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Responding to Economic Crises in Historical Perspective, nineteenth and twentieth centuries

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Special Section / Section Spéciale

RESPONDING TO ECONOMIC CRISES IN HISTORICAL PERSPECTIVE,
NINETEENTH AND TWENTIETH CENTURIES

Preface

Economic crisis has been a hot topic in social sciences in recent years. Theoretical approaches have tried to explain why economic crises happened, when they started, what their origins were, and whether a particular type of crisis had happened before under similar conditions and when it is going to fade away, using history as the main tool for supporting or building up the theoretical models of the present and future. Needless to say, political factors have always been interwoven in the canvas where economic crises occurred and were closely interconnected. These discourses are regularly based on historical examples. Crises are often related to their dependence on a past that either impedes agents from overcoming them or enables them to reorient.

Historians often confront a dual challenge in studying crises: one is the horizontal integration of crises, by interconnecting examples from global experience; and the other is vertical, by identifying patterns in the *longue durée*. The six essays that form this special section of the tenth volume of *The Historical Review / La Revue Historique* are part of this discussion. They do not attempt to give direct explanations of our present crisis, but they elucidate various general, obvious or unobserved crises of the past. They investigate motifs from various points of view and propose interpretations of various individual and collective responses to historical crises. All six essays constitute historical units of observation, intertwining the agency and structure relations. I allude here to the fact that agency and structure, as a micro/macro set of sociological interpretation, are not indicative of opposition but coexistence. Rational decisions are bound to economic structures and the general system of values that a society shares, be it the society of the Kingdom of Greece, the nineteenth-century Greek diaspora or the German merchant milieu in nineteenth-century Lombardy.

The main themes of these essays converge on agents and explore organizational change and entrepreneurial choices: agents who faced financial crises; agents who managed agricultural crises on an international scale; agents who came

across reconstruction periods after wars. While some of the authors refer to political economy and others do not, it is nevertheless the basis of the articulation of arguments and interpretation of events. The ideas of Jean-Baptiste Say and Adam Smith on trading and overtrading constitute a common visible theoretical background in the case of Lombardy or that of the Greek currant trade. Abundance and scarcity of credit characterize the 1825 British crisis, as well as the 1893 Greek currant crisis, while J. S. Mill offers methodological tools to draw on speculation, money and credit.

Monika Poettinger, in her article “Crises and Merchant Networks in the Nineteenth Century: The Case of German Networks in Lombardy”, explores international commercial networks of German origin in Lombardy. The merchants in question envisaged a sectorial crisis when, most critically, personal trust was threatened, and their networks manipulated technological achievements in a diverse political setting. The methodological tools applied in this essay could be used in other cases of commercial networks under foreign dominion, coping with external crises.

In my article, “War, Crisis and Sovereign Loans: The Greek War of Independence and British Economic Expansion in the 1820s”, I deal with the original sin of the Greek State, that is, the two loans obtained by the Greeks during the course of the Greek War of Independence, in 1824 and 1825. An asymmetric relationship between the principal actors and agents developed in the midst of the severe internal crisis for the insurgent Greeks and coincided with the banking crisis of 1825 in London. These loans are important because they essentially constitute the first international recognition of the “Greek State”. They played a key role in Greek political and economic life and have generated political speculation especially during the current economic crisis.

In his article “The Crisis of the Long 1850s and Regime Change in the Ionian State and the Kingdom of Greece”, Sakis Gekas relates regime change with economic, social and political crisis in the mid-nineteenth century in the Kingdom of Greece and the Ionian State. This crisis generated a recognizable middle class of bourgeois professionals. Both the Greek and Ionian economies were marked by the rise of a new generation of politicians after the political and economic crisis of the 1850s. In the aftermath of these changes, the unification of the two regions shaped national identity and state formation in Greece before its industrial era.

Socrate D. Petmezas, in his article “L’économie agricole grecque face à la longue crise de la première globalisation”, examines an economic divergence

from the South-East European economy, presenting the particularity of the Greek case during the Great Depression of c. 1872-1896. The country was in a favourable situation because of the increased demand for Greek currants in international markets, a demand mainly conditioned by the destruction of French vineyards. Contrary to other European economies, Greece entered the big currant crisis at the beginning of the global economic recovery.

In “Fighting the Financial Crisis in Greece: The Privileged Company to Protect Production and Trade in Currants (1905) as International Bank Cooperation”, Korinna Schönhärl exemplifies the currant crisis of 1893, the interest of foreign bankers and the role played by a Greek agent, Ioannis Pesmazoglou, the director of the Bank of Athens. The foundation of the Privileged Company to Protect Production and Trade in Currants following the currant crisis added a new player to a national problem with international appeal. Nonetheless, personal abilities and social networking enabled Pesmazoglou, a diaspora Greek, to become the key figure in the whole drama.

Andreas Kakridis, in his article “Rebuilding the Future: C. A. Doxiadis and the Greek Reconstruction Effort (1945-1950)”, engages with the role of ideas in times of crisis. A talented architect, technocrat and policy-maker, Constantinos Doxiadis and his group visualized part of Greece’s recovery in the post-war era in the *Plan for the Survival of the Greek Nation*. Doxiadis, as an architect and urban planner in close political collaboration with the Populist Party, directed foreign aid into a plan of “ekistics” and building design. His plan fell into oblivion not only because of the evident Left–Right strife of the post-war period, but also because of the “economists versus technocrats” symbolic tension of that time.

Reading all six essays one is aware that a main benefit of the various discussions on crises is that historians dealing with economic and political crises have to examine a wider context, be that vertical or horizontal, and place their stories in an international context or offer comparative examples. This is a major gain for nation-based historiographies, and we expect that the present Special Section / Section Spéciale contributes to this trend.

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