**Class formation in the Ionian Islands during the period of British rule, 1814-1864.**

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**INTRODUCTION**

The historiography of class in Greece has followed a Marxist trajectory. From the rigid Marxism of Skliros and Kordatos of the early years of Greek social history to the more nuanced analysis of Moskof, Tsoukalas, Mouzelis and Filias, sociologists and political scientists, but not historians, have provided the dominant paradigm for the evolution of Greek social formation since the late eighteenth century – the usual starting point. While this earlier focus was (predictably perhaps) on the peasant and, on fewer occasions, the working class, the history of the bourgeois class has remained largely unexplored with the exception of the ‘diaspora bourgeoisie’ concept, to which special reference will be made later.

More recently the parameters of Greek historiography have been reconfigured, following developments in historiography elsewhere. In Britain, especially, an ostensible necessity to abandon any class framework of historical explanation dominates, not as a result of the fall of communist regimes in Soviet Union and Central and Eastern Europe, which supposedly discredited historical materialism, but as a result of the aggressive criticisms against the very epistemological foundations of History by some historians and most commonly by thinkers and literary critics, usually called in an unhelpful and generalizing way ‘postmodernists’. Central in this critique has been the urge to abandon categories of historical explanation (too fixed to account for the complexities of the subject we are told), and the dismissal of narratives that claimed and indeed required some allowance for historical objectivity, in the sense of following a social science methodology. The Marxist narrative of class analysis in history was in this spirit abandoned, as a ‘metanarrative’. Other historians in Greece were less willing to jump ship but following the general trend means there are hardly any pockets of historiographical ‘resistance’ left that are prepared to situate class at the centre of their analysis.
Class of course is a debatable and indeed controversial term. Never a concept or an analytical category, as class is often called by the more methodology-minded, has aroused so much interest, generated fierce debates and inspired historians (among others of course), only to be subsequently abandoned as a bankrupt, invented and insignificant category of social taxonomy, as opposed to, for example, race and/or gender. The larger narrative to which this paper belongs aimed to analyze Ionian society with class at the centre of the narrative. The research identified the Ionian Islands during the period of British rule, 1815-1864, as the ‘case study’. Historians of class in the Ionian Islands are historians immediately set apart from historians of the Greek state due to a significant difference; in the emerging Greek State there was no indigenous (or autochthonous – to use a Greek word) bourgeoisie, whereas in the Ionian islands the bourgeois class emerged gradually from the last period of Venetian rule, on to the period of incorporation of the islands to the Greek State and beyond. On this, there is a general consensus among historians of the Ionian Islands.

In the existing Greek historiography one particular group, merchants, became one of the constitutive elements of a Greek bourgeois class and played a significant (but not absolutely crucial) role. In the Ottoman Empire and in port cities around the Mediterranean and the Black Sea, merchants originating from islands and coastal areas from the seventeenth (and more intensively from the late eighteenth) century onwards accumulated wealth as they replaced the French in several Mediterranean emporia and facilitated the expansion of British manufactured goods and the provision of grain to West-European economies. This class, merchants, bankers and often speculators played a role not only in the emergence of the Lilliputian Greek state (as historians have claimed for decades now), but also in the incorporation of the area of eastern Mediterranean to the global economy through their activities in shipping and commerce. This is in fact a much less researched area which would enable Greek historiography to engage with the debates that are currently taking place in the field of global economic history and concern globalization, development and growth from the 1500s onwards.¹ At a local level (and perhaps at a national level too) merchants were equally important in the reconfiguration of social and power relations, both in the area of the Ottoman Empire that became the Greek State and in the Ionian Islands, an area with an entirely different historical trajectory altogether.

Class is always about power and any investigation of the former was bound to engage with the complexities of the latter. The questions about the class identity, character and agency of Ionians during this period inevitably involved questions about their status and power in their local society. Economic power and social status concurred with moral authority and a hybrid British-Ionian perception of the world emerged, a perception that gradually abandoned its Italian origins and orientated towards the centre of an emerging nation, Athens. The thesis set out to look at class and power relations in the Ionian Islands during this rather convenient ‘slice’ of time, 1815-1864, periods of time being in any case a device historians use in order to control the unruly character of events in the past, and train themselves in the profession. Research was concerned with more than one town, in fact with all the port cities of the Ionian Islands, but methodological constraints and the limitations of sources (as usual) imposed a focus on Corfu, not at all arbitrary and meaningless however, since the town was the administrative, commercial and military capital of the Ionian Islands. This is not to say that the other towns were of less importance but that the epicentre of many historical developments was located in Corfu; particularly well-known, for instance, are the parliamentary events that led gradually to ‘enosis’ – unification - following the ceding of the islands to Greece.

The thesis and the paper do not focus on these developments. Instead, the main question the thesis set out to examine was the impact of institutional change on the process of class formation. While no class can be seen in a vacuum and relations with other classes are inherent in the analysis, the impact of institutional transformation on the merchants of the islands as a group became central, because of the importance of commerce for the islands’ economy and the recurring manifestation of the increased role of merchants, or at least of some merchants in the towns’ social and economic life. What about the political expression and articulation of interests of this class though? The issue will be discussed in more detail, suffice it to say here that from the beginning, the analysis required first of all a broader definition of politics. This re-definition of political agency, articulation of interests and essentially power became feasible with the use of institutions of urban governance as an analytical tool.

As in every social science research the problem had to be clearly formulated and the questions set out: what were the institutional changes that could possibly lead to a reconfiguration of social and power relations among different classes in Ionian society during the nineteenth century, as all historians have previously suggested? The emergence of a bourgeoisie in the Ionian Islands that at the end responded to its ‘class obligation’ and
required ‘enosis’, union with Greece is one of the most recurring arguments in the historiography, but that does not necessarily make it credible. Whoever reads and studies the social history of the islands will be surprised with the consensus on the emergence of the Ionian bourgeoisie, more often taken for granted than explored, especially for the period of British rule.

The historiography of Greek merchants, on the other hand, usually called Diaspora, has become in the last few years too significant to ignore even if it was subsequently abandoned as a historiographical context; nevertheless, one would have to engage with it and with the concept of community specifically, that is usually adopted in the examination of the role of Greek merchants in Mediterranean ports in the nineteenth century. The critique is too lengthy to summarise here and will only be briefly mentioned. The paper proceeds with a background of class relations in the Ionian Islands before the period of British rule, the relevant historiography on Ionian classes and merchants; this is followed by a brief overview and analysis of the main institutions examined during the period and the ways in which these institutions became the breeding ground of the new Ionian ‘upper class’.

THEORETICAL CONSIDERATIONS

While North’s model of institutional change and definition of institutions as informal constraints and formal rules is one of the most prominent ones in institutional economic history, there have been objections and attempts to check North’s theory by sociologists who do not perceive the economic and the social as separate spheres of human agency.2 According to Granovetter, the main shortcoming of New Institutional Economics, which is North’s approach, is neglect of social structure.3 Granovetter’s criticisms focus on the neglect of collective economic action by economic theory. This action is socially situated and can be traced in the involvement in companies (joint-stock, for example), and also in the close-group organisation of commercial mechanisms and decision-making bodies, such as

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2 According to Douglas C. North, institutions are ‘humanly devised constraints that structure political, economic and social interaction. They consist of both informal constraints (sanctions, taboos, customs, traditions and Codes of conduct), and formal rules (constitutions, laws, property rights)’; D.C. North, ‘Institutions’, Journal of Economic Perspectives, 5, 1 (1991), p. 97. North refers to, and is primarily concerned with, the relations, which transformed long distance trade and paved the way for the creation of economies of scale. Since, however, the central focus of the paper is not the growth, stagnation or decline of Ionian economy, but class relations in Ionian society and the emergence of a new social group, the hypothesis formulated is whether institutions which clearly advanced commercial exchange constituted the site of formation, as well as of agency, of a commercial class.

the Exchange and the Chamber of Commerce. Thus, for Granovetter, institutions can only be perceived as social constructs. This argument has particular importance for the hypothesis of the formation of a commercial class in the Ionian Islands. These institutions were important in changing commercial structures and impacted considerably on the social organisation of Ionian towns and class formation, in particular. At the same time, these commercial mechanisms were sites of political agency too, as merchants articulated and pursued their interests (adoption of economic liberalism in the grain trade, or more frequent steamer communication with Trieste, for instance) through the Chamber of Commerce, which was used as a platform for negotiation with the British High Commissioner.\(^4\) Also, according to Acemoglu, the aim of more efficient allocation of resources by political and economic elites and economic growth is also achieved through institutions, but not without conflict, as the ‘social conflict’ view holds.\(^5\) This in fact is the issue that has hardly been analysed for the case of Greece, namely the impact of institutional transformation (or the lack of it) on the Greek economy and industrialization in particular.\(^6\)

This paper deals with the class formation by looking primarily at a group, the merchants of the islands, whose activities were primarily, if not exclusively, commercial; activities, which, however, did not determine any static class position.\(^7\) Analysis of class formation was never going to be the same after E.P.Thompson’s defining book *The Making of the English Working Class*, in which class is a historical relationship and a process, no more a category or a structure, no more static and determined by exogenous and given factors such as the mode of production, although class experience was still determined by the productive relations into which men were born.\(^8\) Thompson’s approach saw the appearance of a number of studies of nineteenth-century Britain, with an emphasis on ‘activity, above the imperatives of structure, in the process of class formation. The focus on urban institutions,

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\(^4\) The medium of negotiation was lengthy petitions, submitted to the High Commissioner. The signatures at the end of those petitions allow us to construct a prosopographical as well as a group analysis of the merchants negotiating with the central administration.


\(^6\) T.D. Sakellaopoulos, *Thesmikos Metashimatismos kai Oikonomiki anaptixi*, Eksantas,Athina 1991. The work belongs to the ‘development of underdevelopment’ literature which examined Greece in comparison to the industrialized states of North-Western and Central Europe, and found it, not surprisingly, underdeveloped.

\(^7\) Weber identified the primary significance of the ‘commercial class’ in a) the monopolisation of entrepreneurial management for the sake of its members and its business interests, and, b) the safeguarding of those interests through influence on the economic policy of the political and other organisations; M. Weber, *Economy and Society*, ed. G. Roth and C. Wittich, University of California Press, Berkeley 1978, 2, pp. 302-7.

whether local, government or voluntary, has become central’. Moreover, the issue of urban governance has recently been identified as one of the main ways of looking at urban elites, and towns are treated as fields of social power. What was more important however, since the project aimed to discern the formation of a commercial bourgeoisie in the Ionian Islands, was to engage with the literature on diaspora merchant communities, or, as R. Clogg has termed it, the mercantile bourgeoisie.

HISTORIOGRAPHY

In recent years, studies on Greek merchant communities have proliferated. The scope of these studies though is delimited by the geographical location of the port cities that were examined, since these never became part of the Greek Kingdom as it emerged during the third decade of the nineteenth century and expanded in the following decades, and they are relevant mostly to the history of the Greek diaspora, important as this certainly is. In the case of Corfu, and to a certain extent the other Ionian Islands, the construction of internal coherence of any merchant group in particular and of the bourgeoisie in general cannot be attributed to ethnic, religious or cultural common identity characteristics only, the main


13 The literature is an expanding one. Only the studies used for this research are mentioned here. O. Katsiardi-Hering, Η Ελληνική παροικία της Τερέζης (1750 – 1830) [The Greek paroikia of Trieste], Athens 1986, on Alexandra H. Hadziiosif, ‘Emporikes paroikes ke anexartiti Ellada: erminies ke problimita’ [Merchant paroikiae and independent Greece: interpretations and problems] O Politis, 1983 (62), pp. 28-34, on Odessa and the grain trade: V. Kardasis, Ellines Omogeneis sti Notia Rasia 1775 – 1861 [Greek omogeneis in south Russia], Alexandria, Athens 1997. D. Vlami, To florini, to sitari ke i odos tou kipou. Ellines emporoi sti Livorno 1750 – 1868 [The florin, the grain and the garden street. Greek merchants in Livorno], Themelio, Athens 2000. The genealogy of these studies would have to go back to the research of N. Svoronos in 1956 and T. Stoianovich in 1960; N.G. Svoronos, Le Commerce de Salonique au XVIII Siecle, Presses Universitaires de France, Paris 1956 (Greek translation – Themelio, Athens 1996), T. Stoianovich, ‘The conquering Balkan Orthodox Merchant’, The Journal of Economic History, 20, 1960, 234-311. These two studies provided the thematic range and the conceptual tools for the analysis of merchant communities in diaspora. Stoianovich explored the emergence of an idiosyncratic group of merchants with very specific cultural characteristics, Orthodox, Balkan and conquering, which by the eighteenth century were extremely successful in dominating south-eastern European trade. N. Svoronos, in his study of commerce in Thessaloniki from the sixteenth to the eighteenth century, set out the main elements of the analysis of trade and foreign merchants in a town that was (and still is) the main port and commercial centre of the southern Balkans. For a useful overview of the literature until the early nineties and some theoretical considerations, see, I.K. Hasiotis, Επισκόπηση τις Ιστοριας των Νεολλινικικής Διασποράς [Overview of the History of Modern Greek Diaspora], Vania, Thessaloniki 1993.
feature of the methodology adopted in the above mentioned studies. Instead, it is the
contention of this paper that one needs to look at the institutional changes which took place
during the first half of the period of British rule and which had far-reaching consequences,
surpassing those of the cession of the Islands to the Greek Kingdom, particularly when it
comes to issues of class formation and the power relations in Ionian towns. It is through the
establishment of institutions that this merchant group seems to have developed a sense of
identity, a convergence of commercial and other interests and a sharing of common ideas,
and found common ground with other members of the Ionian elite.

One of the reasons for the use of class as an analytical tool is its contemporary
meanings among Ionians. Class was a contemporary term, although the term used varied in
each case, depending on the language used on each occasion by the multi-lingual Ionians.
The dominant picture of the social classes of the Islands in the existing historiography
derives from contemporary definitions of the social order, which divided society into three
classes, the nobili (the nobles), the cittadini (the citizens) and the contadini (farmers or
peasants).14 This differentiation goes back to Venetian times and was perhaps the most
fundamental aspect of social organization until the early nineteenth century.15 Thus, Hiotis,
historian of the Ionian State, mentions that in 1817, Count Landos while welcoming the
opening of the Legislative Assembly expressed his gratitude to the British for directing the
laws, which would cater for the well-being of all the classes of people.16 For Hiotis the
population was divided into classes according to their occupational activity. Narrating the
economic consequences of the 1849 uprising in Kefalonia, Hiotis notes the deleterious
effects of the stoppage of commercial activity ‘for the various classes of artisans, merchants,
industrialists and proprietors’.17 Other, less educated than Hiotis, perceived and talked about
class in terms of wealth and status.18

14 C. Maltezou, talks about the stratification of Ionian society into ‘a)nobili, b)civili, c)popolo’; C. Maltezou,
Istoria tou Ellinikou Ethnous, Vol. I., p. 220; but elsewhere she talks about the strife between the ‘nobili’ and the
15 Vlachos-Politis argues emphatically that we can talk of a corpo (body) of nobles as a group with distinct social
and political roles for the Venetian period only. He then attempts to provide some aspects of the demographic,
economic, political and social history of this stratum; X. Vlachos-Politis, ‘To Telos ton Evgenon’ [The End of
the Nobles], Delta Anagnostakis Eterias Kerkyras, 24 (2001), pp. 141-186.
16 P. Hiotis, Istoria tou Ionion Kratous [History of the Ionian State], vol. 2, Zakynthos 1877, p. 5. The work of
Hiotis has been a significant influence to practically all subsequent historians, despite his rather Rankian
approach to history which nevertheless is counterbalanced by his meticulous attention to detail, and it is this
attention to detail as well as his statements that make his two-volume History of the Ionian State so valuable and
influential.
17 Ibid., p. 175.
18 Like the bakers of Corfu, who in 1837 petitioned for longer opening hours for their shops and for being
allowed to prepare more (white) bread for the affluent classes, the ‘classe piu agiata della citta’. Petition 164,
In the nineteenth century British sources frequently referred to the merchants of the Islands as the commercial class. In other sources, written in Italian, merchants referred to themselves as the ‘Body of Traders/Merchants’ (*Corpo di Negozianti*). Class was a contemporary term, although the term used varied in each case, depending on the language used on each occasion by the multi-lingual Ionians. For Hiotis, the population was divided into classes according to their occupational activity. Narrating the economic consequences of the 1849 uprising in Kefalonia Hiotis notes the deleterious effects of the stoppage of commercial activity ‘for the various classes of artisans, merchants, industrialists and proprietors’. For British contemporary observers the ‘middle classes’ consisted ‘of those Ionians and others who are occupied in trading. Of these a large number are English, and a few are Germans, many of whom have been long settled in the Island, doing business as merchants and bankers’. The representation of Ionian society containing ‘middle classes’ was the only available class discourse to Victorian visitors and administrators in the Ionian Islands. The same exercise was conducted at the beginning of the research, when occupations in Ionian towns were classified and then re-entered into meaningful categories, classes in fact, according to occupation and status. Despite the pluralism of sources that enable historians to conduct such exercises, these can hardly advance understanding of social stratification; they do provide nevertheless an occupational map of any town, useful for further analysis and questions.

‘Bakers. Pray to be allowed to open their shops’. CO 136/661, National Archives, Public Record Office (hereafter NA ,PRO); or the coffee-house keepers, who claimed that their customers, the ‘lowest class of citizens’ and the ‘working class’, would prefer to spend time in their shops than go to Church and petitioned for being allowed to open during the early hours of Sundays and religious holidays, during Mass. Petition 308, CO 136/821, NA ,PRO.

19 These contemporary perceptions of the social order and of social and occupational identities will have to be taken into account, as the meaning of the term bourgeois, or of the term middle class, *class moyenne, bürgertum, borghesia, astiki taksi*, depends to a large and very crucial extent on the evolution of that term ‘within distinct national and linguistic cultures’. G. Crossick, *op. cit.*

20 P. Hiotis, *Istoria tou Ioniou Kratous* [History of the Ionian State], vol. 2, Zakynthos 1877, p. 5. Hiotis, mentions that in 1817, Count Landos while welcoming the opening of the Legislative Assembly expressed his gratitude to the British for directing the laws, which would cater for the well-being of all the classes of people; Hiotis, p. 175. The work of Hiotis has been a significant influence to practically all subsequent historians of the Ionian Islands, despite his rather Rankian approach to history which nevertheless is counterbalanced by his meticulous attention to detail, and it is this attention to detail as well as his statements that make his two-volume *History of the Ionian State* so valuable and influential.


23 Occupational classification of Corfu according to the 1864 Electoral List: Craftsmen 24%, Merchants 19%, Servants 15%, Proprietors 14%, Retailers 12%, Professions 9%, Labourers 6%, Other 1%. Electoral List 1864, *Eghoria Diahirisi* (*Domestic Administration*), 1544, Istoriko Arheio Kerkyras (hereafter IAK). These occupations reflect division of labour (to some extent) only inside the town walls and not the suburbs.
Existing interpretations of nineteenth-century Ionian society seem to define the classes of Ionian society according to two criteria. One is the definition of social group(s) according to their position in the mode of production (class of landowners, class of merchants, class of agriculturalists) drawing largely from contemporary descriptions and stratification and an implicit Marxism. The other criterion is according to the attitude and respective role of each given group towards the issue of union with Greece. The issue of union and the rise of nationalism did not only dominate the political life of the Islands from the late 1840s onwards, but it has equally dominated historians’ concerns ever since. Overall, the literature is concerned more with allocating groups into a given social structure, rather than identifying how this structure was formed and changed during the nineteenth century.

In English-written works on the Ionian Islands, the term ‘middle class’ is interchangeably used with the word bourgeoisie, or it is avoided altogether. The literature seems to agree on the convergence of economic, with political power for merchants, following the collapse of Venetian Republic in 1797 and the advent of French Republicanism, which unleashed unprecedented political changes in the Islands, initiated a period of turmoil and the first instance in the political and social history of the Islands, in which merchants, as a group, are recorded as a separate group from the ‘bourgeoisie’, or the astoi and the attiki taksis, to use

24 Leontsinis, attributes to the bourgeoisie a progressive role, which he associates with the expansion of Ionian trade and Ionian merchants in the European trade. An economic ascendance of the bourgeoisie was followed by social ascendance taking advantage of the decline of the mercantilist Venetian state; G. Leontsinis, Zitímatata Eptániasiaka Kaimonikí Istorías [Issues of Ionian Social History], Tolidí, Athens 1991, p. 267.

25 The reason for that, and the case of Greece is not atypical in this respect, is the far easier to digest narrative of national integration and assimilation of new territories such as the Ionian Islands, to an expanding Greek state, told usually in a manner of national pride, expectations and anticipated fulfillment. In fact, the focus on the issue of union serves extremely well the division into the three-tier social system. In the narrative of the nation-state, the landowning nobility is usually the evil collaborator, while the bourgeoisie is usually presented as split into two groups. One is the progressive one, the bourgeoisie aware of its national consciousness, from the ranks of which the group of the radical unionists emerged. The other group is the reformists, seeking to reform the Ionian State politically but not overthrow British rule. In fact, the Ionian Assembly becomes the only field of struggle for union with Greece, a struggle which is ultimately a constitutional one, since it takes place inside existing institutions by using them and not attempting to overthrow them by revolutionary movements. For the latter see, D. Moschopoulos, ‘Krisi nomimotitas sto Ionio Kratos’ [Crisis of legitimacy in the Ionian State], in A. Nikiforou (ed), Kerkira, mia Mesogiaki synthése: nisiotismos, diktiam anthropina perivallonta 16as - 19as aiónas [Corfu, a Mediterranean synthesis: island mentality, networks, human milieu, 16th -19th centuries], International Conference Proceedings, Corkyra, Corfu 1998, 191-211.


27 D. Hannell, ‘The Ionian Islands under the British Protectorate: Social and Economic Problems’, Journal of Modern Greek Studies, 7 (1989). Hannell identifies with insight that ‘the social and economic history of the protectorate is characterised by class, agricultural backwardness and political impotence’; his analysis, however, does not live up to the ambitious task, especially difficult since it is attempted in the space of an article. The repetition of the descriptive terms the ‘educated and wealthy’ surely does not advance considerably our knowledge of nineteenth-century Ionian society and its stratification.
Greek historiographical terms. With the advent of French republicanism, a period of anarchy ensued, well documented by contemporaries, which lasted until the constitutional restoration of the old order in 1803. The most important development during this period of the Septinsular Republic (1800-1807), though, was the specification of political principles in a Constitution, upon which the new polity was based. This was voted in 1803 and after abolishing the hereditary aristocracy of the nobility created the ‘new constitutional nobility’ comprised of nobles and burgheers, depending on their income, degree or profession. The new constitution was a mixture of liberal and conservative elements, and it formed the basis for the Seaton reforms several decades later, in 1848, when the political rights were granted to those above a certain income (different for each island), and to those in possession of a degree, or in a certain profession. The importance of these institutional arrangements for the formation of a distinct commercial class lies in the articles granting political rights to merchants ‘maintaining a prosperous store’, expressed in a certain amount of money, defined by the constitution. It is also interesting that the constitution makes provision for people from ‘all classes’, who can participate to this polity once they fulfil one of the criteria (capital, store or university degree – therefore capital expressed in property or knowledge). The reference to the word ‘class’ is important and signifies the linguistic and other cultural transfers at play, as the constitution was written in Greek.

The above survey of the literature has demonstrated that the representation of Ionian society during the period under consideration has been rather problematic and largely inadequate. This is because the history of social classes in the Ionian Islands has long suffered from the imposition of external social models, and their uncritical (in most cases) application, reflecting a more general trend in Greek historiography. This paper argues

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28 For a number of scholars, the defining moment was the composition of the deputation from the municipal councils in 1801. E. Koukou, narrating the political changes brought about in the Islands by the French and their consequences during the following months, notes: ‘The commission for public order called representatives from the peasants, the artisans, the merchants and from the middle class of the town, to discuss their demands. The districts and the villages elected 48 representatives and the artisans and the merchants 16, altogether 64’; E. Koukou, *Istoria ton Eptanison apo to 1791 mehri tin Agglon (The history of the Ionian Islands from 1797 until English rule)*, Athens 1999, 3rd edition, p. 105.


31 E. Prontzas, “na geni I glossa tis dioikiseos kai o diermineftis ton energeia politon” ['may the language of the administration become the active people's interpreter'], University Studio Press, Thessaloniki 1998, p. 90.
instead for looking at the process of institutional change in the urban world of the Ionian Islands and reconstructing the process of class formation through the agency of the merchants and other groups; this approach allows for discerning the subtleties inherent in any process of class formation. These subtleties are not only the cohesion, sociability and convergence of worldview of the main protagonists, the merchants of the Islands, but also the conflict, antagonisms and struggle for power, as well as negotiation and accommodation between different social groups that could have belonged to the same class. Following the above necessary historiographical review, the need to employ an alternative method for discerning the process of class formation becomes even more apparent.

INSTITUTIONAL CHANGE AND CLASS FORMATION DURING THE BRITISH PERIOD
The institutions examined in this research are primarily the law, the ultimate decision-making apparatus, commercial associations and mechanisms that were as important in the nineteenth century for the Ionian Islands as the *senate* were in earlier times in the islands and the guilds in western Europe, philanthropic and literary associations, the Savings bank but also new forms of business organisation, the joint stock company, expressed in a British-Ionian bank and several maritime insurance companies. These examples of institutional change signify the broader changes in the Ionian economy and to a large extent society. The merchants of the islands, as an economic and social group were at the heart of those institutional changes, without, of course, being the only ones who were affected by them. At another level, values and customs were also changing during the period and again it was merchants that sought to establish the values that deserved to be praised and the vices that had to be condemned. Specifically it was the merchants-creditors who aimed at prescribing what they considered ‘proper’ economic and to an extent social behaviour of debtors, and with these criteria they assessed they cases when they became insolvent and their cases reached the courts; the Commercial, if the case was a bankruptcy or the Criminal courts if the debtors were accused of fraud.

The impact of the above examples of institutional change can only be summarised here. The institutionalisation of commercial practices, such as the codification of civil and commercial legislation, in 1841, in the Ionian Islands Commercial Code, was not the first regulation during the period but it was certainly the most significant. The British-administered Ionian State facilitated the introduction of an institutional framework through a
series of laws, decrees and resolutions, the most important of which was the codification
laws with the introduction of the Civil, Criminal and Commercial Codes in 1841. In 1840,
the Ionian Bank - a British bank, commenced operations in Corfu, Zante, Kefalonia and in
the neighbouring Peloponnese. From its onset, the bank functioned as the financier of the
Ionian State and as a credit mechanism for the currant trade. Other institutions were
important not only for the economy in general but particularly crucial for the structuring of
the merchants in hierarchies and the emergence of an elite group of merchants. Despite the
differences among merchants from different Islands, institutional change affected all Islands
and to an extent functioned as a unifying force, which forged this commercial bourgeoisie.
These institutions were the Exchange in Zante and Corfu, and the Chamber of Commerce
in Corfu and Kefalonia. Through these commercial mechanisms the merchants of the
Islands acquired greater autonomy, elected their representatives and advised the State on
commercial issues as well as assisted if not determined, the settlement of debts in the
commercial courts, through their function as Assessors elected by their peers. Frictions were
not absent however, as it will be demonstrated in the case of the Corfu Chamber of
Commerce, and the process of moulding an elite group of merchants was far from orderly.
At the same time, the new business organisation set up by the Commercial Code enabled the
establishment of a number of joint-stock companies, most of them financed by local capital,
with the exception of the Ionian Bank. These companies were primarily in the field of
maritime insurance and production of agricultural exports, wine and silk. They also
performed banking operations, aiming to challenge the privilege of the Ionian Bank to issue
notes, but the support of the Ionian State to the British-administered and financed bank was
overwhelming. Other aspects of the institutional transformation between 1830s and 1860s
included the introduction of advertising techniques, the adoption of scientific administration
of the new forms of business organisation, the joint-stock companies and the creation of a
shareholding mentality, which affected several and diverse groups of Ionian society. Through
these new business strategies and developments, we can discern the merchants who
demonstrated entrepreneurial spirit, possessed the necessary capital to invest in the new
business opportunities and had the advantage of the protection offered generously by the
British administration. The latter was particularly valuable in commercial operations abroad,
in cases where British consulates had to mediate and act on behalf of Ionian merchants.

The role of these institutions and their function in the process of ‘redeploying the
corporate system’ has been examined in the context of the emerging commercial capitalism
in Europe. In a different context the function of the Chamber of Commerce as intermediary between business and government and its role as a medium used by social groups in ascendance, such as merchants, to negotiate relationships with the declining landed elite, has been demonstrated. In nineteenth-century Livorno, the Chamber of Commerce was one of the institutions, which ‘would serve to reflect the new concerns of the merchant community and to aid in their articulation and implementation’. What has not been stressed is the redefinition of the term merchant and its social meaning through these institutional changes, that took place in the Ionian islands during the period, and the hierarchy created among the commercial class as a result of these institutional changes.

No class or social group can be studied in vacuum and the new forms of business organisation, primarily banks and insurance companies attracted not only the financial interest of merchants but also of landowners, professionals and the occasional priests and teachers, as well as female siblings. Shareholding became a novel activity taken up by both members of the old nobility and the emerging urban elite. The Ionian Bank shareholders (the bank founded and administered by London merchant bankers and financing the currant trade in the islands and Morea) were title-holding members of the nobility. On the contrary, the shareholders of the insurance companies in all islands were merchants, shipowners, and some members of the professions, responding to the opportunity for accumulation of some small profit by investing in one or more of these new forms of business organisation.

What these companies represented was an idea of modernity whose origins lay in the British ideology of progress (economic, social and political) through commerce. Time and again British High Commissioners declared their belief to this idea of progress that would ultimately lead to the political maturity of Ionian and would render British protection redundant. This very liberal ideology assumed its local expression in the field of politics through the parties of the Ionian Assembly, namely the Reformists and in a more radicalised

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version, the Radical Unionists. In the commercial sphere, merchants also adopted a liberal ideology, manifested in their urge to convince the Ionian State to follow and adhere a free trade policy. The National Archives hold a number of petitions by merchants, written and submitted collectively over the issue of the grain trade and the opening up of the communications market to foreign steamer companies.

The adoption of the practically same ideology, liberalism, by different groups in Ionian society is certainly worth exploring further, and the connection between the two might be important in any analysis of nineteenth-century Ionian Islands social formation. Another field, however, that was explored during the research is the extra-economic means through which this emerging group of merchants sought to establish itself and assert its authority over the rest of the urban population and in accordance or in alliance with other groups. Such groups included the members of the British administration (such as army officers), the political class of the Islands (until 1848-49 predominantly comprised of the landowning ‘nobility’), the higher clergy of all denominations, Roman Catholic, Orthodox and Protestant, and also members of the professions, such as lawyers and physicians.

It has been asserted that one of the most important tools for the analysis of urban elites is the concept of governance. Governance and, in particular, urban governance, is not confined only to the political institutions of the Ionian State, the Assembly, the Senate and even the Municipal Council (significantly curtailed before the reforms of 1848-9). Instead, governance is also to be found in the institutions responsible for the administration of urban economic and social life. These were sites of power too, institutions through which power was diluted without the existence of ideological mechanisms of the State (such as schools, the Ionian Academy and the official newspaper). Tracing and identifying these institutions and their role in shaping the urban hierarchies, as well as the individuals who established, administered and shaped these institutions, is an extremely important process.

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39 On nobility and the special meaning it acquired in the Islands, and for a recent clarification of the description see N. Karapidakis, ‘Oi sheseis dioikounta kai dioikoumenou sti venetokratoumeni Kerkira’ [Relations between ruler and ruled in Corfu under Venetian rule], in A. Nikiforou (ed), Kerkira, misi Mesogiaki synthesis: nisitismo, dikia, anthropina perivallonta 16os - 19os aionai [Corfu, a Mediterranean synthesis: Island mentality, networks, human milieu, 16th -19th centuries], International Conference Proceedings, Corfu 22-25 May 1996, Corfu 1998, pp. 179-190. Towards the end of the period, many lawyers were among the ‘petite bourgeoisie’ - so called of the Islands. Some of them were among the most radical elements in the Ionian Assembly. As it has become clear from the analysis so far though, this thesis is concerned more with developments in Ionian society outside the sphere of the Assembly rather than with developments and arguments inside the Assembly walls.

for addressing the issue of power in any society at any given time. During the period of British rule, the institutions of urban governance were created with the initiative either of the elite or of the State and, in some cases, through the interaction of both. Instrumental to the establishment of hierarchies in the Ionian towns was the local bourgeoisie, in particular the commercial bourgeoisie. These were the wholesale merchants, insurance companies’ directors, bankers and creditors, who have been identified so far in the previous chapters. The involvement of these merchants and businessmen indicates their perception of a sense of social responsibility to the less affluent of their society. These very public roles were either assigned by the State, appointing the merchants to committees, or were taken up by the merchants themselves through philanthropic and other initiatives. The character of these initiatives complements the picture of an emerging bourgeoisie, with merchants being among the protagonists, who play a central role in the establishment and administration of these institutions of urban governance. Sociability, convergence of mentality, worldview and interests with other strata, would have to be at the centre of any historical project tracing the emergence of a bourgeoisie in the Ionian Islands.

This process of establishing institutions of urban governance was exceptionally unifying for the urban societies of the Islands. The same laws for the opening of poorhouses, lunatic asylums and prisons were devised by the central authorities in Corfu and were applied to all the three main Islands to enable the local administration, British and Municipal, to address a problem which became increasingly acute and visible during the period of British rule; poverty and vagrancy, its principal manifestation. At the same time, responses of the wealthy towards the increasing social problems caused by economic distress and pressures were similar. Both the institutions of coercion established by the State and the institutions of urban governance, will be seen as the means to the same end, urban power and control. State and urban elite employed the different but converging methods of coercion and philanthropy respectively. This convergence of aims to control the urban poor was part of a wider development during the period. The State assumed its ‘usual’ role of surveillance and coercion from very early on, in fact from the first days of British rule in the Islands. Through a series of laws, decrees and regulations, and their implementation through the police forces of the State, a complex apparatus of surveillance and coercion was put in place. 41 On the other hand, the urban elite assumed its primary role in the field of

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41 Kirkwall, while touring and researching on the Islands for his book, found his own ‘proof’ of the autocracy of British rule:

I also read some of the correspondence between the Marquis Rivarola, then in the British service and General Campbell, at that time [1814-6] Governor-General and Commander-in-Chief at Corfu. These
philanthropy. The constant deficit of the Ionian budget and the dismal fiscal condition of the Ionian state, as a consequence, did not allow its officials and head of State to intervene drastically and provide solutions to the problem of deteriorating living conditions of the population, especially in the districts both inside and outside the town walls. Following the British model of social organisation and its ramifications in terms of practices (surveillance, rationalisation, ‘progress’), the Ionian State allowed philanthropy to flourish and encouraged its practice, not only because it confirmed the role and presence of British imperial power, but mainly because it covered the absence of social welfare and the inability of the State to respond to the demands of the Ionian citizens for education, sanitation and, especially, for a viable income from agricultural production and the commercial activity of the port.

The British-inspired organisation and administration of economic and social life was incorporated in the worldview of the urban elite. The institutions of urban governance responsible for the implementation of policies were simultaneously sites of agency and exercise of power by the urban elite. The Savings Bank, the Agricultural Society (closely associated with the Savings Bank), the Reading Society, the Ionian Society, a number of philanthropic initiatives, organised in annual subscription funds but also raised in exceptional circumstances, as well as sanitary committees responsible for urban hygiene, form a power nexus so dense that cannot be ignored by historians. At the same time, there was also a convergence of ideology and on several occasions the view of society aspired to by merchants, members of the commercial bourgeoisie and the State coincided, at the expense of less privileged social groups, in and around the town walls.42

CONCLUDING COMMENTS

This paper has argued for the necessity of examining a number of legal, economic and urban institutions as instrumental in the process of class formation. This new class, the Ionian bourgeoisie, and one group among them, the merchants of the islands stand out in the history of social class in Greece and still await closer examination. Nevertheless, the

letters amply proved the complete, but I believe most necessary despotism established by the English in 1815. The corruption of judges, and other officials in those days, and the general state of the Islands, after their many vicissitudes, made a strong government indispensable for the welfare of the inhabitants. Kirkwall went on to defend the establishment of autocratic rule as indispensable also for the security of life and property, ‘which form the main objects of all rational governments’. V. Kirkwall, Four Years in the Ionian Islands, Vol. 2, 1864, p. 139.

42 The population living outside the town walls in Corfu was largely poor and destitute. A particular moment of crisis came when in 1855 there was a cholera outbreak in Manduki, a suburb of Corfu, and the Health Committee considered the option of cordoning off the suburb, thus condemning its residents to death. Instead, the philanthropic initiative by merchants to establish a fund that raised subsequently considerable sums for the care of the cholera infected diffused the situation.
appearance of a number of woks recently is an indication that the islands’ social and economic history has, at last, attracted historians. So what did this class do on the issue of union with Greece? Traditional Marxist historiography would assume that the ‘progressive’ bourgeoisie would demonstrate nationalist inclinations and support the unionist movement. In the case of the ‘political class’, by the late 1850s it was comprised of parties-blocks with fairly clear political goals. Among merchants, however, as the example of the competition in the banking sector shows, between the Ionian Bank and the insurance companies, on the occasion of the renewing of the Ionian Bank’s note-issuing privilege, clear lines were not really taken until the late 1850s, and even not until the moment of union, indicating the ambivalent attitude of merchants towards the forthcoming status quo. Other merchants, though, had already established business networks and had initiated a process of integration to the Greek national economy, much earlier than the political decision for ceding the islands to the Greek kingdom was taken. The position of other members of Ionian society, professionals, shopkeepers or labourers, is much harder to establish. Merchants, nevertheless, were divided over the issue of union.

Towards the end of the period and as it was clear since 1863 that the islands would soon be ceded to the Greek State, the new urban elite, constituted not by landowners, people with titles and officers, as it was the case during Venetian times, but by professionals, merchants, and officers, had asserted its presence and affirmed its hegemony through economic power, alleged moral superiority, and political representation. The British authorities only intervened when it was absolutely necessary, as in the 1848 Kefalonia uprisings, and on a more day to day basis by providing the necessary military support for the maintenance of order in the islands, and especially Corfu where almost the whole British garrison were stationed. This issue of maintaining order became more pressing immediately after the departure of British troops. As Storks, the last British High Commissioner himself noted, the upper and conservative classes were deeply concerned about the reactions of the peasants and growers after the departure of the British.43 Political developments that followed the long-delayed settlement of the land ownership laws and the transition from feudal to civil legislation and status (an area left untouched by the British despite a number of other institutional changes), indicate that a coalition among different property-owning groups, whether landed or not, was necessary in order for the peaceful transition from a semi-colonial to national administrative framework to take place. The institutions examined

in this research demonstrate parts of the process of achieving a consensus among old and new elite groups in Ionian society, negotiating the changing power relations with the British authorities and also among themselves. The process of class formation during the period of British rule if seen through the institutions necessary for the encounter of disparate groups is a quite exceptional case compared to other Greek cities in the nineteenth century. Nevertheless, the study of the Greek bourgeois class cannot but take into account the developments and changes in the social formation of these areas that were gradually incorporated by the Greek State.

It is considered that the idiosyncrasy of the Ionian State as a protectorate and, thus, as neither a colony nor an independent State, permeates any examination of the social and economic reality of the Ionian Islands at the time, and this paper forms no exception. Without being a sufficient condition for the process of class formation of the Ionian bourgeoisie, as far as merchants and the economy of the islands is concerned, the economic dependence of the Islands on British imports for the vitality of Corfu’s transit trade and currant exports to Britain for the livelihood of the residents of the southern Ionian Islands, was more important than any political dependence conferred by the status of the islands.44 This is also evident during the after-union era in the continuing dependence of the Greek (not just the Ionian) economy, on the currant trade and markets in Britain and elsewhere. At the same time, the transfer of British attitudes to social and economic organisation was a necessary condition for the emergence of an Ionian bourgeoisie in this particular form and it was as important as the historically western-oriented attitudes and culture that permeated the fabric of Ionian urban society. Had the islands passed under a different administrative framework and ruled by a different power, the emergence of a bourgeoisie would probably have taken another historical route. In this particular historical conjuncture though, the process of institutional change did not only aid the economic and social ascendancy, but it can also be considered as a form of political domination, provided we adopt a much more broad sense of politics and include also the institutions of urban governance, a field of sociability, power and construction of urban elite identity par excellence.

44 The lacunae in the existing historiography cannot realistically be filled in a paper, however ambitious it may be. It is important to discern, though, the shortcomings of this historiography and of any approach which would assume that the issue of union is more important than any other aspect of historical reality of the Ionian Islands.