

Creating the pre-Industrial Ottoman-Greek Merchant: Sources, Methods and Interpretations

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A historiographical assessment

The main mediator between the rural and the urban economies in the Ottoman Empire was the merchant. There is an essential difference between the trade world and the rural one with the former being more volatile and receptive to change. This feature is largely attributable to the economic migration that is inherent to commercial activity.¹

The trade networks of different ethnic groups present a range of common characteristics which existed for centuries, such as the organisation based on family bonds. At the same time the merchant, by definition, was open to various social, economic and cultural influences and changes. Economic migration was inherent to trading; even the local merchant moved between the neighbouring settlements to purchase supplies or to retail his merchandise. In the pre-industrial, urban markets the main commercial and financial transactions occurred within a local and regional sphere of influence. The geographic

1 A new perspective on the subject comes from economic sociology, see for example: Alejandro Portes, 'Economic Sociology and the Sociology of Immigration: A Conceptual Overview', in idem, (ed.), *The Economic Sociology of Immigration. Essays in Networks, Ethnicity and Entrepreneurship*, New York: Russell Sage Foundation, 1995, pp. 1-41; and Mark Granovetter, 'The Economic Sociology of Firms and Entrepreneurs', *ibid.*, pp. 128-209.

migration of merchants was limited, or ceased even, with the establishment of shops and the growth of retail trade focused on cities, a process which began at the end of the nineteenth century and continued into the twentieth.

The open economic world of merchants developed through the utilisation of business organisations and the networks which extended beyond the limits of national boundaries. From the middle of the fifteenth century until the middle of the eighteenth century, a 'unified economic world' was created in Europe through commercial transactions, established currencies and a common code of ethics amongst merchants. It is commonly assumed that empires seem to resist change while their survival needed new methods of productivity. This international trade was hindered in many places during the nineteenth century by the creation of new national states and the slow dissolution of great empires, such as that of the Ottomans.² The role of the Ottoman Empire was crucial in bridging European and Asian economy, although the largest volume of trade was intra-ottoman and not international. Turkish historiography has a long tradition in examining Ottoman trade as a factor of integration of the Ottoman empire in the world economy, obscuring themes of trade organization, international networks and business firms.³

The development of the international class of merchants from early modern times up until the industrial era can be studied in relation to the economic crises and the shifts in regional markets and the centres of

2 Keyder argues about nationalism as a mercantile impulse in the case of Greeks, Serbians and Bulgarians: Caglar Keyder, 'The Ottoman Empire', in Karen Barkey and Mark von Hagen (eds), *After Empire. Multiethnic Societies and Nation Building. The Soviet Union and the Russian, Ottoman, and Habsburg Empires*, Colorado: Westview, 1997, p. 33.

3 This well known historiographic path is led by Huri Islamoglu-Inan (ed.), *The Ottoman Empire and the World-Economy*, New York: Cambridge University Press, 1987; Sevket Pamuk, *The Ottoman Empire and European Capitalism, 1820-1913*, New York: Cambridge University Press, 1987; Resat Kasaba, *The Ottoman Empire and the World Economy. The Nineteenth Century*, New York: SUNY Press, 1988.

world trade.⁴ Private enterprise was the 'living organism' that entailed adaptations, differentiations and geographic shifts in the growth of markets.⁵ This subject is usually examined in terms that are related to size, survival and success of private enterprises.⁶ The first attempts to classify merchants rely on: organisational patterns (family firms, trade networks); the size of the enterprise (small, medium or large); or cultural features (the transmission of commercial know-how and the creation of a business culture).

Already from the end of the nineteenth century, the importance of the archives of large commercial or banking units has been appreciated in European historiography. The fact that a late medieval merchant assembled and maintained a large archive throughout his life was discovered and positively evaluated during the 1870s in the newly established Italian state, as in the case of the Tuscan merchant Francesco di Marco Datini (1360-1410).⁷ Florence, Venice, Bruges, Antwerp, Amsterdam, London, were international centers with economies of scale offering representative examples of entrepreneurs and impecunious governments. Throughout the twentieth century these cities were considered to be the pivotal places of commercial capitalism's growth

4 Benjamin Kedar, *Merchants in Crisis. Genoese and Venetian Men of Affairs and the Fourteenth-Century Depression*, New Haven: Yale University Press, 1976.

5 For the pre-industrial period, see Simonetta Cavaciocchi (ed.), *L'Impresa, industria, commercio, banca, secc. XIII-XVIII*, Istituto Internazionale di Storia Economica F. Datini, Prato: Le Monnier, 1990.

6 Success stories of all kinds of entrepreneurs have always been the favourite field of research. Julian Hoppit argues that: 'enterprise can be properly understood only when due regard is paid to bankruptcy and that the undoubted success of business expansion over the century (18th) has to be placed in the context of the possibility and reality of such bankruptcy', Julian Hoppit, *Risk and Failure in English Business, 1700-1800*, Cambridge: Cambridge University Press, 1987, pp. 1-17.

7 It is interesting to observe that over a fifty years period, there was a refocusing from the hero-entrepreneur to the unknown entrepreneurs in the late medieval Tuscan economy: Iris Origo, *The Merchant of Prato. Francesco di Marco Datini*, Harmondsworth: Penguin, 1963; Richard Marshall, *The Local Merchants of Prato. Small Entrepreneurs in the Late Medieval Economy*, Baltimore-London: Johns Hopkins University Press, 1999.

became the privileged subjects of historical observation. Those individual studies were the basis for the model of the world-economy, which in historical terms was formulated by F. Braudel and E. Wallerstein and would influence contemporary historical thought considerably.

Moreover, they imposed a significant influence on the historiography of the Ottoman economy. A school of economic and social history from central Europe following the Braudelian paradigm related Ottoman social and economic history to the world economy, building on studies of Ottoman trade during the fifteenth and sixteenth centuries.⁸ The incorporation of the Ottoman economy into studies of the world-economy often centred around the examination of trade circuits from Istanbul to Aleppo, ambiguous statistics concerning crop yields and the detailed examination of fiscal sources like the *tahrir defterleri*, which were used as population censuses for the sixteenth century, particularly in the Mediterranean area.⁹ The general consensus found in these early works was that the Ottoman Empire acted as an area of supply for Western capitalism.

The view that trade was the affair of foreign subjects in the Ottoman Empire has its roots in Orientalist historiography and, as such, has been interpreted in various ways. The necessity of intervention by foreigners, that is to say Western merchants, in the daily life of the East and their roles in the economic life of the Ottoman Empire can not be explained only through the economic action of buying and selling or by its significance as an activity of intermediaries.¹⁰ The issue has been raised through the study of Orientalism as a model of an oppositional

8 Suraiya Faroqhi, *Approaching Ottoman History. An Introduction to the Sources*, Cambridge: Cambridge University Press, 1999, p. 196.

9 Heath Lowry, 'The Ottoman Tahrir Defterleri as a Source for Social and Economic History: Pitfalls and Limitations', in Hans G. Majer and Raoul Motika (eds), *Sonderdruck aus Türkische Wirtschafts- und Sozialgeschichte, 1071-1920. Akten des IV. Internationalen Kongresses*, Wiesbaden: Harrassowitz Verlag, 1995, pp. 183-96.

10 Suraiya Faroqhi, *Approaching Ottoman...*, op. cit., p. 174 ff.

relationship between the dominant West and the indolent East. The organic connection of Orientalism with the spread of European capitalism facilitates the study of the role of foreign merchants in Ottoman society.

The foreign trade of the Ottoman Empire offered merchants of different national, religious and ethnic origins the opportunity to dominate a sphere of business and participate in the flow of daily life in the Ottoman Empire. Their observations and interpretations have been recorded in personal accounts, in commercial and consular correspondence and reports, as well as in the geographic handbooks, manuals of trade and travellers' accounts. They provide the cognitive background to the way the trade in the East was pursued.¹¹

It has been pointed out that national historiographies shaped a rigid national identity by way of bisecting analytical tools such as East-West or Muslim-Christian dichotomies. In the case of the Balkans, in particular, as it is also the case in India, different social strata exclusively appropriated different pieces within the historical past (a process called exclusivism). Thus, the relevant historiography has led to an enclosed model of Empire (Ottoman or British) that includes persons that actually varied in numbers and material realities.¹²

The issue that mainly interests us here is the growth of capitalism. The social roots of capitalism that developed in Western society, and their absence from Eastern society, led to a widespread bisecting view of a progressive West and an inactive East. It was the common view that the prerequisites for capitalism could not exist in the East since it was believed that colonialism preceded European capitalism. This limited any autonomous capitalist growth outside Europe. European capitalism changed the world conditions by creating a world system of economic

11 Hamilton Alexander R. Gibb and Harold Bowen, *Islamic Society and the West. A Study in the Impact of Western Civilization on Moslem Culture in the Near East*, London-New York-Toronto: Oxford University Press, 1950, vol. 1, pp. 7 and 300.

12 Cemal Kafadar, *Between Two Worlds. The Construction of the Ottoman State*, Berkeley: University of California Press, 1995, pp. 21 and 35-44.

dependence. Thus, in the 1970s in particular, the study of capitalism in the West becomes the explanatory model of its absence in the East.¹³

Ottoman subjects did not provide an equivalent to the historical records left by the European merchant. The lack of appropriate sources, such as those which focused on the structure of the Ottoman economy and crops production in particular, led to the aforementioned historiographical view point. A subsidiary economy did not rely on indigenous agents of capitalism unless they were foreigners or operated as intermediaries for western capitalists.

At the same time, a common narrative developed stating that the trade of the Ottoman Empire was an affair of foreign merchants and religious or ethnic minorities. The juxtaposition of the foreign and the Ottoman merchants dates from the seventeenth century, an era of crises. Moreover, the study of international Ottoman trade often neglected internal dynamics as well as the factor of continuity in Ottoman economic life, particularly in the nineteenth century. Internal markets were continually active, even after the incorporation of the Ottoman economy into the world-economy, since in one aspect the Ottomans remained very good customers to themselves.¹⁴

The main study of Greek historiography concerned with foreign and transit trade of the Ottoman Empire in Greek-Orthodox hands was shaped during the post- World War II period. The focus was on the exploitation of rural surplus in urban centres, the transit activity that is supported in port-cities and merchant shipping. The history of Greek trade following the foundation of the Greek state was shaped by general assessments of the Greek economy and of the legislative regulations concerning commercial law, custom regulations and the like. Commercial activity, comprising both imports and exports, was also recorded in local histories and by trade guides of cities where commerce

13 Bryan Turner, *Orientalism, Postmodernism and Globalism*, London: Routledge, 1994, p. 194.

14 Caglar Keyder, Y.E. Ozveren and Donald Quataert, 'Port-Cities in the Ottoman Empire. Some Theoretical and Historical Perspectives', *Review*, Fernand Braudel Center, XVI/4, 1993, pp. 528-9.

was of a major importance, such as in Ermoupoli on the island of Syros, Piraeus and Patras.

This thematic unit, 'Greek trade', which constitutes an organic part of Greek economic history, essentially begins with the works of M. Sakellariou on the Peloponnese (1939) and N. Svoronos on Salonica (In French 1956, in Greek 1996). Generally speaking, the relevant studies covering the area of Mediterranean trade published in the last three decades of the twentieth century refer to French commercial expansion in the eastern Mediterranean in the eighteenth century and use systematic French consular documentation.

There are two basic parameters which determined the relevant historiographical production. First is the wealth of commercial information offered by the reports of French consuls and merchants in contrast to the lack of Greek data. Second is the long-lasting relationship of Greek historians with French culture and education. In these studies, an idiomorphic bipolarisation is indirectly imposed, something which has a number of consequences. On the one hand, there is the history of maritime trade economy, Greek networks and the West, in this case eastern Mediterranean is exemplified. On the other hand, a part of the relevant historiography is dominated by the activity of the Balkan Orthodox merchant under ottoman dominion, often associated with nation awakening activities.¹⁵

Although a large number of merchants appear in the archives of various firms, these were individuals who eventually passed on into anonymity. Yet, through their commercial correspondences, bills of lading, bills of exchange and the accounts where their names were recorded, they left their mark on commercial transactions. Those

15 Maria Christina Chatziioannou, 'Ιστοριογραφικές προσεγγίσεις μιας διεθνοποιημένης δραστηριότητας: Το εμπόριο, 18ος-19ος αιώνας' [Historiographical Approaches to an Internationalised Activity: Commerce, 18th-19th Century], *Ιστοριογραφία της νεότερης και σύγχρονης Ελλάδας, 1833-2002, Δ' Διεθνές Συνέδριο Ιστορίας* [Historiography of Modern and Contemporary Greece, 1833-2002, IV International History Conference], Athens: National Hellenic Research Foundation, 2004, vol. 2, pp. 407-23.

relatively new-comers to the historiography recognise the continuity in the commercial activity, both in terms of time and geographic space. Whether it was being conducted in the Mediterranean, the Indian Ocean or the Atlantic, trade was basically the same when one considers the knowledge employed and the goods exchanged – even if the precise types of cloth or other products were unique to the place of origin and sale. All the above incorporate a complex conjunctive system that was based on the movement of merchants, goods and means of payment, and all of which require a degree of structural comparability and compatibility. A global approach to big topics regarding issues of civilization and led by commonalities, connexions and comparisons influenced trade history as well.¹⁶

The main issues relevant to trade in the eighteenth and nineteenth centuries for Greek scholarship concern the foreign and the transit trade in lands populated by Greek-orthodox under Ottoman rule. The nature of the merchant is often portrayed in the context of the study of Greek Diaspora communities. Even if trade was an internationalised activity that led to international and trans-national transactions by a good number of merchants from Greek lands, there is an absence of comparative studies looking at other groups, such as the Jews and the Armenians.¹⁷ Besides the historiographical approaches to Greek trade, we can also find studies concerned with Greek merchants. The explanatory models that prevailed in the relevant Greek historiography in the 1970s-80s mainly bolstered the independence of the Greek merchant class after the 1780s within the context of Ottoman decline.

16 On this view there is a flourishing bibliography from Frank Perlin, 'The Other "Species" World. Speciation of Commodities and Moneys, and the Knowledge-Base of Commerce, 1500-1900', in Sushil Chaudhuri and Michel Morineau, *Merchants, Companies and Trade. Europe and Asia in the Early Modern Era*, Cambridge: Cambridge University Press, 1999, pp. 145-72, to Kenneth Pomeranz and Steven Topik, *The World that Trade Created. Society, Culture and the World Economy, 1400 to the Present*, New York: M.E. Sharpe, 2006.

17 For a recent view, see Ina Baghdiantz McCabe, Gelina Harlaftis and Ioanna Pepelasis Minoglou (eds), *Diaspora Entrepreneurial Networks. Four Centuries of History*, Oxford-New York: Berg, 2005.

The historiographic view based on the decline of the Ottoman Empire has been supported by the corruption and inefficiency of public administration, and the weakening of both the feudal system and the power of the Sultan himself, symptoms that date from the end of the reign of Süleyman the Magnificent. This is a common view that has been developed particularly in the narratives of national histories since it is considered to be an essential condition for the genesis of the new states in the nineteenth century. The decline of the Empire has also been connected to the tendency towards decentralisation which can be observed in the Ottoman administrative system.

Evidence from private testimonies: commercial archives

A private commercial archive constitutes a different type of record in the realm of social and economic history, different from the reports and memoranda of western consuls and western travellers' accounts. The protagonist here is not a state institution or a general account, but rather a commercial enterprise. Our protagonists are Greek-speaking Orthodox individuals living under Ottoman rule.

The analysis of these enterprises on a small scale allows the reconstruction of a historical event which, using other methods, would have been impossible. Here the historiographical method employs the microhistory technique to study general problems through the reduction in the scale of observation.¹⁸ The historical observation of businessmen on a micro scale can mobilise various methodological approaches that lead not to the notion of eclecticism but rather to the notion of complementarity.

18 For the Italian historiography on Microhistory, a field already developed since the 1970s, see Giovanni Levi, 'A proposito di microstoria', in Peter Burke (ed.), *La storiografia contemporanea*, Roma-Bari: Laterza, 1993, pp. 111-34; Carlo Ginzburg, 'Microstoria: due o tre cose che so di lei', *Quaderni Storici*, 86, 1994, pp. 511-75.

Microhistory and the history of enterprises have offered me the methodological tools already employed in my thesis (1989).¹⁹ The microanalysis of sources permits a closer look at aspects of social and economic history and brings to light neglected fields of general history, such as individual feelings and personal experiences. Case studies enable us to penetrate the everyday commercial life in a range of different places and lead to an interpretation of local variations and the evolution of family networks. The history of enterprises leads us to a biographical approach of private enterprise, which is a dynamic organism revealing a field of research full of contrasts. The field of biography or of collective prosopographical approaches from the business world offers the opportunity of critical appraisal of diverse theoretical schemas.

Recent studies on colonial Asian trade, though referring to demographic movements and commercial transactions, have enriched the commercial capitalism debate of previous decades. Questions such as ideology, subjectivity, language and hybridism have been addressed while there has also been a tendency to establish a new terminology and to re-explore the subject of trade groups active as intermediate agents or trade Diasporas within transnational empires.²⁰

A comparative study of the economic behaviour of merchants acting in different periods and different places reveals several common features and practices. For instance, the Dutch merchants Jansen and Bernard Van den Broecke in Livorno in the first half of the seventeenth century,²¹

19 Maria Christina Chatziioannou, *Οικογενειακή στρατηγική και εμπορικός ανταγωνισμός. Ο οίκος Γερούση στον 19ο αιώνα* [Family Strategy and Trade Competition. The Geroussi Merchant House in the 19th Century], Athens: Cultural Foundation of National Bank of Greece, 2003, pp. 9-10.

20 Philip Curtin, *Cross-Cultural Trade in World History*, Cambridge: Cambridge University Press, 1984; James Clifford, 'Diasporas', *Cultural Anthropology*, 9/3, 1994, pp. 302-38.

21 Marie-Christine Engels, *Merchants Interlopers, Seamen and Corsairs. The 'Flemish' Community in Livorno and Genoa, 1615-1635*, Hilversum: Verloren, 1997.

Dimitrios Kourmoulis in Venice in the last quarter of the eighteenth century²² and the Smyrniot Geroussi family in the first half of the nineteenth century present a common typology, adopting similar entrepreneurial strategies in the adaptation and expansion of their economic activities. They all share the experience of migrating on the borders and within the boundaries of three empires: the Dutch, the Venetian and the Ottoman.

Between the eighteenth century and the middle of the nineteenth century we find that merchants represented the dominant social and cultural model in the Diaspora communities or the local societies of Greek-orthodox populated regions under Ottoman domination. Merchants developed a market economy whose features illustrated, under certain circumstances, a distinct economic culture. At the same time local markets formed closed communities which offered particular cultural models. Trade led to the opening of the social circle in which not only family enterprises but also transnational networks belonging to the same ethnic group participated.

The study of a family enterprise in the Mediterranean area reveals relationships, places, goods and practices that dominated in commercial life over a long duration. The study of the Geroussi merchant house was supported mainly by archival material that provides direct and indirect accounts of three generations of the family firm, whose commercial activities cover almost the entire nineteenth century.²³ The Geroussis's house can be classified among a group of medium-sized merchants active at the beginning of the nineteenth century in the maritime trade of the eastern Mediterranean. The term intermediary or middleman, often used in a pejorative manner, refers to their role as intermediary merchants in the foreign trade of the Ottoman Empire. The activities of

22 Ben Slot, 'Ο Δημήτριος Κουρμούλης και το διεθνές εμπόριον των Ελλήνων' [Dimitrios Curmulis and the International Trade of the Greeks], *Μνημοσύνη*, 5, 1974-75, pp. 115-49.

23 For information on the Geroussi merchant house, see Maria Christina Chatziioannou, *Οικογενειακή στρατηγική...*, op. cit.

the Geroussi house place it among the merchants that extended the limits of local trade and partook in international transactions through the security of the family enterprise and the Greek communities of Smyrna and Trieste.

The family enterprise is one of the most durable facets of social and economic activity among the Greeks. Through the microanalysis of this enterprise, several general issues are observable. These include the importance of personal relations in economic transactions, the strategic use of commercial capital in the Ottoman and Greek-Orthodox populated lands based on the means of transaction and the complementary economic operations of shipping and insurance-credit enterprises.

The Geroussis merchant house constitutes an example of a family network that was created before the Greek revolution of 1821. From Smyrna and Trieste, it expanded into the Aegean port of Syros and finally relocated to Patras, the export port for currants in the Greek kingdom. The family business was inherited by three brothers, the protagonists of the archival material. Its capital consisted of liquid assets, a network of personal relationships and the essential commercial know-how that they had acquired from their business activities in Smyrna and Trieste. On this basis, the three Geroussis Brothers built their commercial network between the years 1825 and 1835 upon a commercial nucleus that had been established by the previous generation of the family. Their first business diversification was the expansion of their family network into the transit port of Syros in the critical years between the end of the Greek revolution and the inception of the Greek state.

Thus, the organisation of the merchant house was analysed on the basis that the axis of family relations was the decisive element of this type of enterprise. In Smyrna, Syros and Trieste the three brothers managed their capital through multiple short-term commercial partnerships which have brought to light a number of other merchants whose economic activities coincided with the Greek revolution, the Russo-Turkish wars and the Egyptian crisis. The profitable trade system of the Geroussis brothers soon reached its limits as it was constrained by

meagre financial resources. So the business strategy of the older brother designated that the family and family capital transfer to Patras in the Modern Greek state. This relocation guaranteed the acquisition of land property and national citizenship.

The creation of the Greek national state offered the opportunity for the final diversification of business activities. The Geroussi brothers did not establish a well-known dynasty or long-lasting firm in the nineteenth-century Ottoman and Greek business world. However, their example is, perhaps, a confirmation that the spirit and the character of the merchant's world is influenced by the nature of the ambition and the degree of success or failure of these medium-sized firms.

The Geroussi merchant house belonged to the typology of international merchant houses: it was a commercial enterprise that operated simultaneously in two or more countries.²⁴ The successful international commercial presence for the Geroussis was not coincidental; the third generation upgraded their commercial presence in England by taking advantage of the first dynamic Greek agricultural export trade, the currants.

Greek houses that began trading in the Ottoman Empire quickly sought out one western agent, an action which was decisive in that it introduced them to the international economic arena. The weaker the economic system due to risk and uncertainty, the bigger the investment in personal faith and in bonds of kinship. The schematic classification of strong and weak or big and medium merchants can better be described in qualitative rather than mere quantitative terms. The study of strategy which assisted different merchant houses to survive in the arena of economic competition highlights aspects of entrepreneurship to be studied. The importance of personal networks that emerged from the firm's operations within the circum-Mediterranean area makes the case for the description of networks as intermediate forms of organisation,

24 Stanley Chapman, 'The International Houses. The Continental Contribution to British Commerce, 1800-1860', *The Journal of European Economic History*, 6/1, 1977, pp. 5-9.

while Ottoman-Greek networks, like those of eastern Asia were the only forms of 'economic institutions' to carry on international competition.²⁵

The Efessios merchant house offers us a similar typology to the Geroussi family network. Through the private archive of a merchant house we attest trade relations between the southwestern Peloponnesus and Tunisia from the late eighteenth century to the middle of the nineteenth century. When both Greece and Tunisia were part of the Ottoman empire the Efessios family based in Calamata established a trade network between Calamata, Malta and Tunis.²⁶

The family firm had the typical structure that has often been observed in the Mediterranean with a partnership between brothers or cousins, known in earlier times as a *fraternitas*. Expansion of the firm was achieved through the migration of family members to major port cities, while financial resources increased through pre-banking practices. A tightly controlled network of acquaintances was present and active around the family firm, assisting it financially. The trade pattern of the Efessios merchant house can be compared to that of previous periods; economic transactions were articulated around family and ethnic minority trade networks.

Most Ottoman regions in the circum-Mediterranean area participated in international exchanges as suppliers of foodstuffs for daily sustenance and raw materials for the weaving industry. A basic argument here concerns the ways cultural features and geographical vicinity can provoke, facilitate and energise trade links. Aside from the general estimates on the Ottoman Empire's foreign trade, intra-Ottoman and intra-Mediterranean exchanges have a visible role in the relevant

25 The abuse of historical data or evidence from certain economists and economic historians has been disputed, Mark Casson and Mary Rose, 'Institutions and the Evolution of Modern Business: Introduction', *Business History*, 39/4, 1997, pp. 1-8.

26 Maria Christina Chatziioannou, 'Shaping Greek-Tunisian Commercial Relations in the Ottoman Mediterranean World. The Efessios Merchant House', *International Journal of Maritime History*, XIX/1, 2007, pp. 161-80.

literature.²⁷ In the Ottoman Empire, shared fashion in dress and common culinary habits created cultural bonds which stimulated the intra-Ottoman trade of everyday items, such as clothing and food products. Everyday needs, fashion and taste were formed by a complex standard of living that characterised certain aspects of economic and cultural life, Christian and Muslim alike. The main exponents of this multicultural identity, exemplified through apparel like the fez, were the suppliers and economic agents of these commodities, the merchants and entrepreneurs themselves.

Observing the general geographical expansion of the Greek Diaspora, we may include Tunisia, since, as part of the Mediterranean economy, it participated in the commercial exchanges of Greek migrant entrepreneurs, even though it did not constitute a vital economic hub for the Greek mercantile networks in international exchanges. Tunisia's twin Mediterranean and Ottoman identities were the assets which made it attractive and familiar to Greek migrant entrepreneurs. Tunisia's geographic proximity to western ports along with its familiar socio-economic and cultural background as an agricultural country offered a range of entrepreneurial activities. In the pre-industrial period of Mediterranean exchanges, geographic proximity and economic complementarity were strong assets in the creation of capitalistic enclaves nourished by the common consumption of everyday items. Trade relations based on consumption uses could cut across religious and ethnic divides.

The family firm continues to be a favorable field of observation for social studies in the intertwining of cultural values and economic behaviour. Modern historiography on the family enterprise has identified the need for an in-depth analysis to determine the ethical and social values of businessmen. One of the main historiographical

27 Suraiya Faroqhi, 'Trade: Regional, Interregional and International', in Halil Inalcik and Donald Quataert (eds), *An Economic and Social History of the Ottoman Empire, 1300-1914*, Cambridge: Cambridge University Press, 1997, pp. 474-530.

questions concerns the effect of the social and cultural values on economic decisions.

The discussion on the family form of enterprise brings to light the intertwining of two fundamental subjects that occupy historians: the organisation of enterprise and its cultural characteristics. If we accept that discussions on the organisational structure of the enterprise during the eighteenth and nineteenth centuries present an important polymorph and that the family form is dominant the cultural parameters of enterprise are also of significant interest. A shared business culture in commercial and industrial enterprises was often reproduced through apprenticeship and tacit knowledge in family networks. In the social context within which transactions have a personal character, cultural values often have local characteristics. In each business network, the centre of cultural change was located in the urban centres where the distribution of goods was concentrated and where there were frequent demographic shifts. The ethical aspects of business culture influenced the economic behaviour of businessman by dictating special principles of behaviour which permitted certain practices and prohibited others. For example, one's responsibility and reputation for undertaking moral obligations were characteristics that could convince potential partners in an enterprise that they would not fall victims of speculation and fraud. Finally, business culture could be the basis of a long-lasting competitive advantage for an enterprise.

The typical organisational form of a family enterprise has been described in all the studies of interpersonal commercial relationships in the Greek-Orthodox populated lands and in the Greek Diaspora. As an institution it survived political and economic changes with remarkable resilience. The family constituted the creative cell of the enterprise and simultaneously a protective shell ensuring its safety. Family bonds protected and maintained the family name, which often functioned as security and a guarantee in social and economic transactions. Through the family, the business strategy was organised utilising liquid assets, land and property or utilising the transformation of capital through the work of its members. However, this concentration in the same family of various economic activities –broker and banker, for example– might

have constituted one of the main causes of restricted growth in the organisational forms. At the same time the family enterprise was maintained through the tight bonds of interdependence, hierarchy and gender relationships, where sentiments of violence, hatred and competition were cultivated, sentiments which were not independent from the economic action.

An example of family dispute in the cosmopolitan ambience of Smyrna in the last decades of the nineteenth century was that concerning the estate of another medium-sized Greek merchant and entrepreneur from the Ottoman Empire. Ioannis Martzellas was born in 1812 in Smyrna, then a city of 150,000 residents, of which roughly 40 per cent were Greek.²⁸ Ioannis Martzellas was one of the Greek Smyrniot merchants involved in commerce with the Netherlands, a business which dated back to the eighteenth century.²⁹ There is historical evidence that after 1770, a large portion of the Dutch trade out of Smyrna was in Greek hands. Cotton exports outweighed all other export products from Smyrna, and Greek merchants operated under the protection of the Dutch. Enterprises based in Chios with representatives in Istanbul, Smyrna and at least one western European harbour, such as Venice or Amsterdam, dominated the trade of felt and woollen cloth in the markets of Smyrna and Istanbul.³⁰

28 Konstantinos Ikononou, 'Πολιτειογραφία: αυτοσχέδιος διατριβή περί Σμύρνης' [City Survey: Improvised Treatise on Smyrna], offprint from the review *Εομής ο Λόγιος*, 1817, pp. 16-23.

29 His father Petros Martzellas was a merchant in Amsterdam and his mother Angeliki was the daughter of Ioannis Mayrogordatos and Christina Kana, sister of one the founders of the famous Evangeliki school in Smyrna. Petros Martzellas had twelve children and, of these three girls and two boys, Ioannis and Nikolaos, survived: Matthaios Paranikas, *Ιστορία της Ευαγγελικής Σχολής Σμύρνης* [History of the Evangelical School of Smyrna], Athens: no p.h., 1885, pp. θ' - ι'.

30 Thus in 1797, the 'Martzella brothers' being settled in Amsterdam along with other merchants, J. Mayrogordato, G. Pitzipios, D. Skilitzis, Tomazakis, M. Paterakis, were called upon to provide to the Sublime Porte contributions to the Ottoman military, as practised by all inhabitants in the Ottoman Empire: J.G. Nanninga (ed.), *Bronnen tot de geschiedenis van den Levantschen handel* [Sources of the Levant Commercial History] 4/1, 1765-1826, ('s-Gravenhage), 1964, p. 583; ('s-Gravenhage), 1966, pp. 1363-4.

Ioannis Martzellas was of the second generation of merchants from Chios and Smyrna; as with the previous generation, pursued short term economic profits and conformed to the same cultural model of nurturing national sentiments through philanthropy and evergetism. His family, along with the Korais family, had made its fortune from the Dutch trade in the Mediterranean. Their personal enrichment via trade was accompanied by charitable activities within the community.

In August 1883, the merchant Ioannis Martzellas passed away in Smyrna. His story reveals a web of personal relationships that through microhistorical analysis, illuminates aspects of the Greek-Orthodox community in the multi-ethnic market of the Mediterranean. Beneath the community bonds and family cohabitation, disagreements and rivalries can be detected. Two years after his death, the history of the Evangelical school of Smyrna was printed and the book was dedicated to its main benefactor, Ioannis Martzellas.³¹ To a large extent, the school was maintained thanks to income from rent and its wealth of assets, but it also received alms and contributions. Donations by Smyrna merchants for the foundation and operation of this school are well known. With a cycle of roughly forty years, the Evangelical school was destroyed by fire: in 1778, 1842 and 1881; each time, the cost of rebuilding was undertaken by a new generation of Greek merchants in Smyrna. After the last fire, the merchant Ioannis Martzellas spent 700,000 *guruş* (7,000 Ottoman lira) and was honoured as the school's major benefactor. His name was associated, according to the definition of 'benefaction' of the time, with noble work and kindness. We also know that at the time he died, Ioannis Martzellas was the treasurer of the Evangelical school.³² Soon after the death of his brother Ioannis, Nikolaos Martzellas began a legal fight disputing ownership of his brother's estate since the latter did not have any other relatives in

31 The school had been founded back in 1773. In 1778, it was burnt down and was further repaired with the financial contribution of various Greek merchants, see Matthaios Paraniakas, *Ιστορία της Ευαγγελικής...*, op. cit.

32 *Ibid.*, p. 72.

Smyrna apart from his two elderly sisters. Nikolaos Martzellas traded in Marseille and London but had returned in Smyrna after receiving the news of his brother's death. In the meantime, all of Ioannis's fortune had been channelled into the Evangelical school and Greek Orthodox charitable institutions of Smyrna. The sense of unity within the local community had been strengthened through a succession of benevolent actions and charity. According to Nikolaos, his brother's personal keys and money were always to be found mixed up with those of the Evangelical school. It was also usual for him to keep common ledgers for his personal accounts and that of the Evangelic school: 'he lent to the Evangelical school important sums for the alleviation of urgent debts'.³³ It was a practice that should not necessarily lead us to assume that there was corruption, but rather that there was a conflict between the private and community wealth in Smyrna, especially since the Evangelical school was a community institution that had been created and maintained exclusively by the merchants there. At the same time, this particular example demonstrates the absence of a genealogical continuity for I.Martzellas. The Evangelic school could become the home and the posthumous memorial for an old heirless merchant.

Ioannis Martzella's fortune was calculated, according to a report composed by his brother, at 45,000 Ottoman lira, much more than the sum that he had spent repairing the Evangelical school back in 1881. After his death, the school administrators opened up his two safes which contained his decoration, various documents, insurance papers, bills, stocks and cash. The opening of his safes had taken place with the consent of the two elderly sisters in Smyrna. These sisters were described by Nikolaos as 'morons'. An important issue was that this

33 This building on 15 Avraam road had been bought back in 1862 by the two brothers, Ioannis and Nikolaos Martzellas in their sister's name, an Ottoman subject, since they themselves being foreign subjects under western protection did not have the right to possess a real estate property in Smyrna. See his published pamphlet: Nikolaos Martzellas, *Περίληψις των συμβάντων κατά την αποβίωσιν του εν Σμύρνη Ιωάννου Μαρτζέλλα, λαβούσαν χώραν την 31/12 Αυγούστου 1883* [A Summary of the Events upon the Passing Away of the Smyrniot Ioannis Martzellas that Took Place on 31/12 August 1883], Athens: no p.h., 1885, p. 6.

idiomorphic posthumous donation also included a building. When Nikolaos returned to Smyrna after the death of his brother, he found the house sealed. The administrators of the Evangelical school had removed everything to raise funds for the Greek charitable institutions of Smyrna. The two sisters had also approved this action. Nikolaos Martzellas protested, invoking his French citizenship and calling upon the Dutch consul to step in and resolve the affair.³⁴

This particular case presents an example which could be interpreted as a coincidental family conflict or one which contests the model of introverted social reproduction in the Greek community of Smyrna. Family and community institutional forms had a strong local character. A new aspect in this family affair is the fact that it was published in the form of a pamphlet. The proclamation of a family dispute was certainly discomposing the intended uniformity of the Greek community of Smyrna. In Marzellias's case, we notice Greek merchants using western nationality and western consular institutions for their economic transactions while preserving introverted social models in their family and community circle. Cultural diversification, mentality and gender issues between members of the Greek community in Smyrna can be disguised in Marzellias's case under family inheritance problems.

Concluding remarks

The systematic study of private fortunes, family firms, merchant houses and trading companies can give rise to different methodological orientations; the Ottoman Greek merchant and his entrepreneurial activity being organic part of them. The study of the internal and external development of the firm, suggests that the historian has to deal with aspects such as organisational structure, diversification, vertical and horizontal development, business strategies and managerial competences an agenda guided by Business History. The preliminary

34 *Ibid.*, p. 7.

choise of theoretical frameworks that lead to explanations and interpretations of historical developments gives rise to the main problem regarding the rationalization of the complexity of the historical reality.³⁵

The history of enterprises, related with economic history and political interperetations, is a study that often leads to consider the wider problems of merchant or industrial capitalism and inequalities in world social and economic development. Following Braudel and Wallerstein paths, this historiografical agenda was shaped after their works. Based on empirical research a large literature on Venetian, Genoese and other pre-industrial merchants formed a corpus of works that deal with the historical evolution of markets, towns and trade mainly in the Mediterranean region. The study of merchant capitalism became the central theme in many of these works configuring Marxist interpretations.³⁶ Recent historiografical approaches draw away from the study of capitalism as private ownership, market oriented commercial activity, poltical and socio-economic interperetations and tend to concentrate to the study of economic behaviour in history including cultural investigations, biographical approaches and encompassing the narratives of private lives in wider contexts.

As a final remark here we could take into consideration Charles Kindleberger's observation. He had worked on world economics and he had also shaped world economy. It wouldn't be pointless to cite him here in the following:

A scholarly but sharp confrontation between a 'cliometrician', skilled

35 There is a variety of reviews and books dealing with Business History issues. For a representative example, see Geoffrey Jones, *Merchants to Multinationals. British Trading companies in the Nineteenth and Twentieth Centuries*, Oxford-New York: Oxford University Press, 2000; Michael Dietrich and Jackie Krafft, 'The Firm in Economics and History. Towards an Historically Relevant Economics of the Firm', *EconPapers*, discussion papers, 2008, <http://hal.archives-ouvertes.fr/docs/00/21/11/96/PDF/Varietiesofcapitalism.pdf>.

36 From the vast bibliography, see Frederic Lane and Jelle Riemersma (eds), *Enterprise and Secular Change*, London: G. Allen & Unwin, 1953. On merchant capitalism M. Dobb, Fr. Perlin, J.L. Van Zanden are few of the names that shaped the relevant discussion.

in the use of economic theory and sophisticated econometrics in writing economic history, and a traditional historian, relying on a wide range of evidence from archives, reports, contemporary accounts, biographies and the like and 'vague, multidisciplinary, heuristic models', suggests that neither approach has a marked advantage over the other, and that each must be employed by its practitioners with great care.³⁷

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37 Kindleberger was a recognized authority on international economic relations and international monetary relations. He was one of the main architects of the Marshall Plan after the Second World War. Charles Kindleberger, *Historical Economics: Art or Science?*, Berkeley: University of California Press, 1990, p. 26.

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