observation concerns the concept of the *millet* in general and the *millet-i Rum* in particular. Traditionally, as presented by Gibb and Bowen, the millet was thought to correspond to membership of a religious and denominational group within the Ottoman Empire, that continued to regulate its own internal affairs, education, religion, justice etc. Studies by R. Davison, B. Braude and K. Karpat have shown that the function of the institution in the context of the Ottoman State, that is to say the dealings between Muslim governmental authorities and non-Muslim commun-


4. It should be noted here that the bibliography cited in the footnotes, on such a wide subject matter, is purely indicative and in no way exhaustive.

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Ities, was a reality only in the two final centuries of the Ottoman Empire. Braude claims that the millet system did not exist as an empire-wide system for regulating the affairs of the major non-Muslim communities during the fifteenth and sixteenth centuries. Furthermore, even when a change in administrative terminology was introduced, as in the seventeenth century as M. Ursinus was demonstrated, there is no evidence that it went beyond the capital or was accompanied by any substantive change in the administrative system. For Braude, such a transformation did not occur until the reforms of Tanzimat. Thus, any mention of the institution of the millet during the first centuries of the Ottoman Empire, which presupposes the specific significance it acquired in the period of the Tanzimat reforms, is an ex post construct. It is an anachronism that has, in the meanwhile, been generally accepted and is reproduced continuously as an ideology, aimed, intentionally or not, at projecting either an Ottoman tolerance of the conquered peoples or, from another angle, an Ottoman inability to govern without the compliance of the conquered people, the Greek Orthodox Christians in this particular case. For Mary Neuburger, the millet myth served the interests of certain non-Muslim leaders, either as a badge of subordination to Ottoman “oppression” for European public opinion, or as a basis of legitimacy and precedence for group autonomy. For her too, as Braude has pointed out, the myth of millets arose only in the nineteenth century, largely within the literature of the non-Muslims.


8. Mary Neubeurger, «Out from under the Yoke: Rethinking Balkan Nationalism in Light of Recent Scholarship on Ottoman Longevity and Decline», New Perspectives on Turkey 15 (Fall 1996), 131.
Ursinus, on the other hand, seems to feel that the term *millet* indicates a religious community. According to him, the term entered the administrative language of the Ottoman State, for characterizing the non-Muslim religious communities, long before the Tanzimat reforms. It is obvious from the debate on the meaning of the term *millet* that much research is still required in order to determine its full implications in the first centuries of the Ottoman Empire. H. Inalcik had called for such study as early as 1964.9 There can be no doubt that the content of the term *millet* during the first centuries after the Ottoman conquest was different from that assigned to it later, in the nineteenth century. It is also certain, at least according to what the existing literature on the subject leads us to understand, that during the pre-Tanzimat period the millet system, as a vision of society, denoted the framework within which *gayri müslim* (non-Muslim), namely Christians and Jewish, communal authorities, functioned under Ottoman rule. It usually dealt with non-Muslim subjects as members of a community (*millet*) rather than as individuals. That is, membership of a subject *zimmi* in a community determined a person’s status at the social and political level. In my opinion, D. Goffman has given the clearest definition of the content of the term millet before the nineteenth century: «For several years, the strategy that we call the millet system helped the Ottoman State to organize and categorize those it ruled and to function as a legitimate source of authority over them».10

The significative content of the term *millet-i Rum* also changed through time, when the rise of nationalism in the Balkans radically differentiated the relations between the ethnic-linguistic communities and ecclesiastical structures. In the early centuries, all the Orthodox Christian subjects of the sultan belonged to the Rum millet, a microcosm of ethnicities similar to that of the Ottoman Empire. It included not only Greeks, but

also Slavs, Romanians, Bulgars, Vlachs, Orthodox Albanians, Arabs and Caucasians. Moreover, as Richard Clogg notes: «the strictly “Greek” element itself was by no means homogeneous. A Greek of Epirus, for instance, would have had much difficulty in comprehending one of the Greek dialects of Cappadocia, while a Greek of Cappadocia would have experienced equal difficulty in understanding the Greeks of Pontos, or the wholly Turkish-speaking Christians, the Karamanli». 11

The entire issue of the origins of millets necessarily brings to the fore the question of the exact nature of the privileges accorded to Gennadius and his successors by Mehmed II. 12 From an analogous perspective, the reinstating of the Patriarchate of Constantinople by Sultan Mehmed II, immediately after the conquest, should not be regarded as a granting of privileges, which is the usual interpretation even today. After all, these famous privileges, apart from the basic one granting religious freedom, were no more than the usual arbitrational process, and decisions were only implemented with the permission and co-operation of the Ottoman authorities. The reinstating of the patriarchate should be seen as one of the strategies of the conquest; it was a political act aimed at consolidating the sultan’s rule over the Christian populations of his empire and at keeping territorial claims by Western Christendom at bay. And we must not forget that from a demographic perspective, after the conquest of Constantinople, the Muslims were the minority in the Balkans.

II. Islamic State and «zimmi»

The second observation, which will be discussed below, is a very basic one in my opinion and concerns the status quo formed on the morrow of the Ottoman conquest.

With the Ottoman conquest a society of conquerors came to dominate


12. According to tradition, these privileges were presumably recorded in a berat, but when Patriarch Theoleptos I protested to Sultan Süleyman I in 1522 against his persecution of Christians, he was unable to produce any written document of Mehmed the Conqueror confirming the Church’s privileges. See R. Clogg, *A Short History of Modern Greece*, Cambridge University Press 1980, 18-19.
a society of the conquered, the peoples of the former Byzantine Empire, and, as is well known, according to Islamic Law, the property and the life security of non-Muslims (zimmî) are the responsibility of the Islamic State. Vertical social mobility and the consequent process of osmosis came up against the barrier of religious otherness between the conquerors and the conquered: the roles retained for the latter were limited and fixed: whether social or economic, they were defined by an impassable boundary imposed by the internal organization of the conquering society itself. For it should always be borne in mind that the Muslim State was made up of two strata, «those who represented the ruler's authority and the ordinary subjects (reaya). The main concern of the state was to ensure that each individual remained in his own class».¹³ The full incorporation of the conquered in the governmental system, so that they could benefit from all opportunities for social advancement, presupposes a transition from one cultural identity, which is the religious, to another. In other words, it presupposes Islamization: transition to the sovereign society is achieved through conversion to the Islamic faith at a group or a personal level. The Ottoman Empire was the sole state in Europe in recent times, until the late or at least the mid-nineteenth century, consisting of two social formations, two bodies with their own economic and social stratification, the one subordinate to the other; the dominant Muslim Ottoman and the vassal non-Muslim, in this instance the Rum.

In the Ottoman Empire the Rum millet enjoyed a series of institutional liberties: religious worship, education, forms of self-government etc. There were institutions ensuring internal cohesion —the Church¹⁴ and

¹³. H. Inalcik, «Capital Formation in the Ottoman Empire», The Journal of Economic History XIX (1969), 97. Halil Inalcik was the first historian to study extensively Ottoman merchants from Ottoman sources. He focused mainly on the trade of Anatolian textiles and other manufactured goods across the Black Sea.

the communities—although they never ceased to belong to the mechanisms of conquest. After all, the community was nothing more than an organic machine of the local Ottoman administration. The conquered society played roles parallel, in many cases, to the corresponding ones of the conquering society, sometimes in a fixed framework, as is the case with the Church and the communities; among these roles the economic ones that were associated with trade and banking activities, even with the farming of taxes, were particularly important. These were roles that were provided or perpetuated by the dominant society and belonged to the machinery of conquest. Nevertheless, they did not entail the vertical mobility that was possible in the dominant society, since the Muslim faith was a precondition for promotion in the context of the administration. For the reaya, the administrative roles were restricted to the communities and the class of martolos. High bureaucratic functions, always under restrictions, were only exercised by one social class, the Phanariots, some of whom became accepted by the central government as families with continuity and specific services. The increasing political importance of the Phanariots in the


framework of the Ottoman central bureaucracy concealed and consolidated the process of widening the patriarchal jurisdictions. However, in no case did the Rum millet exercise authority, yet it participated in this through a system of vertical authorities, the topmost of which communicated with the central authority. A very limited portion of the Greek population, the Phanariots and the patriarch, was linked partially with the central authority itself.

As noted above, the system of conquest imposed a distribution of roles between the two societies and defined these roles strictly. The main channel of communication between the two societies was the economic sector. But this too was defined a priori by extra-economic terms, since one society, the conquering, appropriated the values produced by the other, by virtue of its sovereign right to reallocate them subsequently inside the dominant society, both military and administrative. This redistribution is a fact which makes the extra-economic factor a main cog in the economic machine of the Ottoman Empire. These elemental truths should always be uppermost in our mind when we are studying both the processes of the economic and social evolution of the Rum millet, that is to say the stages of


18. Halton expresses this as follows: «The “ruling class” included all state servants and officers from the highest palatine official down to the lowliest Muslim soldier. While the term describes a political-theological estate, with differential economic and power implications internally, rather than a ruling class in the sense of a dominant class in the strictly economic sense, it is also clear that it marks out a clear difference in respect of basic relationships to the means of production and distribution of surpluses between it, and the subject populations, the re’åyå», J. Halton, op. cit., 163.
its political development in the Ottoman period, and the Greek War of Independence in 1821.19

II
My subject demands that I show how the Rums used and manipulated the identity of the Ottoman Christians in trade and shipping, sectors of the economy which allowed them to accumulate capital. Since I believe that the choice of these economic activities was dictated by the economic system of the Ottoman Empire, something which is not self-evident, I shall try to demonstrate this for each sector of the economy as a whole.

I. Agricultural economy
The economy of the Ottoman Empire was agricultural *par excellence*; farming was the basis of its economic structure, since the overwhelming bulk of state revenues came from the taxation of the farmer-*reaya*, both at the source of production, in the village-timar, and in the subsequent course of the agricultural product, when part of it reached the domestic and sometimes the international market.

The Rum, like the other non-Muslim farmers, was obliged to produce high surplus yields, in order to cover his not inconsiderable fiscal obligations, which included tax on production, poll-tax (*haraç*) and various dues to the state and its bureaucratic agents, as well as those demanded by the Rum community and the Church.20 If the surplus was insufficient—a tax increase, inclement weather or a poor harvest easily upset the fragile equilibrium—the producer invariably fell into debt and resorted to selling off his land holdings.21 He thus became a share-cropper, obliged to pay...
taxes and rent, that is to deliver part of his produce to the owner of the land. It is no accident that in the eighteenth century there was a notable recession of small family properties generating fiscal revenue and a proliferation of çiftliks. The causes behind these developments were primarily political rather than economic, as M. Genç, B. Mc Gowan and Ariel Salzmann have shown. Life-time tax farms (malikane) could be held, at least in principle, only by members of the political elite, not by mere possessors of wealth, such as merchants. Many members of the provincial elite were involved in commerce, due to their role as tax collectors. Moreover, the high prices which prevailed during the French Revolution and the Napoleonic wars, were an incentive for the expansion of commercial agriculture and many provincial tax farmers and landholders in the more accessible regions began to produce for the market.

On the other hand, the structure of the economic system of the Ottoman Empire discouraged the farmer’s participation in a market. By market I do not mean the bazaar at which the villager sold some of his produce in order to obtain the money to pay his taxes. I mean a network of transactional relations capable of differentiating the values he produced. Characteristic of the agricultural economy of the Ottoman Empire is the «Problems of Economic History of the Period of Ottoman Domination in Greece», Journal of the Hellenic Diaspora, VI/2 (Summer 1979), 7-37; idem, «Le surplus rural dans les régions de la Méditerranée orientale: les mécanismes», in: Économies Méditerranénnes. Équilibres et intercommunications XIIe-XIXe siècles, Actes du Ile Colloque International d’Histoire (Athènes, 18-25 sept. 1983), National Foundation for Scientific Research, Athens 1986, t. II, 29-57. For analysis of the economic data in the fiscal registers, see Evangelia Balta, L’Eubée à la fin du XVe siècle. Économie et population. Les registres de l’année 1474, Athènes 1989, 87-112 (The chapter: L’économie agricole face à l’exigence de la fiscalité monétaire).


23. Fikret Adanır asserts that the agrarian change was stimulated by internal Ottoman socio-economic changes and the command economy of provisioning the Ottoman capital, not European markets, see F. Adanır, «Tradition and Rural Change in Southeastern Europe», in: The Origins of Backwardness in Eastern Europe, ed. Daniel Chirot, Berkeley, University of California Press 1989, 131-176.
lack of capitalistic relations. The agricultural surplus remaining after covering the needs of subsistence, local consumption and the State taxes, was traded with the mediation of representatives of the Ottoman regime or by the big landowners, most of whom belonged to its body.

Greek historiography, in its need to resort to interpretations mainly of the 1821 War of Independence, sought the existence and physiognomy of some Greek landowners, and thought that it had found them in the community elders, who in reality had no more than moderate holdings of land. It has been looking in the wrong direction. Large landownership was created in the framework of the Muslim community, that which had the money and, first and foremost, had the power.24 Statistical data collected by J. Capodistrias on the “national landholdings”, that is the landholdings that were confiscated after the War of Independence, show clearly that large estates were the prerogative of Ottoman Muslims. They amounted to 9.8% of the population, yet owned 58% of the land.25 These percentages alone demonstrate that agricultural production was the mechanism that perpetuated the system of power. For precisely this reason, the Rum reaya had no possibility of making profits and accumulating capital in this sector of the economy.

II. Manufacturing sector

The same asphyxiating conditions also prevailed in the manufacturing sector of the urban centres, where the guilds produced for a domestic market and operated under the restrictive terms of the state.26 The state


fixed the cost of production in each phase of processing the product, it fixed the maximum prices in the local market, it controlled the methods of manufacturing the goods, it prohibited free competition for acquiring raw materials and so on. In addition to restrictions of a corporate nature and control over quality and prices (and indirectly over the volume of activity), which they shared with their counterparts in Europe, Ottoman guilds also served the purpose of administrative control and taxation, and contributed to the cohesion of the social order. It seems, as Çağlar Keyder asserts, that «the growth of guilds during the eighteenth century mostly led to an involution rather than competition and increase in scale. 27 Guilds did not grow in size; rather they were subdivided to an absurd extent, so that there was a different guild for each identifiable product. This involution prohibited the efficient use of resources while shielding the producers from competition and allowing for the implementation of administrative control and social policy. Furthermore, the guilds suffered from one of the major drawbacks of Ottoman society: the absence of full rights to property. The alienability of the urban shop under guild control remained a problem, and the inheritance régime only permitted the transfer of usufruct to the master's children». Mehmet Genç notes that «the inheritances of tradesmen and artisans outside the military elite could not be transferred to their inheritors and in the period of 1770-1810 the government expropriated the inheritances of the mentioned group wholly and an inheritance tax was applied when the expropriation was not complete at the rate 40-70%. This discouraged physical capital investment and even caused disinvestment methods, a major reason for the rigidity of the broader Ottoman economy lay in the individualism of Islamic law. See T. Kuran, «Islamic influences on the Ottoman Guilds», in: The Great Ottoman Turkish Civilization, op. cit., t. II, 54.


Very few studies in Modern Greek historiography deal with manufacturing in Ottoman times. An exemplary exception is the study of the soap-making industry see V. Kremmydas, Οι σαπωνοποιίες της Κρήτης στο 18ο αιώνα, Athens 1974. For the study of guilds in the Balkans, see N. Todorov, La ville balkanique aux XV-XIX siècles. Développement, socio-économique et démographique, Bucarest 1980.
whereas it was not only the origin, but also the indication of economical depression».

Here too, let me say parenthetically, I am not referring to the manufacturing activities of certain communities, such as Zagora and Ambelakia, which flourished in the eighteenth century, because this small-scale industry was directed and dominated by merchant capital, a sector which will be discussed shortly.

To recapitulate, I would say, in a nutshell, that the non-economic activity of the Rum in the Ottoman Empire, in the rural farming and the urban manufacturing sector, should be attributed mainly to the operative system of constraints on production and distribution, constraints innate to the economic system of the Ottoman Empire. Forms of production cannot be considered out of context, divorced from the social and political climate in which they operate. In the Ottoman Empire this context was defined first and foremost by the strength and prerogatives of the state; and a concomitant weakness in property rights and market freedoms. Hence, what shaped Ottoman economic policy was «provisionism, namely a consumer-oriented outlook to provide, to supply; traditionalism, that is, maintaining the status quo; and fiscalism, that is maximizing state revenues». Long distance trade, however, which was the sector par excellence in which the economic activity of the Rums was enhanced, undoubtedly offered greater freedom and scope for accumulating capital and opportunities for investing in banking and credit activities. We shall examine the reasons why in due course.

III. Trade in the Mediterranean Sea and the non-Muslim merchants

Before I examine the Greek millet’s involvement in trade and shipping, I


31. There are few studies of the mercantile and seafaring activities of the Greeks.
note that this is been used as an explanatory principle of Modern Greek history and has been analysed on many levels: economic, social and intellectual. It is a vast subject and an open one in Greek historiography, which will not be examined in this paper. A presentation of its history is also beyond the scope of my subject. It is in any case dealt with by Traian Stojanovich, in his study entitled «The Conquering Balkan Orthodox Merchant», which examines the issue among all the peoples of the Balkans. My intention here is merely to comment on the conditions which allowed the Rum millet to promote itself economically, by using the dual identity of the Ottoman/Christian.

I note beforehand that the development of the Rum millet in the sector of trade and shipping, with its heyday in the eighteenth century, was a consequence of the economic activity of the Europeans in the Ottoman Empire. I refer first of all to Venetian trade, the Capitulations, the competition between the French, the Dutch, later the English, the Germans and the Austrians, and lastly the Russians. The Rums, like other local non-Muslims, served the Europeans as brokers, creditors, money-exchangers, translators, and mediators between the Europeans and the local authorities and traders. Only in the second half of the eighteenth century, following during the period of Ottoman rule. See S. Maximos, Το ελληνικό εμπορικό ναυτικό κατά τον 18ο αιώνα, introduction - ed. L. Axelos, Athens, Stochastis, 1976; N. Svoronos, Le commerce de Salonique au XVIIIe siècle, Paris, PUF, 1956; G. B. Leonarites, Ελληνική εμπορική ναυτιλία, 1453-1850, Athens 1996; V. Kremmydas, Το εμπόριο της Πελοπο­νήσου στο 18ο αιώνα (1715-1798) με βάση τα γαλλικά αρχεία, Athens 1972; idem, Ελληνική Εμπορική Ναυτιλία, 1776-1835, Athens 1996; Yollanda Triantaphyllidou-Baladié, Une société hors de soi. Identités et relations sociales à Smyrne aux XVIIème et XIXème siècles (Thèse de Doctorat nouveau régime Ecole des Hautes Études en Sciences Sociales), Paris 1999.

the successive wars between the European powers, did the local Greeks succeed in penetrating into commerce and handling a growing share of it. Furthermore, they enhanced their share in the commercial traffic by taking advantage of their connections with the expanding Greek diaspora in the main European ports and commercial centres. In the eighteenth century the external trade of the Ottoman Empire was determined by the needs of the in the West dominant economies: channelling of industrial products over agricultural, channelling even of colonial goods or simply precious metals in the form of coins, which became increasingly necessary due to the rarity of money in Ottoman lands, the greatest impediment to the conduct of trade. The development of Rum trade benefited from the coincidence of political circumstances in the international arena, either because it ousted European ships from the Mediterranean (the Seven-Year War, 1756-63, the French Revolutionary Wars and the Napoleonic Wars), or because it favoured Greek shipping (Treaty of Küçük Kaynarca, 1744). But if the Greek millet benefited greatly from international conjunctures, in the sectors of trade and shipping, it benefited equally from the financial chaos of the Ottoman Empire, the need for cash and credit, and from the early eighteenth century it competed in the credit sector with Jews and Armenians. The Rum became a merchant-banker, improving not only his economic standing but also his social and political presence close to Ottoman power. He travelled in the West and in Central Europe or was domiciled there and, like the foreigners, he too imported the cash required for the operation of the Ottoman market. He combined the job of transporter, merchant and creditor, becoming a banker in the end. The middleman status of the Greek diaspora in the Eastern Mediterranean and the Black Sea resembled the


position of the island diaspora in the Balkans, until its demise in the early nineteenth century.\footnote{There is rich archive material concerning the commercial activities of the Greeks in the Black Sea, see A. Durak, *Yunanistan Katalogu A.DVN.DVE* (194-195-196), Lisans Tezi, Marmara Üniversitesi, Arşivcilik Bölümü, İstanbul 1995, where the navigation permits are recorded (H. 1253-1256) for Greek ships in the Black Sea and the Aegean, where various products, such as grain, tobacco, salt fish, were transported.} In his article Stoianovich mentions that those communities tried to deal with local and foreign competition by abandoning steady trade in one particular commodity as merchants and carriers, in favour of the principle of trade turnover through money-lending, banking and speculation. In other words, from middlemen in trade they became middlemen in financing trade.

Moldavia. Those Rums settled in the commercial centres of the Balkans and handling the overland trade of these regions, drew the Orthodox Balkan peoples along in the wake of their economic development, contributing to their cultural progress as well as to the heightening of awareness of differences in the framework of the millet-Rum, in other words of the Orthodox world.

Here I shall once again sidetrack a little to make two essential comments: The first concerns cultural progress. Objections may be raised to this ascertainment. Nevertheless, I think that we all agree that one consequence of economic migration is cultural diffusion. And it is an indisputable fact that Greek was transformed from the language of trade to the language of culture in the Balkans.\[39\] The second comment concerns the changes created in the millet-i Rum. For the Balkan peoples during the Ottoman period the Greeks represented an hegemonic culture and an upper class, either as merchants or as clerics,\[40\] which fact evoked the gradual consciousness of differences which were harbingers of the changes to come inside of the millet-i Rum. It is not fortuitous that the national stereotype of the Greek among the Balkan peoples in the nineteenth century was defined by the status of merchant and cleric. With regard to ethnic identity, Stoianovich records how the dominance of Greek merchants had brought about the «Hellenization» of the other Balkan merchants. The decline of the Greeks was followed by a process of de-Hellenization or a contraction in the importance of Greek ethnicity in the Balkans. Stoianovich refers to the changing image of the Greek merchants in the eyes of non-Greeks and the use of cultural stereotypes. When Greek merchants, in the era of decline,

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39. «Trade and religious ties, contributed to cultural and ideological exchanges among the Orthodox nations of the Balkans. This exchange was not one sided and one dimensional», I. Ortayl, «Formation of National Identity among Balkan People», *Turkish Review for Balkan Studies* 1 (1993), 43. «In fact the common Greek-speaking culture of the intellectual elite of the Balkans did not disappear until both the ecumenical heritage of the Orthodox Church and the cosmopolitan humanism of the Enlightenment were destroyed in Southeastern Europe by nationalism later in the nineteenth century», see P. M. Kitromilides, «Orthodox Culture and Collective Identity in the Ottoman Balkans during the Eighteenth Century», *Deltio Kentrou Mikrasiatiikon Spoudon* 12 (1997-1998), 88.

began turning towards money-lending, the respect accorded to them earlier rapidly waned. A Serb who was disdained as a money-lender was called a «Greek» by fellow Serbs —Serbs not resourceful enough to engage in money-lending were called chondrokephales (blockheads) by the Greeks. Stephen Fischer-Galanti wrote that the roots of modern nationalism in the Balkans are related to antagonism generated by Hellenization.41

To return to the subject at hand. The Greek trading companies set up in Amsterdam, Vienna, cities of Italy, Hungary and so on, and the corresponding Greek enclave communities, incorporated part of the economy of the regions of the Ottoman Empire into the economy of the countries of Western and Central Europe. Commercial emigration took place in response to the European market’s demand for oriental products and to the profits this market could bring to the importer of these products. But profit was not the only motive for the Rum merchant to settle in cities of the West; other considerations were the security of his person and of his property, which were in jeopardy in the Ottoman Empire especially for those who had accumulated wealth. As Felix Beaujour asserts, despotism makes properties fleeting, because it always ends up conquering them. It puts constraints on economic activity because no one makes an effort to gain what he may lose. It prevents the circulation of money, which is hoarded in the hands of those who are interested in hiding it.42 Ioannis Pringos, a merchant from Zagora who settled in Amsterdam and made a fortune there, protests at the lack of order and justice in the Ottoman Empire, which he considers essential prerequisites for the progress of trade.43 An extreme example of this situation is Moschopolis, a flourishing

42. F. Beaujour, Tableau du commerce de la Grèce, formé d’après une année moyenne, depuis 1787 jusqu’en 1797, t. II, Paris 1800, 177.
commercial centre, which was destroyed in one night by Albanian robbers.44 But it was not simply the lack of law and order in the Empire; the main threat to fortunes created was the state itself, through the agents of its authority. This situation led the Ottoman Armenian Ignatius Mouradgea D’Ohsson to invest his economic resources outside the sultan’s control, in Parisian banks.45 His prudence, the result of his knowledge and understanding of the situation, protected him from penury when later, as Swedish ambassador, he was forced to leave the Ottoman Empire. He was not included in the class of Ottoman Christian subjects who saw their property confiscated, as is attested by a rich body of archival material.

Here I quote the words of Fatma Göçek on something with which I am in complete agreement. «Unlike Muslim officials, and provincial notables, once their wealth was confiscated, these Ottoman minorities (sic) often did not have households or social networks to fall back on in order to reserve the setback, or simply to survive. Only one group of minorities managed to develop the social resources necessary to foil the sultan’s confiscation: the Ottoman minority merchants».46 The non-Muslim merchants could retain the resources they accumulated through their interaction with the West by entering into networks of foreign protection.

Nevertheless, the principal distinction of the Rums in the economic sector, which gave them an advantage over the other Balkan peoples, was their activity in the sector of merchant shipping, mainly in the decades around the turn of the eighteenth to the nineteenth century.47 In an initial phase, the Greeks, like other local non-Muslims, were involved in the overseas trade conducted by the European states with their own ships and their own system of installations, consular and mercantile, as dragoman (inter-


46. Fatma Müge Göçek, op. cit., 95.

commercial agent and mediator, as well as middleman merchant who gathered together agricultural produce and sold it to the Westerners. He was also involved in transporting manufactured goods from harbours in the Empire to the hinterland for sale. In this case the Rum subject of the Ottoman Empire negotiated and exploited his otherness, that is his identity as a Christian. He purchased the protection of the Western states, becoming a protégé (first a *beratlî tercüman* then a *beratlî tüccar*), not because this exempted him from paying the *cizye* to the Ottomans but mainly because as a protégé of a foreign power he was protected from the high-handedness of the Ottoman civil servants, while at the same time enjoying all the commercial privileges of his protecting power within the Ottoman Empire, together with the right to trade with his ships outside its waters. The tobacco merchant Konstantinos Paikos and his son Panayotis escaped with their life because they were protégés of the French, but did not save their property, which was sequestrated in 1714 by the Ottomans in Thessaloniki. Four years after his appointment as British Consul, Theodosios Panou bought two ships which he put under the protection of the British flag. «The competition between the British and the French for trade with the Ottoman Empire strengthened the Rums», notes Seraphim Maximos, «because each of the competitors endeavoured to succeed in getting the necessary collaboration, and to this end was ready to accept a more reasonable share of the profits». These indicative examples bear witness to a clear differentiation in the status of the Rum merchants compared with previous centuries: Compare, for example, the case of Paikos with that of Michael Kantakouzinos (Seytanoglou) —the extremely wealthy farmer of revenues (*mültezim*) and merchant, with a fortune that enabled him to build 15 galleys a year for the Ottoman fleet—who was hanged in 1576. Moreover, the number of protégés attests to just how important protection by a foreign power was. As Halil Inalcik writes, «by 1808 the Russians alone had enrolled 120,000 Rums as “protected persons”».  

49. N. Svoronos, *op. cit.*, 200-203.  
In a second phase, which coincides with the second half of the eighteenth century, the Greek merchant-shipowner and his company exploited the international conflicts and the prevailing «disorder», that is piracy, privateering, smuggling, instability of prices etc. Greek shipowners-merchants, sailing under different flags, were in the service of the various warring European states, depending on the prospects for profit, sometimes as merchants sometimes as corsairs. The Ottoman Greek mercantile marine began to grow during the 1770s. The wars of the French Revolution, and later the dissolution of the Republic of Venice in 1797 brought to an end the presence of the French and Venetian merchant navies in the Mediterranean. The gap was filled by Greek seamen and merchants, who had established contacts and trading relations with the Europeans long before.52 The facts are well known and it is not my intention to give a detailed account here, but merely to include them in the scheme this paper proposes. If the dangerous voyages of the Hydriot ships which broke through the French cordon at sea has economic implications that jubilation, that await proper assessment.53 That is, the evaluation of the peak of Greek merchant shipping in the second half of the eighteenth century and the first decades of the nineteenth century is pending; likewise pending is the estimation of the level of profits these merchant-shipowners accrued from the substantial difference between the prices of the agricultural produce they exported to Europe and the prices of the manufactured and colonial products they imported to the Empire. Profits were certainly made, because for a given interval, under special circumstances, Rums replaced the foreign merchants. However, the progress of merchant shipping before the Greek War of Independence cannot be comprehended without taking two economic factors into account, namely the phenomenon of increased demand for agricultural produce in Western Europe and the existence of an agricultural surplus in the Ottoman Empire, which Nikolaos Svoronos explains as due not to increased yields but to under-consumption in the domestic market.

52. D. Panzac, «International and Domestic Maritime Trade in the Ottoman Empire during the 18th Century», International Journal of Middle East Studies 24/2 (1992), 204.
The reasons why this economic activity of the Rums in external trade and shipping flourished are of course articulated with the reasons I have presented here, nucleus of which is the lack of capitalist relations in the agricultural sector of the economy of the Ottoman Empire. But the main reason remains the fact that this activity was conducted outside the framework in which the Ottoman State wielded authority and had the protection of foreign powers. As I see it, if this did not dictate the choice of this sector as an area of economic activity for the Rums, it at least indicates the cause of its success.

I have tried in this paper to present briefly and consequently schematically the course of the economic advancement of the millet-i Rum before Tanzimat, because this phenomenon is observed in the eighteenth century and it defined the later profile of the Greek millet in the nineteenth century. We have also seen the role of otherness for the Rums, during their economic ascent and the first steps to redefine this alterity, which became more national than religious, in the framework of the millet system in the nineteenth century.